Annual Report 2025-26

SMFG
India Credit
Pragati Ki Nayi Pehchaan

BEING SARVOTTAM

Rising to Excellence, Built on Trust






What's Inside

Highlights of the Year FY 2025-26

Financial

₹65,350 Cr
Assets Under Management
+15% YoY

₹52,848 Cr
Disbursements
+21% YoY

₹12,353 Cr
Total Income
+21.72% YoY

₹501 Cr
Profit After Tax
+13%

19.4%
Capital Adequacy Ratio*

3.4%
Return on Equity*

Operational

31 lakh
Customers

1,015
Distribution Points

~23,000
Employees

Social

₹12 Cr
Spent on CSR

7 lakh
Beneficiaries

*Standalone

Board of Directors:

Mr. Rajeev Kannan
Non-Executive, Non-Independent Director, Chairman

Mr. Toshitake Funaki
Non-Executive, Non-Independent Director
(Appointed w.e.f 19 September, 2025)

Mr. Keishi Iwamoto
Non-Executive, Non-Independent Director
(Upto close of business hours on 11 February, 2026)

Mr. Yoshitaka Ando
Non-Executive, Non-Independent Director
(Upto close of business hours on 31 May, 2026)

Mr. Ravi Narayanan
Chief Executive Officer & Managing Director
(Appointed w.e.f 28 August, 2025 as CEO and w.e.f 22 September, 2025 as CEO&MD)

Mr. Shantanu Mitra
Chief Executive Officer & Managing Director
(Upto close of business hours on 15 June, 2025)

Mr. Hiroyuki Mesaki
Executive Director & Deputy Chief Executive Officer
(Appointed w.e.f 22 May, 2026)

Ms. Seema Bahuguna
Non-Executive, Independent Director

Mr. Diwakar Gupta
Non-Executive, Independent Director

Mr. Colathur Narayanan Ram
Non-Executive, Independent Director

Mr. Murali Ramakrishnan
Non-Executive, Independent Director
(Appointed w.e.f 10 October, 2025)

Mr. Rajaraman Balachander
Non-Executive, Independent Director
(Upto close of business hours on 9 October, 2025)

Ms. Dakshita Das
Non-Executive, Independent Director
(Upto close of business hours on 27 February, 2026)

Chief Financial Officer:

Mr. Pankaj Malik

Company Secretary:

Mr. Sagar Tawre
(Appointed w.e.f. 16 April, 2026)

Ms. Akanksha Kandoi
(Upto close of business hours on 22 January, 2026)

Joint Statutory Auditor:

Walker Chandiok & Co LLP; and
G. D. Apte & Co

Bankers:

Asian Development Bank
Axis Bank Limited
Bank of America
Bank of Bahrain and Kuwait
Bank of Baroda
Bank of China
Bank of India
Bank of Maharashtra
Barclays Bank
Canara Bank
Catholic Syrian Bank
Central Bank of India
CTBC Bank
DBS Bank
DCB Bank Limited
Deutsche Bank
Doha Bank
HDFC Bank Limited
ICICI Bank
IDBI Bank
IDFC First Bank
Indian Bank
Indian Overseas Bank
International Finance Corporation
Karnataka Bank
Karur Vysya Bank
Kookmin Bank
Kotak Mahindra Bank
MUDRA
National Housing Bank
Punjab & Sind Bank
Punjab National Bank
RBL Bank Limited
SIDBI
South Indian Bank
Standard Chartered Bank
State Bank of India
Sumitomo Mitsui Banking Corporation
The Federal Bank Limited
The Hong Kong and Shanghai Banking Corporation
UCO Bank
Ujjivan Small Finance Bank
Union Bank of India
Yes Bank
Emirate NBD
NABARD
Hua Nan Commercial Bank
First Commercial Bank
Hyakugo Bank
Taiwan Cooperative Bank
Taiwan Business Bank Ltd
The San-In-Godo Bank

Rating Agencies:

CARE Ratings (CARE)
CRISIL Ratings Limited (CRISIL)
ICRA Limited (ICRA)
India Ratings and Research Private Limited (India Ratings)

Share Transfer Agent:

MUFG Intime India Private Limited

Address: C-101, 1st Floor, 247 Park,
Lal Bahadur Shastri Marg, Vikhroli (West)
Mumbai – 400083
Toll-free number (India): 1800 1020 878
Tel No: +91-22-4918 6270 Fax: 022-4918 6060
Email: rnt.helpdesk@linkintime.co.in
Website: https://in.mpms.mufg.com/

Debenture/Security Trustee:

Catalyst Trusteeship Limited

Address: 901, 9th Floor, Tower-B, Peninsula Business Park, Senapati Bapat Marg,
Lower Parel (W) – 400013
Phone: 91 (022) 49220529,
Mobile: 9987735796
Email: ComplianceCTL-Mumbai@ctltrustee.com
Website: www.catalysttrustee.com

Vistra ITCL (India) Limited

Address: The IL&FS Financial Centre,
7th Floor, Plot C-22, G Block, Bandra Kurla Complex, Bandra (E), Mumbai – 400051
Tel No: 022 – 26593226
Email: Rajesh.Dasari@vistra.com
Website: www.vistraitcl.com

Registered Office:

Commerzone IT Park, Tower B, 1st Floor,
No. 111, Mount Poonamallee Road, Porur,
Chennai - 600116

Corporate Office:

11th Floor, C Wing, Embassy 247,
Lal Bahadur Shastri Marg, Gandhi Nagar,
Vikhroli (West), Mumbai,
Maharashtra - 400083 (w.e.f. 1st July 2026)

Directors' Report

Dear Members,

The Board of Directors takes immense pleasure in presenting the 31st Annual Report and the Audited Financial Statements of SMFG India Credit Company Limited ('SMICC'/'the Company'), for the Financial Year ('FY') ended 31 March, 2026.

Background

SMICC is a leading non-banking financial company ('NBFC') in India, offering a diverse portfolio of lending solutions across retail, micro-segments, and SME/MSMEs. Sumitomo Mitsui Financial Group, Inc. ('SMFG') holds a 100% stake in SMICC and is one of the largest global banking and financial service groups, offering a diverse range of financial services including commercial banking, leasing, securities and consumer finance, with a heritage exceeding 400 years in Japan. Sumitomo Mitsui Banking Corporation ('SMBC') is also categorized as one of the global systemically important banks (G-SIBs).

With over **18 years** in the lending space, SMICC and its wholly owned subsidiary **SMFG India Home Finance Company Limited ('SMHFC')**, are dedicated to delivering superior financial solutions across the country. With a robust **pan-India presence spanning 800+ branches and retail touchpoints,** SMICC and SMHFC serve customers in **670+ towns and 70,000+ villages,** ensuring financial access for underserved and unserved segments. The Company is committed to give a **new identity of progress** to all its customers through a comprehensive range of loans tailored to meet diverse financial needs.

- **Retail Lending:** Personal Loans, Home Loans, Home Improvement Loans, Two-Wheeler Loans, and Rural Housing Loans to support livelihood advancement
- **SME/MSME Financing:** Loan Against Property ('LAP'), Business Loans, Commercial Vehicle Loans, and working capital solutions to fuel business growth

SMICC's portfolio comprising of Urban, Digital and Rural Business (which is known by the name 'SMFG Gramshakti'), is a testament to our mission of reaching a varied mix of customers across the Indian landscape.

SMHFC specializes in **affordable housing finance,** offering **Home Loans and Loan Against Property** for both salaried and self-employed individuals. Additionally, the Company supports developers with financing for residential and commercial property construction. With an **extensive direct sourcing model,** SMHFC is rapidly expanding its footprint in suburban towns, strengthening its presence and making homeownership more accessible.

By leveraging its deep market expertise, extensive distribution network, and customer-first approach, SMICC continues to drive financial inclusion, enabling individuals and businesses to achieve their aspirations and build a brighter future.

Strong Financial Performance

Assets Under Management grew by 15% in FY 2025-26. [March 2026: ₹65,350 crores as against ₹56,989 crores in March 2025]

Profit After Tax stood at ₹501 crores, with Return on Equity at 4.7%, and Earning Per Share at ₹1.89 in FY 2025-26.

Stage-3 ratio (gross) as at March 2026 stood at 2.4% as against 1.9% at March 2025 and Stage-3 ratio (net) as at March 2026 stood at 1.3% as against 1.0% at March 2025.

Shareholders' Funds grew to ₹11,135 crores as at March 2026 as against ₹10,518 crores as at March 2025. Book value per share increased to ₹41.9 per share from ₹39.6 per share.

The Company continues to maintain a healthy capital adequacy ratio. The capital adequacy ratio at a standalone level stood at 19.4% as at March 2026, against the regulatory requirement of 15.0%.

Please refer 'Management Discussion and Analysis' section enclosed as **Annexure I** to this report, for further details on the performance of the Company.

1. Financial Performance Highlights for FY 2025-26

(₹ in crores)

Particulars	Standalone		Consolidated	
	2024-25	2025-26	2024-25	2025-26
Total income	**8,869**	**10,814**	**10,148**	**12,353**
Finance cost	(3,030)	(3,434)	(3,713)	(4,228)
Depreciation	(187)	(213)	(212)	(238)
Operating expenses	(3,443)	(4,182)	(3,841)	(4,618)
Impairment on financial assets	(1,743)	(2,465)	(1,777)	(2,556)
Profit before tax and exceptional items	**466**	**520**	**605**	**713**
Exceptional items	-	37	-	40
Profit before tax	466	483	605	672
Tax expense	(122)	(129)	(163)	(171)
Profit After Tax	**344**	**354**	**442**	**501**
Balance brought forward from previous year	1,313	1,588	1,278	1,628
Transfer to Reserve Fund under Section 45-IC & Section 29C(i) of the RBI Act, 1934 and NHB Act, 1987	(69)	(70)	(92)	(96)
Surplus carried to Balance Sheet	**1,588**	**1,872**	**1,628**	**2,033**

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

The Company delivered a reasonable set of numbers for the year under review, with robust growth in income, aided by buoyant credit demand on the back of a solid expansion in India's economic output. The AUM grew by 15% in FY 2025- 26 [March 2026: ₹ 65,350 crores as against ₹ 56,989 crores in March 2025], driven by higher disbursements. The Company has recorded highest ever disbursements of ₹52,848 crores in FY 2025-26.

2. Capital Adequacy

The Company maintains a healthy capital adequacy ratio as of 31 March, 2026, at 19.4%, as against the regulatory requirement of 15.0%.

3. Dividend

Your Directors did not recommend any dividend on equity shares of the Company for the financial year ended 31 March, 2026, to conserve capital for AUM growth.

4. Transfer to Reserves

During the year, the Company transferred ₹70.8 crores (20% of the profit for the year), to reserves created as per the norms laid down under Section 45-IC of the Reserve Bank of India Act, 1934.

5. Share Capital

The total issued, subscribed, and paid-up capital of the Company as of 31 March, 2026, stood at ₹265.48 crores. The Company has not issued any convertible securities and there are no outstanding convertible securities as on 31 March, 2026. The details of the equity shares of the face value of ₹10 each, held as of 31 March, 2026, are as under:

Name	Number of Shares	%
SMFG along with six (6) nominee shareholders	2,65,48,54,060	100.00
Total	**2,65,48,54,060**	**100.00**

On 24 April, 2026, the Company allotted 105,392,156 Equity Shares of face value of ₹10 each at a premium of ₹92 each aggregating to ₹10.75bn on right basis to SMFG. Post this allotment, the paid-up capital of the Company comprises of 2,76,02,46,216 equity shares aggregating to ₹2,760.25 crores. The new equity shares issued rank *pari passu* with the existing equity shares of the Company in all respects.

6. Disclosure on ESOPs

The Company does not have any employee stock option/purchase scheme. The details of share appreciation rights are mentioned in Note 40 of the notes to accounts to the audited standalone financial statements.

7. Performance of Housing Finance Subsidiary

SMHFC's asset under management stood at ₹12,859 crores as of 31 March, 2026, as against ₹11,692 crores as of 31 March, 2025, up 10% YoY. SMHFC's PAT grew 5% YoY to ₹126 crores from ₹120 crores.

The financial statements of the subsidiary company is also available on the Company's website at https://www.smfgindiacredit.com/investors/disclosures-under-regulation-62-of-the-lodr/subsidiaries-accounts.aspx

As per Regulation 16(1)(c) of SEBI (Listing Obligations Disclosure Requirements) Regulations, 2015, (SEBI LODR, 2015), SMHFC is a material subsidiary of the Company. Further, in accordance with the SEBI LODR, 2015, the Board has approved the Policy on Determining

Material Subsidiary which is available on website at https://www.smfgindiacredit.com/policies.aspx

Pursuant to Section 129(3) of the Companies Act, 2013 ('the Act'), a Statement in Form AOC-1 containing salient features of the financial statements of the subsidiary company, forms part of the financial statements.

During the year under review, the Company did not have any associate or joint venture.

8. State of Company's affairs, Economy, Industry Overview, Future Outlook etc.

A detailed overview of the state of affairs of the Company, economy, industry overview, future outlook etc. is provided in the 'Management Discussion and Analysis' section enclosed as **Annexure I** to this report.

9. Change(s) in the nature of business, if any

There has been no changes in the nature of the business of the Company during the financial year under review.

10. Debt Position

During FY 2025-26, the Company met its funding requirements through the issue of Commercial Papers and secured as well as unsecured Non-Convertible Debentures (NCDs). The total incremental borrowings on a standalone level, during the financial year stood at ₹23,393 crores (₹17,461 crores repaid during the year). The Company issued ₹3,215 crores of commercial papers (₹2,345 crores repaid during the year) and ₹1,810 crores were raised through issuance of secured and unsecured non-convertible debentures (₹3,324 crores repaid during the year) to various mutual funds, High Net worth Individuals (HNIs) and financial institutions, on a private placement basis. The Company raised funds equivalent to USD 555 million via the ECB route to diversify borrowing sources. Further, the Company has outstanding Perpetual Debt Instrument of ₹600 crores as on 31 March, 2026. During the previous year, the Company achieved significant progress in raising funds through sale of pool of assets, both secured and unsecured, as underlying assets, via direct assignment including Securitisation (net off investment) amounting to ₹1,542 crores.

The Company availed long-term and short-term bank loans of ₹13,240 crores (repaid ₹11,653 crores during the year) (including Working Capital Demand Loan). The Company has been regular in repayment of its borrowings and payment of interest thereon. No interest payment or principal repayment of the term Loans or on the NCDs was due and unpaid as of 31 March, 2026.

11. Robust Credit Ratings

During the year under review, rating agencies reaffirmed/issued the following ratings to the Company:

Description	CRISIL Rating Limited	ICRA Limited	CARE Ratings Limited	India Rating
Non-Convertible Debentures	CRISIL AAA/Stable	[ICRA]AAA (Stable)	CARE AAA; Stable	-
Retail NCD	-	[ICRA]AAA (Stable)	-	-
Bank Loan	CRISIL AAA/Stable	[ICRA]AAA (Stable)	CARE AAA; Stable	-
Subordinated Debt	CRISIL AAA/Stable	[ICRA]AAA (Stable)	CARE AAA; Stable	IND AAA/Stable
Long Term Principal Protected Market Linked Debentures	CRISIL PPMLD AAA/Stable	PP-MLD [ICRA]AAA (Stable)	-	-
Commercial Paper/Short-term debt programme	CRISIL A1+	[ICRA]A1+	CARE A1	-

In addition, the Japan Credit Rating Agency (JCR) has assigned 'AA-/Stable' rating, while CareEdge Global Ratings has assigned a 'A/Stable' rating to the Company's Foreign Currency Long-Term Issuer Rating.

A status of ratings assigned by rating agencies and migration of ratings during the year is also provided in *'note to the standalone financial statements'* of the Company.

12. Loans/Advances/Investments Outstanding during FY 2025-26

The disclosures relating to particulars of loans/advances/investments outstanding as per Regulation 53(1)(f) read with Para A of Schedule V of the SEBI LODR, 2015, are as under:

Sr. No.	Particulars	Amount Outstanding as of 31 March, 2026	Maximum Amount Outstanding during the year ending March 2026	Amount Outstanding as of 31 March, 2025	Maximum Amount Outstanding during the year ending March 2025
a.	Loans and advances in the nature of loans to subsidiary: SMFG India Home Finance Company Limited	Nil	Nil	Nil	Nil
b.	Loans and advances in the nature of loans to Associate	Nil	Nil	NA	NA
c.	Loans and advances in the nature of loans to firms/ companies in which Directors are interested	Nil	Nil	Nil	Nil
d.	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

Further, Company has given a corporate guarantee of ₹ 186 crores to National Housing Bank ('NHB') on behalf of SMHFC to avail NHB refinance. These lines are shown as off balance sheet under Note no 43 of the standalone financial statements.

There were no transactions done by the Company with any person or entity belonging to the Promoter/Promoter Group, which hold(s) 10% or more of the shareholding of the Company, except those as disclosed in the note on related party transactions in the financial statements.

13. Dynamic Risk Management

As a diversified Non-Banking Financial Company ('NBFC') in India's retail lending sector, the Company operates in a dynamic and evolving environment, requiring us to be agile and resilient.

The Company has a strong independent governance and risk management structure. It actively monitors risks emanating from both internal and external events. The objective of the risk framework is to ensure that the Company underwrites based on prudent risk standards and focuses on its target segment to achieve sustainable profitability.

The Company has a Board approved Risk Appetite Statement ('RAS') laying down overarching risk boundaries for the Company to operate within. It covers various risk types including credit, concentration, liquidity, capital, reputation, operational, information security, information technology and compliance risks.

Each product at the Company is governed by the Board approved Credit Risk Management Policy ('CRMP'). Periodic reviews against laid out performance benchmarks and necessary amendments are undertaken in policies, underwriting guidelines and processes to ensure alignment with the approved risk appetite, macroeconomic environment, regulatory requirements, industry and sectoral trends.

A comprehensive risk management framework enables the Company to evaluate and address risks both qualitatively and quantitatively at the entity level. The Company's senior management is responsible for regularly assessing and ensuring the effectiveness of this framework.

Please also refer to the 'Management Discussion and Analysis Report', enclosed as **Annexure I** to this report, for more details.

14. Strengthening Digital Capabilities

SMICC leverages advanced analytics to drive its digital transformation, deploying models for real-time credit decisioning, risk management, and fraud detection leading to faster TATs and better customer experience at all touchpoints. SMICC has also integrated digital CKYC, Digilocker-based verification, e-sign and e-stamp capabilities into its onboarding processes, ensuring paperless, compliant and faster customer journeys. Cutting-edge features like biometric face match and real time credit assessment—further strengthen SMICC's digital lending platform ensuring a secure, scalable and customer-centric digital ecosystem. The focus has been on aligning technology solutions with business goals, capabilities, and processes while simplifying the systems for greater agility.

SMICC is compliant to relevant regulations, driving innovation and operational excellence.

15. Corporate Social Responsibility (CSR)

The Corporate Social Responsibility Committee ('CSR Committee') comprises of Mr. Toshitake Funaki, Mr. Yoshitaka Ando, Mr. Ravi Narayanan and Ms Seema Bahuguna as on 31 March, 2026. Terms of Reference of the CSR Committee are given in the 'Report on Corporate Governance'. The Company's CSR policy, including an overview of the CSR projects undertaken by the Company, is enclosed as **Annexure V** to this report.

The CSR policy is available on Company's website at https://www.smfgindiacredit.com/policies.aspx.

16. Nurturing Human Capital

FY 2025-26 marked continued progress in SMFG India Credit's people agenda, with *Sarvottam* guiding key HR initiatives focused on organisational capability, workforce readiness, and employee experience. The Company strengthened its Human Capital strategy through quality-led hiring, leadership development, employee engagement, and digital HR transformation.

Talent Acquisition and Workforce Development

The Company adopted a quality-focused hiring approach centred on capability alignment, cultural fit, and long-term workforce sustainability. As of 31 March, 2026, permanent headcount stood at 20,291 employees in SMICC and 23,151 on a consolidated basis.

The breakup of employee count as of 31 March, 2026 is given below:

Entity	Female	Male	Grand Total
SMICC	1,558	18,733	20,291
SMHFC	227	2,633	2,860
Grand Total	**1,785**	**21,366**	**23,151**

Further, the key initiatives during the year included:

- Launch of *Saksham*, the Company's first Hire–Train–Deploy program
- Onboarding of the first cohort under *Project Shaurya*, the veteran inclusion initiative
- Hiring of 77 Management Trainees with 36% women representation
- Onboarding of 581 apprentices in SMICC and 85 in SMHFC under National Apprenticeship Promotion Scheme

Talent Management and Capability Building

The Company strengthened its Enterprise Talent Framework to enhance leadership development, succession planning, and talent assessment processes. Learning and development initiatives continued to focus on functional, regulatory, behavioural, and leadership capabilities through blended learning models.

The Company also enhanced its digital learning ecosystem through implementation of a modern Learning Management System with AI-enabled learning capabilities.

Employee Engagement and Experience

Employee engagement remained a priority through structured listening mechanisms, leadership townhalls, pulse surveys, and onboarding interventions under *Sampark*. SMICC was recognised as a *Great Place to Work®* for the seventh consecutive year.

Diversity, Equity and Inclusion

DEI continued to remain integral to the Company's people strategy through initiatives such as:

- *Pratibha* for improving women's participation and leadership representation
- *Samarth* for promoting inclusion of persons with disabilities

The Company also conducted pan-India unconscious bias workshops and strengthened workplace safety and POSH governance mechanisms. During the year, SMICC was recognised among the *Top 100 DEI Organisations in India.*

Reward, Wellbeing and Culture

The STAR recognition program continued to reinforce performance and values-led behaviours.

During FY 2025–26:

- **2,957 SMICC** and **322 SMHFC** employees recognised through Monthly STAR awards
- **435 SMICC** and **129 SMHFC** employees recognised through Quarterly STAR awards

Employee wellbeing initiatives focused on preventive healthcare, awareness, and inclusive workplace practices. During the year, the Company introduced a Menstrual Leave Policy to further strengthen support for women employees.

The *Satark* initiative continued to reinforce awareness around ethical conduct, compliance, and accountability across branches and offices pan-India.

FY 2025-26 Recognitions:

- **Great Place to Work®** certification for the **7th consecutive year**
- Recognition among the **Top 25 Best Workplaces in BFSI** (two consecutive years)
- Inclusion in **India's Top 100 Companies to Work For** (two consecutive years)
- Recognised among **India's Best Workplaces in NBFCs**
- Recognition as a **Company with Great Managers** for the **7th consecutive year**
- **Ranked #25** among the **Top 100 DEI Organisations** by Team Marksmen
- Recognition for **Excellence in Developing Women Leaders** at the SPARK HR Summit
- Recognition for **Excellence in Training and Development** at the India HR Summit
- Recognition for **Excellence in Employee Volunteering** at **ASSOCHAM CSR and Sustainable Awards**

Attrition

As of 31 March, 2026, the attrition rates at SMICC showed a slight difference between genders, with 30.8% for females and 29.5% for males. Age-wise, the attrition figures were 36.6% for employees under 30, 25.8% for age range 30-50, and 6.7% for employees aged 50 and above.

On the other hand, SMHFC experienced varying attrition rates between genders with 23.6% among females and 21.4% among males. Regarding age, the attrition percentages were 26.6% for employees under 30, 19.9% for ages 30-50, and 0% for employees aged 50 and above.

Training

The Company emphasizes on detailed training, undertaken periodically, some of which are mandatory. These sessions are planned based on employee's grade-wise or project wise requirement. The following data represents the **average days of training** conducted as of 31 March, 2026:

Training Metrics (for FY 2025-26)	SMICC	SMHFC	Overall
No. of training man hours completed	4,40,321	69,562	5,09,884
No. of unique employees covered in training programs	16,256	2,670	18,925
Average training days per employee	2.71	3.04	2.75
No. of workshops conducted	2,027	490	2,283
No. of iLearn Courses Completed	39,763	12,087	51,850

Type	Avg Training Days/Emp
Average Training Days Per Employee (Overall)	2.75 days/Emp
Average Training Days Per Employee (SMICC)	2.71 days/Emp
Average Training Days Per Employee (SMHFC)	3.04 day/Emp
Average Training Days Per Employee (Male Employees)	2.77 days/Emp
Average Training Days Per Employee (Female Employees)	2.57 days/Emp

Grade	Avg Training Days/Emp
Senior Management	0.73 days/Emp
Middle Management	1.86 days/Emp
Junior Management	2.93 days/Emp

Encouraging Volunteering for Environment

SMICC actively encourage employee volunteering as a core part of our commitment to social impact. Our initiatives empower employees to contribute their time, skills, and resources toward addressing community needs across areas such as education, environment, and social welfare. SMICC enables meaningful engagement opportunities that foster a culture of empathy, collaboration, and responsible citizenship. These efforts not only create positive societal outcomes but also enhance employee engagement and purpose.

S. No	CSR Initiatives in 2025-26	Total Volunteering Hours (Approx)	Employees Participation
1	1CSR1-Branch led CSR activities	1,000+	500
2	Pashu Vikas Day-Cattle Care Camps; conducted simultaneously at 510 branch locations across 16 states/UTs	8,000+	3,000
3	Volunteering for Corporate Employees	4,000	1,184
	TOTAL	**13,000+**	**4,684**

Some key initiatives include:

- **Ek Muthi Chawal:** 'Ek Muthi Chawal' is a heartfelt SMICC initiative that encourages employees to support underprivileged communities, particularly during Diwali. Grains contributed by employees are distributed through NGOs to benefit children and the elderly. With participation from over 9,500 employees across 20 states and contributions exceeding 47,000 kg of grains, the initiative continues to grow in both scale and impact, helping provide essential nutrition to those in need.
- **Pashu Vikas Day (‘PVD’):** Since its inception in 2014, PVD has scaled significantly—from treating 22,000 cattle in a single day across 114 locations to reaching 1,40,000 cattle in a day across 510 locations in 16 states by 2026. In 2025, the initiative earned a Guinness World Record for the “Largest Cattle Welfare Lesson (Multiple Venues)” with 517 participants across six venues. Its success is driven by the collective efforts of over 5,000 employees, veterinary experts, and NGO partners.
- **Tree Plantation Drive:** The Company marked July 2025 as Environment Month to promote environmental sustainability. In collaboration with NGO partners, plantation drives were conducted across 19 locations nationwide. Over 1,900 employees participated, planting more than 5,300 indigenous trees, which are expected to absorb an estimated 1,700+ tonnes of CO_2 over the next 20 years.

The Path Ahead

The Company remains committed to building a future-ready organisation anchored in strong leadership, agile talent practices, and a culture of continuous learning and innovation. As the business environment continues to evolve, the focus will remain on strengthening organisational capability, enhancing employee experience, and building sustainable workforce resilience.

Key priorities for the future include:

- Strengthening capability building through targeted learning, digital upskilling, and leadership development initiatives.
- Building a robust leadership pipeline and succession framework to support long-term organisational continuity.
- Leveraging internal talent mobility and accelerating employee capability development across critical roles.
- Advancing digital and AI-enabled HR practices to improve agility, employee experience, and decision support.
- Fostering an inclusive, high-performance culture that encourages innovation, collaboration, and accountability.
- Continuing to strengthen the Company’s employer brand and workplace practices to attract and retain high-quality talent.

The Company will continue to adapt proactively to changing business, regulatory, and workforce dynamics to support sustainable growth and long-term organisational excellence.

17. Corporate Governance

The Company had been identified as a High Value Debt Listed Entity (‘HVDLE’), w.e.f. 7 September, 2021, and as such is required to comply with the relevant provisions of SEBI LODR, 2015, as amended from time to time relating to corporate governance, on a ‘comply or explain’ basis, till 31 March, 2025, and on a mandatory basis thereafter. SEBI *vide* SEBI (LODR) (Amendment) Regulations, 2025 introduced a separate Chapter VA w.r.t. corporate governance provisions for HVDLEs applicable w.e.f. 28 March, 2025. 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 a copy of the certification of the Chief Executive Officer ('CEO') and Chief Financial Officer ('CFO') of the Company are provided as **Annexure II and III** to this report. A certificate from the Practicing Company Secretary regarding compliance of conditions of corporate governance is provided as '**Annexure B**' to this report.

Directors and Key Management Personnel

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

Appointment/Re-appointment/Cessation of Directors

Appointment/Re-appointment

- Ms. Seema Bahuguna (DIN: 09527493) was reappointed as a Non-Executive, Independent Director for a period of 3 years w.e.f. 26 April, 2025. Thereafter the Members of the Company approved her re-appointment in the Extra Ordinary General Meeting held on 8 May, 2025.
- Mr. Diwakar Gupta (DIN: 01274552) was reappointed as a Non-Executive, Independent Director for a period of 3 years w.e.f. 13 July, 2025. Thereafter the Members of the Company approved his re-appointment in the Annual General Meeting held on 7 August, 2025.
- Mr. Colathur Narayanan Ram (DIN: 00211906) was reappointed as a Non-Executive, Independent Director for a period of 3 years w.e.f. 7 September, 2025. The Members of the Company approved his re-appointment in the Annual General Meeting held on 7 August, 2025.
- Mr. Toshitake Funaki (DIN: 11205897) was appointed as an Additional Director (Non-Executive, Non-Independent) w.e.f. 19 September, 2025.
- Mr. Ravi Narayanan (DIN:08528459) was appointed as an Additional Director (Executive) and CEO & MD w.e.f. 22 September, 2025.
- Mr. Murali Ramakrishnan (DIN: 01028298) was appointed as an Additional Director (Non-Executive, Independent Director) w.e.f. 10 October, 2025.
- The Shareholders in the Extra Ordinary General Meeting held on 12 November, 2025, approved the appointment of Mr. Toshitake Funaki as Non-Executive, Non-Independent Director, Mr. Ravi Narayanan as Chief Executive Officer & Managing Director and Mr. Murali Ramakrishnan as Non-Executive, Independent Director.

The Company had received written notice as per Section 160 of the Act, from Members proposing the candidature of Mr. Toshitake Funaki for the office of Non-Executive Director, Mr. Ravi Narayanan for the office of Chief Executive Officer and Managing Director and Mr. Murali Ramakrishnan for the office of Independent Director.

The terms and conditions of appointment of Independent Directors are available on the website of the Company at https://www.smfgindiacredit.com/investors/disclosures-under-regulation-62-of-the-lodr/tnc-of-independent-directors-appointment.aspx

Further, post 31 March, 2026, based on the recommendation of NRC and approval of Board of Directors, Mr. Hiroyuki Mesaki (DIN: 11612994) was appointed as an Executive Director and Deputy Chief Executive Officer w.e.f. 22 May, 2026, subject to approval of shareholders.

Cessation

- Mr. Shantanu Mitra (DIN: 03019468), Chief Executive Officer & Managing Director (CEO&MD), retired w.e.f. close of business hours on 15 June, 2025 due to personal circumstances.
- Mr. Rajaraman Balachander (DIN: 08012912), Non-Executive, Independent Director ceased to be a Director pursuant to completion of his tenure w.e.f. close of business hours on 9 October, 2025 due to his other professional pre-occupation / commitments.
- Mr. Keishi Iwamoto (DIN: 10297888), Non-Executive, Non-Independent Director ceased to be a Director w.e.f. close of business hours on 11 February, 2026 due to other commitments.
- Ms. Dakshita Das (DIN: 07662681), Non-Executive, Independent Director ceased to be a Director pursuant to completion of her tenure w.e.f. close of business hours on 27 February, 2026 due to other commitments.

The Board of Directors of your Company placed on record their appreciation for the contribution made by Mr. Shantanu Mitra, Mr. Rajaraman Balachander, Mr. Keishi Iwamoto and Ms. Dakshita Das during their tenure as directors on the Board of the Company.

Retirement by Rotation

As per Section 152 of the Act and the Articles of Association of the Company, Mr. Rajeev Kannan (DIN: 01973006) is liable to retire by rotation at the ensuing Annual General Meeting of the Company and being eligible, has offered himself for re-appointment. The Board recommends his re-appointment as a Director of the Company.

The shareholders of the Company may refer to the Notice convening the 31st Annual General Meeting and the Annual Report of the Company, for a brief profile of Mr. Rajeev Kannan.

None of the Directors of the Company are disqualified from being appointed as Directors as specified under Section 164(1) and 164(2) of the Act read with Rule 14(1) of the Companies (Appointment and Qualifications of Directors) Rules, 2014 (including any statutory modification(s) and/or re-enactment(s) thereof for the time being in force) or are debarred or disqualified by the Securities and Exchange Board of India ('SEBI'), Ministry of Corporate Affairs ('MCA') or any other such statutory authority.

Declaration from Independent Directors

The Company has received declarations from the Independent Directors of the Company stating that they meet the criteria for independence as provided in Section 149(6) of the Act and Regulation 16(1) (b) read with 62B(1)(b) of the SEBI LODR, 2015. Based upon the declarations received from the Independent

Directors, the Board of Directors has confirmed that they meet the criteria of independence as mentioned under Regulation 16(1)(b) read with 62B(1)(b) of the SEBI LODR, 2015 and that they are independent of the management. The Independent Directors of the Company are not on the Board of more than three NBFCs (NBFCs-ML or NBFCs-UL) at the same time in accordance with Reserve Bank of India (Non-Banking Financial Companies – Governance) Directions, 2025 as updated from time to time.

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

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 are registered with the databank maintained by the Indian Institute of Corporate Affairs ('IICA'). The Independent Directors are also required to undertake an online proficiency self-assessment test conducted by the IICA, within a period of two years from the date of inclusion of their names in the data bank, unless they meet the criteria specified for exemption. There has been no change in the circumstances affecting their status as Independent Directors of the Company.

Key Managerial Personnel

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

Key Managerial Personnel	Designation
Mr. Ravi Narayanan	Chief Executive Officer and Managing Director (CEO&MD)
Mr. Pankaj Malik	Chief Financial Officer (CFO)

Changes in Key Managerial Personnel

- Mr. Shantanu Mitra (DIN: 03019468), Chief Executive Officer & Managing Director (CEO&MD), retired w.e.f. close of business hours on 15 June, 2025.
- Mr. Ravi Narayanan (DIN: 08528459) was appointed as a Chief Executive Officer w.e.f. 28 August, 2025 and an Additional Director (Executive) and CEO & MD w.e.f. 22 September, 2025.
- Ms. Akanksha Kandoi was appointed as the Company Secretary & Compliance Officer (as per SEBI regulations) of the Company w.e.f. 14 November, 2024 and resigned from the said position w.e.f. 22 January, 2026.
- Mr. Sagar Tawre was appointed as Company Secretary & Compliance Officer (as per SEBI regulations) of the Company w.e.f. 16 April, 2026.
- Mr. Hiroyuki Mesaki (DIN: 11612994) was appointed as an Executive Director and Deputy Chief Executive Officer w.e.f. 22 May, 2026, subject to approval of shareholders.

Number of Meetings of the Board of Directors

The Board of Directors of the Company met 9 (nine) times during the financial year.

i. 8 May, 2025;

ii. 3 June, 2025;

iii. 13 June, 2025;

iv. 7 August, 2025;

v. 22 September, 2025;

vi. 12 November, 2025;

vii. 6 January, 2026;

viii. 11 February, 2026;

ix. 26 March, 2026

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

Details of the meetings and attendance thereat forms part of the '**Annexure II** of the Report on Corporate Governance'.

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, Chairperson of the Company, 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 Chairman) as well as the working of all Board Committees. The Board was assisted by the Nomination and Remuneration Committee. The performance evaluation was conducted by seeking inputs from all the Directors.

Board Committees

The details of the role and composition of the following committees, including the number of meetings held during the financial year and attendance at these meetings are provided in the 'Report on Corporate Governance' Section of the Annual Report:

- Audit Committee
- Nomination and Remuneration Committee
- Stakeholders Relationship Committee
- Corporate Social Responsibility Committee
- Risk Oversight Committee
- IT Strategy Committee
- Wilful Defaulters Review Committee

Audit Committee

The Audit Committee as on 31 March, 2026 comprises of Mr. Diwakar Gupta who serves as the Chairman of the Audit Committee and Mr. Yoshitaka Ando, Ms. Seema Bahuguna, Mr. Colathur Narayanan Ram, Mr. Murali Ramakrishnan and Mr. Toshitake Funaki as members. The terms of reference of the Audit Committee are 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.

Nomination and Remuneration Committee (NRC)

The NRC as on 31 March, 2026 comprises of Mr. Colathur Narayanan Ram who serves as the Chairman of the NRC and, Mr. Rajeev Kannan, Mr. Toshitake Funaki, Ms. Seema Bahuguna, Mr. Diwakar Gupta, and Mr. Murali Ramakrishnan as other members. The terms of reference of the NRC are mentioned in the 'Report on Corporate Governance', enclosed as **Annexure II** to this report.

The Company has laid out clear guidelines as approved by the Board in respect of the 'fit and proper' criteria for the appointment of directors, in accordance with the norms as prescribed by the RBI. Further, as per the terms of reference of the NRC, the policy on remuneration of directors, key managerial personnel and other employees of the Company has been put in place, incorporating principles of fairness, scale-based regulations recommended by the RBI, pay for performance, a sufficient balance in rewarding both short-term and long-term objectives as reflected in the pay mix of fixed and variable pay.

The Policy on remuneration of directors, key managerial personnel and other employees of the Company is available on the website of the Company at https://www.smfgindiacredit.com/policies.aspx.

18. Details of Holding Company

As on 31 March, 2026, Sumitomo Mitsui Financial Group, Inc. ('SMFG') holds the entire 2,65,48,54,060 equity shares (including 6 shares held by nominees) in the Company, making SMFG, the holding company of SMICC. SMFG, based in Japan, is one of the largest banking and financial services groups in the world with an asset size of ~USD 2.0 trillion as on 31 December, 2025, and has its presence across 40 countries and regions.

19. Auditors

Statutory Auditors

In terms of Sections 139 and 141 of the Act read with the Companies (Audit and Auditors) Rules, 2014, guidelines/ directions issued by Reserve Bank of India, the Board of Directors of the Company on 21 November, 2023 and Shareholders at 29th Annual General Meeting of the Company held on 8th August, 2024 approved the appointment of M/s. Walker Chandiok & Co LLP, Chartered Accountants (Firm Registration No. 001076N/N500013) and M/s. G.D. Apte & Co., Chartered Accountants (Firm Registration No. 100515W) as Joint Statutory Auditors of the Company for a period of three years from the conclusion of the 29th AGM held in Year 2024 until the conclusion of the 32nd AGM of the Company to be held in Year 2027.

During the year under review, M/s. Walker Chandiok & Co LLP, Chartered Accountants (Firm Registration No. 001076N/N500013) and M/s. G.D. Apte & Co., Chartered Accountants (Firm Registration No. 100515W) conducted joint statutory audit for the FY 2025-26 and issued their Audit Report. The said Audit Report does not contain any qualification or reservation or any adverse remarks or disclaimer and is self-explanatory. Copy of the said Audit Report forms part of the Annual Report.

Secretarial Auditors

During the year under review, M/s. Vinod Kothari & Company, Practicing Company Secretaries (Firm Registration Number: P1996WB042300) were the Secretarial Auditors of the Company. They had conducted a secretarial audit in accordance with provisions of Section 204 of the Act and Regulation 24A read with Regulation 62M of the SEBI LODR, 2015 and issued the Secretarial Audit Report. A 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.

Pursuant to the provision of Section 204(1) of the Act & Rule 9 of the Companies (Appointment and Remuneration of Personnel) Rules, 2014 and other applicable provisions, if any of the Act and Regulation 24A read with 62M of the SEBI LODR, 2015 read with circulars issued thereunder to the extent applicable, other applicable regulations framed by the Securities and Exchange Board of India in this regard, the Secretarial auditor needs to be appointed by the Board for a fixed term, subject to approval by the shareholders at the Annual General Meeting. M/s. Vinod Kothari & Company, Practicing Company Secretaries have expressed their ineligibility to continue as Secretarial Auditors of the Company.

In view of the above, the Board of Directors have appointed M/s. N L Bhatia & Associates, Practicing Company Secretaries (Firm registration no.: P1996MH055800) as Secretarial Auditor of the Company for a period of five (5) years i.e. from FY 2026-27 to FY 2030-31 subject to the approval of Members at the ensuing Annual General Meeting of the Company, to undertake secretarial audit as required under the Act and SEBI LODR, 2015 and issue the necessary secretarial audit report for the aforesaid period.

M/s. N L Bhatia & Associates have confirmed that their appointment, if made, will comply with the eligibility criteria in terms of SEBI LODR, 2015. Further, the Secretarial Auditor has confirmed that they have subjected themselves to Peer Review process by the Institute of Company Secretaries of India ('ICSI') and hold valid certificate issued by the Peer Review Board of ICSI.

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20. Cost Auditors

Being an NBFC, maintenance of cost records and requirement of cost audit as prescribed under the provisions of Section 148(1) of the Act are not applicable in respect of the business activities carried out by the Company.

21. Certificate on Compliance with the Regulations as regards Downstream Investment and other FEMA Regulations

During the year, the Company had not made any fresh investment in its wholly owned subsidiary company, SMHFC requiring compliance with the provisions on downstream investment and other relevant matters under the Foreign Exchange Management Act, 2000 (FEMA).

22. Vigil Mechanism

The Company has put in place a whistle-blower policy as part of the vigil mechanism for reporting genuine concerns by any stakeholder against any other one pursuant to provisions of the Companies Act 2013, SEBI LODR, 2015; Central Vigilance Commission ('CVC') guidelines on whistle-blower for Public Sector Units ('PSUs') and Non-Banking Financial Companies - Governance Directions, 2025. The whistle-blower policy, which has been uploaded on the website of the Company, provides an opportunity for anyone to report their concerns to the Management about any actual or suspected unethical behaviour, fraud, or violation of the Company's Code of Conduct. The whistle-blower policy also provides safeguards against victimisation of stakeholders, who report their concerns. The whistle-blower policy comprehensively covers processes for receiving, analysing, investigating, taking corrective action, and reporting of the concerns raised.

The whistle-blower policy is available on the website of the Company at https://www.smfgindiacredit.com/policies.aspx.

All the whistle-blower complaints received either through the mailbox enabled for whistle blowing or by any other mode are perused, investigated into and appropriate actions are initiated. An update on whistle-blower complaints received, investigated and corrective action taken, is presented to the Audit Committee, on a quarterly basis.

During the year under review, the Company received 19 whistle-blower complaints, out of which 15 complaints have been disposed-off and 4 cases are under investigation. All 15 cases have been disposed-off in accordance with mechanism laid down in the Policy.

23. Secretarial Standards

Your Company is in compliance with applicable Secretarial Standards issued by the Institute of Company Secretaries of India.

24. Material Changes and Commitments 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.

25. Details of Significant and Material Orders Passed by the Regulators/Courts/Tribunals impacting the Going Concern Status and the Company's Future Operations

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 future operations.

26. Internal Financial Controls

As required under Section 134(5) of the Act, the Company undertook an evaluation of internal financial controls, in accordance with the criteria established under the Internal Control – Integrated Framework (2013) issued by the Committee of Sponsoring Organisations of the Treadway Commission. The identified process maps, key controls, risk registers and control matrices were evaluated for existence and effectiveness of control based on samples; remedial action have been taken or agreed upon where control weaknesses were identified. Based on the results of the said tests, the Directors and Management team believes adequate internal financial controls exist.

The Joint Statutory Auditors of the Company have also certified on the existence and operating effectiveness of the internal financial controls relating to financial reporting as of March 2026.

27. 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 at https://www.smfgindiacredit.com/investors/annual-return.aspx.

28. Deposits

The Company is registered with the Reserve Bank of India ('RBI') as NBFC-Investment and Credit Companies ('NBFC-ICC') and at present Company is a Middle Layer NBFC based on size, activity and perceived riskiness. Your Company did not accept any public deposits during the year under review within the meaning of Reserve Bank of India (Non-Banking Financial Companies – Acceptance of Public Deposits) Directions, 2025 and the provisions of the Act.

29. Loans, Guarantees or Investments under Section 186 of the Act

The Company, being a NBFC registered with the RBI, is exempt from complying with the provisions laid down under Section 186 of the Act, as regards to loan and advances made, guarantees given or security provided. Accordingly, the disclosures of the loans given as required under the aforesaid section have not been made in this Director's Report. The details of investments made by the Company are given in note no. 7 and details of the guarantee given are disclosed in note no. 43 of the standalone financial statements.

30. Related Party Contracts or Arrangements

All contracts/arrangements/transactions entered into/by the Company during the financial year under review with related parties were on arms' length basis and usually in the ordinary course of business of the Company. There were no materially significant related party transactions made by the Company with its promoters, directors, key managerial personnel, or other designated persons, which may have potential conflict with the interest of the Company at large. Related party transactions were placed before the Audit Committee and the Board, for their approval, as required, 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.

During the year, the Company had obtained approvals from the Audit Committee for Securitisation of Receivables and issue of Pass Through Certificate to Sumitomo Mitsui Banking Corporation ('SMBC'), and availed External Commercial Borrowings ('ECB') from SMBC, which is a related party of the Company on account of being a fellow subsidiary. The transactions were material related party transactions and shareholder's approval was sought for the transactions. The Company also had obtained approval of Audit Committee for Direct assignment deal with YES Bank, which is a related party of the Company on account of being an associate of Holding Company.

The policy on related party transactions, as approved by the Board is available on the website of the Company at https://www.smfgindiacredit.com/policies.aspx and annexed to the Director's Report as **Annexure VI**.

The particulars of the transactions entered into between the Company and 'related parties' are given in note no. 63 of notes to accounts to the standalone financial statements.

31. Management Discussion and Analysis

In accordance with the applicable provisions of the RBI (NBFC – Financial Statements: Presentation 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.

32. Fraud Reporting

RBI vide Master Directions on Fraud Risk Management in Non-Banking Financial Companies (NBFCs) dated 15 July, 2024, has amended the fraud monitoring framework for NBFCs. In accordance with the same, the Company has constituted a Fraud Risk Management Committee ('FRMC'), under the oversight of the Audit Committee of the Board ('ACB') to oversee the effectiveness of fraud risk management framework and monitoring of incidences of frauds.

The Company reports frauds to the RBI as and when such instances are detected. The details of the frauds detected and classified during the quarter are placed before the Audit Committee meeting held after the end of each quarter. During the year under review, there were 52 instances of frauds amounting to ₹5.17 crores, which were reported to the Audit Committee of the Board. The Company has taken appropriate staff accountability action in respect of all these cases.

During the year under review, the statutory auditors has not reported to the Audit Committee under Section 143(12) of the Act, any instances of fraud committed against the Company by its officers or employees, the details of which needs to be mentioned in the Director's Report.

33. Revision of Financial Statements or Director's Report

There have been no revisions in the financial statements or the Director's Report as approved by the shareholders of the Company and published in the Annual Report.

34. Details of Debenture Trustees

The details of the entities which acted as the debenture trustees for the debenture holders of the Company during the year, are as under:

Sr. No.	Trustee	Contact Details
1	Catalyst Trusteeship Limited	901, 9th Floor, Tower-B, Peninsula Business Park, Senapati Bapat Marg, Lower Parel (W) – 400013 Ph: 91 (022) 49220529, M: 9987735796

35. Disclosures 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 the prevention of sexual harassment at the workplace. The Company has complied with the provisions relating to the constitution of an internal committee under the POSH Act. For the reviewed period (FY 2025-26), 6 cases were reported under the provisions and guidelines of the said policy and 5 have been disposed in the current year i.e. 1 case is under investigation and expected to be disposed in FY 2026-27.

(a) number of complaints of sexual harassment received in the year – 6

(b) number of complaints disposed during the year – 5

(c) number of cases pending for more than ninety days – 0

(d) number of cases under investigation and under ninety days – 1

The Company confirms the compliance of the provisions relating to the Maternity Benefit Act, 1961.

36. Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo

(A) Conservation of energy and Technology absorption:

The provisions relating to conservation of energy and technology absorption do not apply to the Company, since it is a NBFC. Your Company continues to avoid using diesel generators in all rural locations and has deployed IGBT based UPS with SMF batteries, digital/solar inverters for power outage backups and business continuity. We have standardized the branch fit out patterns in all branch relocations and new location fit outs and are ensuring the use of energy efficient Inverter ACs and lighting systems employing LED lighting only. In other initiatives, a central Electricity Bill payment cell has been created centrally to take control of timely payments of all 948 postpaid bills across the country. This has enabled us to maintain data on electricity consumption patterns and also their billing pattern, which is not only providing data to value add in energy saving, but also provide valuable ESG related consumption data. This is paving way for achieving an automated solution for electricity bill payments which is work in progress and is expected to achieve savings for early payments in some cases.

Your Company has initiated various control measures like daylight usage leading to conservative lighting, optimal usage of HVAC, and implementation of sensor based lighting at various places to achieve cost saving in electricity bills based on data compiled through the central electricity bill cell.

A Proof of Concept for installation of IOT devices at premises with high electricity consumption patterns is underway. This is expected to achieve a saving of up to 15% electricity consumption once implemented fully thus translating into an equal proportion of savings in electricity bills of bigger offices.

(B) Foreign Exchange Earnings and Outgo:

During the year under review, foreign exchange outflow was ₹907 crores and the foreign exchange earnings were Nil.

37. 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 were followed, along with proper explanation relating to material departures;

ii. the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as of 31 March, 2026, and of the profit and loss of the Company for 31 March, 2026;

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.

38. Other Disclosures

i. During the year, there is no proceeding initiated/pending against the Company under the Insolvency and Bankruptcy Code, 2016.

ii. During the year, there was no instance of onetime settlement with any bank or financial institution.

39. Acknowledgement

Your Directors would like to place on record, their gratitude for the cooperation and guidance received from all the statutory bodies, especially the RBI. Your Directors also thank the shareholders, clients, vendors, investors, banks, and other stakeholders for placing their faith in the Company and contributing to its growth. The Company would also like to appreciate the hard work put in by all its employees, and it looks forward to their continuing patronage, going forward.

On behalf of the Board of Directors

Rajeev Kannan
Chairman
(DIN: 01973006)

Place: Mumbai
Date: 22 May, 2026

Annexure I to the Directors' Report

Management Discussion and Analysis

Economic Overview and Outlook

Global Economy

The global economy demonstrated notable resilience in CY 2025, expanding by ~3.4%, broadly in line with the previous year, as highlighted in the World Economic Outlook, April 2026. This steady performance was underpinned by sustained consumption across major economies, even as the macroeconomic environment remained challenging owing to persistent geopolitical tensions and evolving trade dynamics.

Inflation moderated from earlier peaks but stayed above target levels in several economies, driven by supply-side disruptions, elevated commodity prices and trade-related friction. In response, central banks of various economies have made interest rate cuts to support economic activity, aiming to increase the rate of production and consumption while carefully balancing the need to maintain price stability.

The imposition of higher tariffs by the US government on imports contributed to heightened trade uncertainty and increased costs for businesses globally. These measures were aimed at supporting domestic manufacturing and addressing trade imbalances. Consequently, trade relations between the US and key economies, including China and other major trading partners, experienced periods of disruption. However, a moderation in trade tensions and ongoing policy dialogues have supported a gradual improvement in global trade conditions, aiding a move towards greater stability in the global economic environment.

Geopolitical developments, particularly ongoing conflicts in the Middle East and strategic realignments among major economies, continued to weigh on energy markets and global trade flows. The closure of the 'Strait of Hormuz' due to the conflict has blocked the export of oil, gas and fertilisers from the countries in the Middle East. Various parts of the Gulf have also experienced attacks on oil, gas and other infrastructure. The prolonged conflict has disrupted global supply chains and led to a rise in commodity prices, thereby putting pressure on the global economy and raising uncertainty for both consumers and businesses. Due to this, global supply chains are undergoing structural realignment, with manufacturing and trade networks expanding across regions such as ASEAN to reduce reliance on any single geography.

Looking ahead, growth is projected to moderate. Global GDP is expected to moderate from 3.4% in 2025 to 3.1% in 2026, reflecting the impact of fluctuating global demand, weaker trade momentum and persisting geopolitical uncertainties.

Real GDP Growth Projections

(% YoY)

	2024	2026	2027
India	7.6%	6.1%	6.4%
Indonesia	5.1%	4.8%	5.0%
China	5.0%	4.4%	4.3%
Saudi Arabia	4.5%	4.0%	3.6%
Argentina	4.4%	2.8%	3.5%
Türkiye	3.6%	3.3%	3.8%
G20	3.3%	3.0%	3.0%
Brazil	2.3%	1.5%	2.1%
United States	2.1%	2.0%	1.7%
Australia	2.0%	2.3%	2.4%
Canada	1.7%	1.2%	1.7%
United Kingdom	1.3%	0.7%	1.3%
Japan	1.2%	0.9%	0.9%
South Africa	1.1%	1.2%	1.7%
Russia	1.0%	0.6%	0.8%
Korea	0.9%	1.7%	2.1%
France	0.9%	0.8%	1.0%
Mexico	0.6%	1.3%	1.7%
Italy	0.5%	0.4%	0.6%
Germany	0.4%	0.8%	1.5%

Source: OECD (2026), OECD Economic Outlook, Interim Report March 2026

Indian Economy

Amid a challenging global backdrop, the Indian economy has sustained its position as one of the fastest-growing major economies. The Reserve Bank of India ('RBI') projects India's real GDP growth at 7.7% in FY 2025-26, up from 7.1% recorded in the previous year.

While the RBI's projection reflects a robust growth trajectory, it also factors in potential risks stemming from geopolitical tensions in the Middle East, sustained inflationary pressures and ongoing supply chain disruptions. These challenges continue to shape macroeconomic conditions and may influence the pace and stability of India's economic expansion.

In response to supply chain disruptions, India has accelerated the promotion of alternative energy sources like biofuels and solar power, along with the expansion of piped natural gas infrastructure. The Government has also undertaken measures, such as reducing excise duties on petrol and diesel, to mitigate inflationary pressures. Additionally, the Government continues to strengthen collaboration with industries and MSMEs to ensure sustained production and employment generation. Private Final Consumption Expenditure ('PFCE') recorded a growth of 7% in FY 2025-26, accounting for 61.5% of GDP. Robust agricultural performance supported a rise in rural consumption, while improvements in urban consumption were driven by tax rationalisation measures.

India witnessed one of the sharpest declines in headline inflation among emerging and developing economies ('EMDEs'), at 1.8%. This enabled the RBI to lower the repo rate to 5.25% in December 2025 and maintain it at that level through March 2026. This has improved liquidity conditions, supported credit growth, and encouraged higher investment, particularly in infrastructure.

Monetary policy has remained measured and conducive, with the RBI reducing the repo rate and pausing to monitor inflationary trends while sustaining growth. This approach is intended to encourage borrowing at lower interest rates, stimulate credit growth and promote greater investment activity in the economy. The RBI has also infused substantial liquidity into the financial system to address liquidity deficits, which have now reduced to approximately ₹65,900 croress. These measures aim to hedge against economic uncertainties and bring the liquidity shortfall down.

Both the Government of India and the RBI maintain a positive outlook and continue to implement policy measures aimed at sustaining stable economic growth. In the Union Budget 2026-27, the Government has placed emphasis on digital expansion, infrastructure development and increased investments through initiatives like the India Semiconductor Mission 2.0 ('ISM' 2.0), the extension of the tax holiday until 2047 for foreign cloud service providers and a budget estimate of ₹12.2 lakh crores for infrastructure development in order to reaffirm India's position as the fourth-largest economy in the world.

NBFC: Industry Overview

The Non-Banking Financial Companies ('NBFC') sector in India continues to demonstrate steady growth, supported by strong retail demand and favourable consumption trends. With improving macroeconomic stability, the sector remains well-positioned to expand its credit footprint across key segments. The retail Assets Under Management ('AUM') of NBFCs, excluding Housing Finance Companies (HFCs) is expected to have grown at 18-20% in FY 2025-26, with credit substitution towards secured segments. Moving ahead, the retail AUM of NBFCs is expected to grow at a healthy 16-18% in FY 2026-27, though moderate from the previous year, and cross the ₹30 lakh crores mark by March 2027. With overall sector growth stabilising, key segments such as home and vehicle loans, which together represent nearly 45% of total AUM, are expected to remain resilient. Over time, NBFCs have significantly expanded India's retail lending landscape, capturing a substantial share of personal and mortgage lending markets.

Personal Loans

As of December 2025, the total Personal Loan industry portfolio stood at ₹15.9 lakh crores, growing at 11.6% YoY. There is a marked shift to small-ticket Personal Loans, evident in higher 13.5% YoY growth of active loan accounts. It may be noted that the Personal Loan Industry credit growth has moderated in FY 2024-25 and FY 2025-26, after three years of very strong growth post Covid.

Source: Company data, CRISIL Ratings estimates; AUM is as of fiscal year-end. Past data excludes HDFC Ltd.

Home Loans

The demand for Home Loans has surged substantially, driven by rapid urbanisation, expanding employment opportunities, lower credit rates and government initiatives, such as the Pradhan Mantri Awas Yojana ('PMAY'). As of December 2025, the total on-book Home Loan portfolio of HFCs, NBFCs and Scheduled Commercial Banks ('SCBs') stood at ₹42.2 lakh crores, maintaining a YoY growth rate of around 11%. The market is expected to receive further impetus from policy measures such as PMAY 2.0 and the reintroduction of the Interest Subsidy Scheme, both aimed at urban housing expansion. Notably, the AUM of Affordable-Housing Finance Companies ('A-HFCs') is expected to outpace the overall mortgage finance industry.

Microfinance

Microfinance serves as a vital instrument for poverty reduction and entrepreneurship by providing formal credit to individuals lacking traditional collateral. As of March 2026, the sector recorded 14% decline in disbursement value annually (FY 2025-26), despite growth in disbursements from NBFC-MFIs (11%) and NBFCs (1%). In contrast, banks saw slower disbursements, with their share declining from 49% to 40%.

As of March 2026, the industry had 10.7 crores active loans and 6.9 crores unique borrowers, with a portfolio outstanding of ₹3.3 lakh crores. While portfolio rundown occurred due to repayments, write-offs and tighter credit filters, lenders are increasingly focusing on asset quality, as reflected in a considerable decline in delinquency levels across most buckets. This trend highlights the sector's resilience and its role in fostering financial inclusion.

Factors Impacting Portfolio Performance

- **Regulatory Guardrails, State Ordinance and Self-regulation:** The Microfinance Institutions Network ('MFIN') regulations have strengthened asset quality by capping individual indebtedness at ₹2 lakh (effective 1 January, 2025) and limiting borrower exposure to three lenders (effective 1 April, 2025). In January 2025, the Karnataka State Government issued an Ordinance to protect microfinance borrowers, impacting collections and disbursals, notified as a law in February 2025. Mandatory PAN seeding for over 50% of accounts has further enhanced identity verification and credit tracking. While these measures have increased lender rejection rates, they promote responsible lending, lower delinquency risks, and ensure sustainable growth, supporting long-term stability and financial discipline in the microfinance sector.
- **Asset Quality and Portfolio Stress:** The microfinance sector entered 2026 under stress, as reflected in portfolio contraction and higher delinquencies amid cautious lending. Portfolio degrowth observed in FY 2025-26 (~13%), as lenders continued to address the legacy of over 180 DPD loans. Substantial write-offs and sales to asset reconstruction companies improved balance sheets. Delinquency metrics showed improvement throughout FY 2025-26 with 31-180 DPD moderated from 6.1% in March 2025 to 2% in March 2026. While regional differences persisted, with Bihar and the North-East facing higher delinquencies, Karnataka showed stronger portfolio performance.
- **Funding and Operational Challenges:** Cautious bank funding has limited lending to smaller NBFC-MFIs, constraining growth and exerting pressure on liquidity. Additionally, high attrition among field officers, driven by competition from other sectors, has affected collection efficiency, particularly for smaller MFIs, leading to higher operating costs and additional execution challenges.
- **Digital and Structural Shifts:** The microfinance landscape is increasingly shaped by digital transformation, including the growing adoption of mobile banking, digital underwriting and risk-based credit scoring, which has improved transparency and reduced costs. The sector is also witnessing a shift away from traditional group-based models towards individual assessment supported by technology-enabled workflows.

  Digital adoption is accelerating, with higher smartphone and internet penetration in rural areas enabling digital collections, better risk assessment and reduced reliance on manual processes. This is improving operational efficiency and supporting sustainable growth in the microfinance sector.
- **Focus on Secured Products:** MFIs are diversifying into secured products such as micro-LAP and gold loans to reduce dependency on unsecured micro-loans supported by the RBI's revision of Qualifying Assets ('QA') criteria, from 75% of total assets to a minimum of 60% of total assets (net of tangible assets) in June 2025.

Micro, Small and Medium Enterprise ('MSME') Lending

The MSME sector remains a key pillar of the Indian economy, accounting for roughly 35.4% of manufacturing, 48.58% of exports and 31.1% of GDP, as highlighted in the Economic Survey 2025-26. Credit to the sector has shown strong momentum, increasing by 16% YoY to ₹67.6 lakh crores as of December 2025, driven by sustained demand from micro, small and medium enterprises.

NBFCs continue to play an instrumental role as last-mile lenders, leveraging digital platforms and fintech partnerships to enable faster onboarding, paperless underwriting and broader reach, particularly in Tier-2 and Tier-3 markets. Structural drivers such as the Trade Receivables Discounting System ('TReDS'), supported by government initiatives such as CGTMSE and GeM, have improved liquidity, facilitated invoice discounting and expanded access to formal credit.

Government initiatives, including the MSME Champions Scheme, are enhancing sectoral competitiveness, efficiency and innovation through programmes including ZED certification, lean practices and support for incubation, design and IPR. Proposed measures, like asset-backed securitisation of TReDS receivables, are expected to further boost market growth.

Overall, policy support, digital adoption and operational innovation position the sector for sustained growth. While asset quality pressures, regulatory requirements and interest rate volatility remain key considerations, MSME lending is expected to continue supporting financial inclusion and economic expansion.

Digital Lending

Digital lending has emerged as a key growth driver for the NBFC sector, supported by partnerships with fintech firms and increasing customer preference for online credit. Outstanding loan amount for Digital Personal Loans by digital NBFCs stood at ₹1.39 lakh crores as on December 2025 with a strong growth of 25.1% over a 9-month period (April 2025 – December 2025). The RBI has strengthened the regulatory framework through its Digital Lending Directions, 2025, emphasising transparency, data privacy and borrower protection. Key measures include mandatory disclosure of loan terms through Key Fact Statements, direct loan disbursal to borrower accounts, and strict accountability of banks and NBFCs for their fintech partners. Updates in 2026 have further enhanced oversight, reporting standards, and risk-sharing frameworks.

Government initiatives, including Union Budget measures, continue to promote fintech innovation, expand digital infrastructure and widen access to formal credit for underserved segments. NBFCs leveraging digital lending are also enhancing operational efficiency, deepening credit reach and advancing financial inclusion, particularly in Tier-2 and Tier-3 markets.

Major Challenges

Rising credit costs and potential asset-quality pressures from retail and microfinance segments remain key risks, particularly amid slower recoveries and incremental slippages. Enhanced regulatory compliance requirements and oversight, including revised RBI digital lending norms, are helping strengthen risk management across the sector.

Macroeconomic factors such as interest rate volatility, inflationary pressures and geopolitical uncertainties may influence borrowing costs and overall credit demand. Intensifying competition from banks, fintech platforms and other NBFCs continues to weigh heavily on margins and customer acquisition costs. In addition, cybersecurity risks and data privacy concerns pose significant challenges as digital lending scales further.

Outlook

NBFCs continue to play a critical role in advancing financial inclusion in India by bridging credit access gaps, particularly across underserved and MSME segments. Increasing formalisation of the economy and the rapid adoption of digital technologies across lending, underwriting and customer servicing are supporting their growth.

The sector is expected to maintain a steady growth trajectory, with the retail AUM of NBFCs expected to grow at a healthy 16-18% in FY 2026-27, supported by sustained demand in retail and MSME lending. Profitability is likely to remain stable, with return metrics in the range of ~2.3-2.5% in FY 2026-27, reflecting improving operating efficiencies and calibrated risk management.

With their ability to innovate, adapt to evolving customer needs, and expand reach through technology-led models, NBFCs are expected to remain an integral part of India's financial ecosystem, complementing the banking sector in driving inclusive and broad-based credit growth.

Business Performance

Urban Business

The NBFC landscape in India has witnessed steady growth in recent years, driven by rising urbanisation, increasing formalisation of enterprises, and improved credit penetration across both metropolitan and emerging urban clusters. This period is also marked with a decisive shift in the country's credit ecosystem, with NBFCs consistently outpacing banks and emerging as leading engines of credit expansion.

Amid this evolving landscape, the Urban Business segment continues to be a key growth driver for SMFG India Credit Co. Ltd. ('SMICC'), significantly contributing to both portfolio expansion and overall profitability. It is currently present across 25 Indian states and Union Territories, with 233 touchpoints serving 2.94 lakh customers with credit needs.

SMICC's Urban Business offerings enable it to serve retail and MSME customers across diverse needs, supported by a diversified suite of products that address their comprehensive, 360-degree financial requirements.

The Product Bouquet Includes:

- **Personal Loans**
- **Business Loans**
- **Loan Against Property ('LAP')**
- **Commercial Vehicle Loans ('CV')**
- **Loan Against Securities ('LAS')**

In line with its strategy to deepen customer relationships across the value chain, SMICC plans to introduce its Supply Chain Finance ('SCF') programme in FY 2026-27.

SMICC has developed a robust, analytics-driven credit scorecard that enables a comprehensive assessment of customer credit behaviour. These proprietary models empower the organisation to deliver tailored lending solutions while maintaining strong portfolio quality and operational efficiency. The Company also plans to enhance engagement with existing customers by leveraging technology-enabled communication channels to extend pre-approved loan propositions.

SMICC actively participates in the Credit Guarantee Fund Trust for Micro and Small Enterprises ('CGTMSE') scheme of the Government of India, promoting financial inclusion by enabling collateral-free credit access for small and emerging businesses. This helps lower risk while supporting micro businesses and new entrepreneurs in the Urban segment.

In FY 2025-26, the Urban Business witnessed an 8% growth in Assets Under Management ('AUM'), with the loan book crossing ₹26,482 crores, compared to ₹24,495 crores in FY 2024-25. Disbursements of ₹15,655 crores were made in FY 2025-26. Personal Loans and Business Loans, characterised by repeat borrowing and high customer loyalty, accounted for 49% of the Urban portfolio, followed by Loan Against Property at 40%.

In the upcoming financial year, the focus will be on digital transformation through the implementation of end-to-end digitisation across all core processes, from customer origination to loan fulfilment. At the same time, the strategy will prioritise secured lending across ticket sizes through Micro, Mass and High-Ticket LAP, to drive stable portfolio growth within Urban market. Within the unsecured segment, emphasis will be placed on high-quality credit origination and a calibrated withdrawal from high-risk segments, thereby mitigating credit losses and reinforcing the long-term sustainability of the portfolio.

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Rural Business

NBFCs continue to reshape India's rural credit landscape by not only expanding their reach but also enhancing the quality and relevance of financial products offered to underserved communities. By accelerating loan approval processes through remote onboarding and the widespread adoption of mobile and digital payment channels, they are making credit more accessible and responsive to rural needs.

SMFG Gramshakti, the Rural Business arm of SMICC, caters to underserved and underbanked communities across rural India and currently operates through 585 branches in 16 states. This expanding footprint reinforces SMICC's long-standing commitment to drive rural financial inclusion. A diverse product portfolio, strong customer relationships, and a deep brand presence have positioned SMFG Gramshakti as one of the leading players in the rural lending ecosystem.

The journey of SMFG Gramshakti has been defined by resilience, perseverance, and an unwavering dedication to expanding access to formal credit. FY 2025-26 witnessed early challenges, with portfolio stress during H1; however, the business saw a clear recovery in Q3, indicating stabilisation. Throughout the year, SMFG Gramshakti followed a cautious and risk calibrated approach, strengthening customer selection and expanding the franchise with appropriate guardrails while maintaining commercial efficiency.

With over 16 years of presence in the rural lending segment, SMFG Gramshakti has built a deep emotional and operational connection with its customers. The organisation intends to leverage operational insights from its Urban Business, such as scorecard-based underwriting, the SFDC platform and more, to further reinforce its rural strategy, thereby enabling the delivery of comprehensive, 360-degree lending solutions tailored to the needs of rural households and entrepreneurs. The broader product suite, especially Two-wheeler Loans, Loan Against Property and Home Loans, provides significant scope for cross-selling and deeper penetration.

SMFG Gramshakti's Product Bouquet Includes:

- **Solidarity Group ('SG') Loans**
- **Growing Enterprise Loans ('GEL')**
- **Rural Loan Against Property ('LAP')**
- **Rural Home Loans ('HL')**
- **Two-wheeler Loans ('TW')**

Disbursements in the Rural Business for FY 2025-26 stood at ₹5,108 crores, and AUM as on 31 March, 2026, was ₹8,831 crores. The business volume is attributable to Rural LAP, GEL, Two-wheeler Loans, the revival in SG Loans, and an improvement in frontline productivity. SMFG Gramshakti's pan-India presence, improvement in early delinquencies, localised credit policies aligned with regional dynamics, and increased contribution from rural branches collectively supported this year's journey.

Amid evolving regulations and increasing digitisation, SMFG Gramshakti remains well-positioned to sustain growth and strengthen its rural franchise. By leveraging institutional learnings, refining product strategies, adopting risk-based pricing, and expanding its risk-calibrated approach, SMFG Gramshakti is confident of capturing long-term opportunities in rural India. In the upcoming financial year, the focus will be on capitalising on emerging opportunities by deepening its presence in high-potential segments, supported by data-driven, personalised solutions and advanced technological capabilities.

Digital Business

The Digital Lending Business continued to scale steadily during the year, supported by strong customer acquisition across multiple sourcing partnerships, enhanced underwriting models, and an increasingly data-driven portfolio management framework. AUM under Digital Business grew steadily from ₹11,253 crores in FY 2024-25 to ₹17,066 crores in FY 2025-26. Disbursements increased from ₹17,075 crores in FY 2024-25 to ₹27,561 crores in FY 2025-26.

During the year, the Company further strengthened its governance architecture in line with the RBI's Digital Lending Directions, 2025. This included enhanced transparency measures, such as KFS disclosures, standardised consent mechanisms, multi-lender visibility, and strict adherence to data privacy safeguards. Risk controls, audit monitoring, and corrective action mechanisms were also enhanced to maintain portfolio quality and ensure responsible, compliant digital-lending practices.

Looking ahead, the Digital vertical is poised to accelerate growth further, supported by the planned go-live of co-lending partnerships in the next financial year. This will add scale and diversification to the digital portfolio while maintaining strong risk controls.

Marketing

In line with the Company's philosophy of 'SARVOTTAM'- Rise to be the Best, the marketing endeavours during the year were rooted in excellence, quality and continuous improvement. Each campaign was designed not only to drive visibility, but also to reinforce trust, credibility and the brand's position in an increasingly competitive landscape.

The Marketing and PR function at SMICC progressed towards a more integrated and outcome-led approach, focused on strengthening brand salience, deepening customer engagement and establishing a consistent and credible presence across touchpoints, including digital platforms, branch communication and ground-level outreach. This shift reflects the Company's larger marketing agenda of building a credible, transparent and trustworthy brand image, while reinforcing its promise of 'Pragati Ki Nayi Pehchaan'.

Adoption of Artificial Intelligence in Marketing Campaigns

The Marketing function increasingly embraced Artificial Intelligence ('AI') across campaign communication and content production, in line with the Company's commitment to excellence, quality and continuous improvement. AI helped streamline ideation, accelerate execution and improve cost efficiency, while maintaining the quality, consistency and relevance expected of the brand. This approach strengthened the Company's ability to deliver contextual, high-impact communication and more effective audience engagement across platforms.

A key milestone in this approach was the 'Personal Loan for Salaried (Diwali)' campaign, which positioned credit as an enabler of planned consumption during the festive season. Focused on addressing mid-month liquidity needs of urban salaried consumers, the campaign delivered a reach of 18.8 lakh and 42.7 lakh impressions, along with 22.5 lakh views and 31.2 lakh engagement, achieving an engagement rate of 73%.

Building trust and credibility remained a key focus. The Testimonial Series leveraged authentic customer narratives to strengthen credibility, achieving a reach of 1.27 crores and 1.9 crores impressions, along with approximately 1.5 crores engagement. The campaign highlights the impact of real customer stories in building trust and brand affinity.

This approach was further extended through the Business Loan film, featuring 'Mishra Ji' as the film's protagonist and AI mascot, while portraying the aspirations of a small business owner through AI-driven clay-style animation and musical storytelling. By simplifying and humanising access to finance, the campaign resonated with small business owners, MSMEs, and emerging entrepreneurs across urban and semi-urban markets. It achieved a reach of over 2.8 crores and 6.5 crores impressions, generating 2.4+ crores views across Meta, LinkedIn, YouTube, and X. With 2+ crores engagement and an engagement rate of 31.6%, it significantly outperformed benchmarks in the BFSI space.

Internal and leadership communication also played an important role during the year. The SMICC Brand Anthem – 'Chal Pado, Aage Badho' – brought together employees from SMICC and SMFG Grihashakti in a three-minute film. The film brought together leadership and employees across offices, reflecting a shared spirit of progress, excellence and collective ownership. It garnered more than 20 lakh impressions and over 10 lakh views, along with an engagement rate of 80%. Linked to the internal Talent Hunt campaign, the film created a platform to recognise employee talent by featuring them in the music video. The 'Beyond the Boardroom' leadership podcast series provided insights into leadership journeys, with three episodes generating over 2.3 crores views and 2.39+ lakh likes across social media platforms.

Content innovation continued across formats. The 'Loan Against Property' film, developed using AI-led musical storytelling, showcased the pivotal role of credit in enabling the aspirations of our rural customers and prospects, achieving a reach of 25 lakh, 38 lakh impressions, and 25 lakh engagement, including 8 lakh views. The employee testimonial series titled 'A Day in the Life of' offered a closer look at employee experiences, highlighting their journeys and skills, with two episodes in FY 2025-26 recording 6.5+ lakh views and an average audience retention rate of 73% on YouTube.

The Company also focused on culturally contextual engagement. The Navratri campaign featured nine short-format stories of women entrepreneurs and achieved a reach of 1.81 crores, 2.24 crores impressions, and engagement of 1.16 crores, strengthening connect through relevant and inclusive themes.

These initiatives contributed to a steady expansion of the Company's digital footprint and strengthened brand salience across social media platforms. This is reflected in growth across platforms, with followers on Facebook increasing from 18.3 lakh to 22 lakh, on LinkedIn from 87,300 to 1,41,000, and Instagram from 10,000 to 40,600. The Company also crossed a key milestone of 5 lakh subscribers on YouTube this year, reflecting growing brand preference and content acceptance. A crucial enabler of this growth has been the increased use of regional-language content, which has enabled deeper engagement with audiences across India by improving accessibility and relatability.

As the Company continues to expand its brand presence, it has also reinforced its commitment to protecting its reputation and customers' interests. Online Reputation Management ('ORM') capabilities were strengthened through dedicated teams and the deployment of marketing technology. This has facilitated the proactive identification and removal of fake profiles and websites, protecting customers and reinforcing trust.

Sustained emphasis on content quality and Search Engine Optimisation ('SEO') led to measurable improvements in digital performance. Domain authority increased from 34 to 55 during the year. The Company also achieved an AI score of 51 against an industry average of 69, indicating considerable progress in adapting to evolving search parameters and reinforcing SMICC's brand strength and relevance in the digital ecosystem.

Public Relations efforts complemented these initiatives by strengthening the external visibility and positioning of SMICC. The Company achieved approximately 2,300 print and online media coverages and maintained a strong share of voice among Indian NBFCs. Through targeted media engagement, thought leadership articles, interviews, and participation in industry events and panel discussions, the Company consistently communicated its key offerings, leadership perspective and market insights.

The Company's marketing endeavours during the year were driven by a clear intent to be the new identity of progress. Each campaign was therefore designed not only to drive visibility, but to consistently communicate the Company's value proposition, strengthen stakeholder trust, and reinforce its position in an increasingly competitive landscape.

External Recognitions

Crossed the milestone of 5 lakh subscribers on YouTube this year, reflecting growing brand preference and strong content acceptance.

'Best Team in Content Marketing and Internal Communication' at Great Indian Corporate Communication Leaders Summit & Awards 2025.

'Best Brand Building Campaign' at 5th Edition of DNA NBFC Awards 2025 by Banking Frontiers.

Winner across 7 categories in Marketing at The Great Indian BFSI Awards 2025.

Best Organic Content Campaign on YouTube by BW Marketing World.

'Bronze Award' in Best Use of Social Media at E4M Digital Marketing Awards.

Information Technology Infrastructure

In today's competitive landscape, technology serves as a critical enabler of secure and sustainable business growth. As India advances on its digital transformation journey, it presents not only significant opportunities but also heightened security, compliance and risk challenges. As a Non-Banking Financial Company, SMICC recognises the need to accelerate its digital evolution while ensuring robust information security, data protection, and regulatory compliance. Accordingly, the Company has undertaken focused initiatives to strengthen its digital capabilities with strong security controls, resilience measures, and governance frameworks embedded across its technology ecosystem.

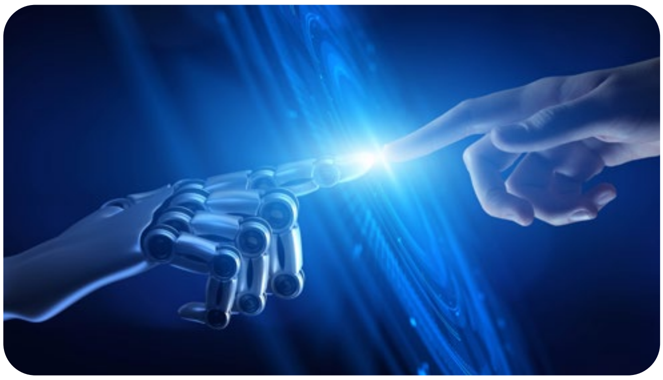
IT Infrastructure & Security Resilience

Over the year, the Company strengthened its technology and information security posture through targeted initiatives. Key actions included the implementation of Multi-Factor Authentication ('MFA') across email and Microsoft 365 applications, significantly enhancing access controls and safeguarding critical business data. In addition, the corporate Wi-Fi network was upgraded to the WPA3 security standard, strengthening protection against unauthorised wireless access, improving encryption and authentication mechanisms, reducing the risk of credential based-attacks, and aligning with industry-accepted security best practices.

The deployment of Network Access Control ('NAC') further enhanced network resilience, visibility, and compliance, particularly across BYOD and IoT environments. Together, these initiatives represent meaningful progress in the Company's broader agenda to enhance cybersecurity, improve operational resilience and modernise its technology landscape. Guided by a holistic enterprise architecture approach, the Company continues to simplify systems, advance towards a cloud-first operating model, and pursue ongoing infrastructure upgrades as part of a multi-year transformation focused on delivering a secure, scalable, and sustainable technology platform.

Embedding Security into an Agile Digital Culture

As part of its ongoing digital transformation, the Company has made targeted investments to strengthen its technology foundation with a focus on security, resilience, and scalability. The modernisation of branch-level infrastructure, consolidation of enterprise communication and device management platforms, and enhancements to secure connectivity have improved operational efficiency and strengthened protections for data and systems. These initiatives provide a strong foundation for the next phase of transformation as the Company advances cloud-ready architectures, strengthens identity and access controls, and embeds security by design to deliver a resilient, compliant, and future-ready IT environment that supports sustainable growth and long-term stakeholder value.



Digital Transformation

In line with the Company's long-term vision to build a resilient, technology-driven and customer-focused organisation, it continued to make meaningful progress in its digital transformation journey throughout the year under review. Technology remained a core strategic lever for driving operational excellence, improving customer experience, strengthening compliance and enabling scalable growth in an increasingly digital ecosystem.

During the year, the Company focused on re-engineering critical customer-facing and operational processes through the adoption of secure, efficient, and fully digital solutions. These initiatives reflect the Company's commitment to embracing innovation while aligning with regulatory requirements and evolving customer expectations.

A key milestone in this journey was the rollout of an advanced **electronic Know Your Customer ('e-KYC')** framework. By leveraging **biometric authentication**, the Company strengthened its customer onboarding framework with enhanced security and reliability. This multi-factor authentication approach has significantly reduced onboarding timelines, improved data accuracy, and reinforced trust, while ensuring robust compliance with regulatory standards.

To further advance its paperless agenda, the Company implemented **eSign capabilities** across key documentation processes. Digital signing has simplified workflows, improved turnaround times, and enhanced customer convenience, while ensuring legal validity and audit readiness. This initiative has played a vital role in reducing operational dependencies on physical processes and supporting a digitally integrated operating model.

The integration of **eNACH** marked another important step towards modernising the Company's collections and mandate management framework. The digital mandate solution has enabled faster and more efficient authorisation processes, improved collection success rates, and reduced operational risks. By transitioning to electronic mandates, the Company has strengthened its cash flow efficiency while delivering a seamless digital payment experience to customers.

In pursuit of end-to-end digitisation, the Company also introduced a **Digital Application Form ('DAF')** fully integrated with **eSign**. This initiative eliminated the need for physical application forms, enabling a fully paperless onboarding experience. The digital application process has resulted in faster processing, improved traceability, reduced documentation errors, and lower operational costs, while contributing positively to the Company's sustainability objectives.

Outlook

Collectively, these digitisation initiatives underscore the Management's strategic focus on building a future-ready organisation underpinned by strong digital capabilities. Looking ahead, the Company will continue to invest in technology and innovation to enhance agility, deepen customer engagement, strengthen governance, and support sustainable growth. The Company believes that its digital foundation will remain a critical enabler in navigating industry evolution and creating long-term value for all stakeholders.

Risk Management Framework

SMICC has a robust governance structure. The Company's Board of Directors comprises a diverse group of eminent individuals with a wealth of experience and expertise in matters relevant to the Company's business. The Board has constituted the Audit Committee of the Board ('ACB'), Risk Oversight Committee ('ROC'), Nomination & Remuneration Committee ('NRC'), Stakeholders' Committee, Corporate Social Responsibility ('CSR') Committee, Information Technology Strategy Committee ('ITSC') and Wilful Defaulter Review Committee ('WDRC') to support focused oversight and effective discharge of its responsibilities.

Enterprise-Level Risk Management

The nature of SMICC's business across various lending products, target segments and geographies expose the Company to diverse types of risk. The key risks faced by the Company are credit risk, operational risk, fraud risk, liquidity risk, asset-liability and interest rate risk, information security and technology risk, reputation risk, and legal and compliance risk. The ROC's key responsibilities include establishing, reviewing, and monitoring policies, processes and systems for these risks and fostering a risk-aware culture.

The Chief Risk Officer ('CRO') leads the Risk Management Function, executing the risk strategy and developing policies, procedures, and systems to manage and monitor risks effectively. The CRO meets with ROC members periodically and provides independent challenge to business decisions, highlighting material risk issues, emerging risks, and breaches to the ROC and the Board, as appropriate.

Key pillars of risk management in the Company include risk identification, assessment, mitigation, monitoring, and reporting. The Company uses a comprehensive enterprise-level risk framework to identify risks with multi-layered controls. The 'Three Lines of Defence' philosophy ensures comprehensive governance and supervision.

The 'SARVOTTAM'- Rise to be the Best philosophy is embedded into the Company's risk management framework through a strong emphasis on ethical conduct, disciplined governance, and behaviour-led decision making. Risk policies and controls are designed to ensure alignment between risk appetite, system-driven processes, and transparent disclosures, with clear accountability and independent challenge. Leadership oversight and consistent communication reinforce a risk-aware culture where integrity and compliance are non-negotiable, supporting sustainable and responsible business growth.

The following are the key facets of risk management in the Company:

- Risk Appetite Statement which establishes the overarching risk boundaries for the Company to operate within.
- Risk Management policies and standards updated regularly in line with business strategy, regulatory requirements and industry best practices.
- Product level credit portfolio performance triggers and early delinquency benchmarks.
- Model Management Framework for governance of various underwriting and lending models.
- Independent Credit Underwriting unit including Collateral Valuation and Management.
- Best-in-class Business Rules Engine ('BRE') architecture.
- A structured collections operating model focused on credit risk containment and portfolio stability.
- Operational Risk Management Governance including Business Continuity and oversight on outsourcing.
- Fraud Risk Control Standards & Internal Financial Controls.
- Independent Compliance function to ensure regulatory change management and ongoing compliance to extant regulations.
- Independent Internal Audit function to assess the adequacy and effectiveness of internal controls, risk management practices, policies, processes and systems.
- Internal Capital Adequacy Assessment Process and Stress Testing to ensure the stability and soundness of the Company's operations in diverse stress scenarios .
- Multi-tier committee governance structure to provide independent oversight across various types of risks. These committees operate under clearly defined mandates, with regular review, and reporting to the Board/Board sub-committees, ensuring alignment with the approved risk appetite, regulatory requirements, and prudent growth objectives.
- Independent Information Technology Governance and Information Security Governance functions to ensure strategic alignment with business objectives and regulatory requirements while managing risks and resources effectively.

SMICC manages risk across the credit lifecycle of different customer segments, across various lending products and geographies using an optimal mix of diverse risk scorecards and decision rule engine based credit underwriting supported by a robust operational and fraud risk management framework.

The 'Champion-Challenger' approach and advanced customer acquisition analytics ensure the right customer segment is targeted and originated. Rigorous performance monitoring against defined benchmarks, early warning signals and guardrails throughout the loan life ensures portfolio quality remains within the Company's risk appetite.

Advanced customer assessment models provide early reads on account stress, enabling timely portfolio management actions and collection strategies to minimise credit losses. Regular stress testing under various scenarios assesses portfolio resilience to external shocks and tail events, ensuring a strong, well-capitalised balance sheet.

The Credit Transformation and Governance unit focuses on enhancing the credit governance framework through credit process re-engineering, cost and capacity planning, credit process governance and undertakes automation/digital initiatives for Credit.

SMICC is committed to advancing its technological capabilities, with an emphasis on leveraging Generative Artificial Intelligence ('GenAI'). This adoption is driven by the core principles of enhancing productivity, improving efficacy of controls, and maximising return on investment within the Company's risk appetite.

Risk Appetite Framework

A clear understanding of the desired risk appetite is central to SMICC's risk management strategy. The Board of Directors periodically approves the Risk Appetite Statement ('RAS'), covering various risks and defining risk acceptance boundaries. This framework guides the Company's growth path, considering enterprise-wide risks for ongoing monitoring and timely actions. Approved metrics and thresholds are reviewed and revised periodically in response to business strategy, regulatory requirements, and external/internal environmental changes.

Product Policy, Governance, and Monitoring

Each product at SMICC is governed by the Board-approved policies, covering business strategy, customer risk acceptance criteria, portfolio monitoring metrics, limits, and triggers.

Product-specific underwriting standards specify norms on target market, customer selection, credit underwriting criteria, verification, and remedial portfolio management policies. Periodic reviews ensure protection from credit risk arising from changes in the macroeconomic environment, industry/segment trends, and customer behavioural attributes.

Consolidated Financial Statements

Operating Results

(₹ in crores, except percentages)

Particulars	FY 2024-25	FY 2025-26	% Change
Total Income	10,148	12,353	22%
Finance Cost	3,713	4,228	14%
Net Interest Income (NII)	**6,435**	**8,125**	**26%**
Employee Benefit Expenses	1,795	1,875	4%
Depreciation	212	238	12%
Other Expenses	2,046	2,784	36%
Total Operating Expenses	**4,053**	**4,896**	**21%**
Impairment on Financial Assets	1,777	2,556	44%
Profit Before Tax	**605**	**672**	**11%**
Tax	162	171	6%
Profit After Tax	**443**	**501**	**13%**
Other Comprehensive Income	(68)	110	>100%

Key ratios

(₹ in crores, except percentages)

Particulars	FY 2024-25	FY 2025-26
Net interest income (%)	13.5	13.8
Return on average equity ROE (%)	5.4	4.7
Return on average assets ROA (%)	0.9	0.9
Stage 3 (%)	1.9	2.4
Net Stage 3 (%)	1.0	1.3
Capital Adequacy Ratio (%) *	22.4	19.4
Of which, Tier-1 (%) *	19.5	16.7
Of which, Tier-2 (%) *	2.9	2.7
Earnings Per Share (Basic & Diluted) (in ₹)	1.8	1.9

*These ratios are on standalone basis.

Assets Under Management grew by 15% in FY 2025-26 (March 2026: ₹65,350 crores as against ₹56,989 crores in March 2025), driven by higher disbursements. The Company has recorded highest-ever disbursements of ₹52,848 crores in FY 2025-26.

Net Interest Income grew by 26% to ₹8,125 crores (FY 2024-25: ₹6,436 crores) due to higher average earning assets and improvement in margins.

Operating expenses increased by 21% to ₹4,896 crores (FY 2024-25: ₹4,053 crores) due to increase in volume related costs and investment in technology & collection infrastructure.

Impairment on financial asset increased by 44% to ₹2,556 crores (FY 2024-25: ₹1,777 crores) largely due to increase in portfolio, movement in stage mix and additional provisioning for the Middle East conflict.

Stage-3 ratio (gross) as at March 2026 stood at 2.4% as against 1.9% at March 2025 and Stage-3 ratio (net) as at March 2026 stood at 1.3% as against 1.0% at March 2025.

Profit After Tax for the FY 2025-26 is ₹501 crores as against ₹443 crores in FY 2024-25, the profit is higher due to higher average earning assets majorly offset by increase in Credit cost.

Shareholders' funds grew to ₹11,128 crores as at March 2026 as against ₹10,518 crores as at March 2025, profits made during the year. Book value per share increased to ₹41.9 per share from ₹39.6 per share. Return on equity stood at 4.7%.

The Company continues to maintain a healthy capital adequacy ratio. The capital adequacy ratio at a standalone level stood at 19.4% as at March 2026, against the regulatory requirement of 15.0%. In April 2026, Company raised ₹1,075 crores on right issue basis from its existing shareholders.

Internal Controls

SMICC has established internal control systems appropriate for the nature of its business and scale of operations. These systems ensure correct authorisation, recording and reporting of transactions. The Company ensures adherence to all internal control policies and procedures and compliance with regulatory guidelines. Internal audits and checks are conducted regularly to ensure effective execution of assigned responsibilities.

The ACB periodically reviews the adequacy and effectiveness of internal audit and control systems, providing direction for improvement.

Treasury Management

SMICC maintains a robust and well-governed treasury management framework, centred on prudent liquidity management and sound financial stewardship. The Company adopts a three-pronged strategy to ensure optimal liquidity for supporting disbursements and debt obligations:

Diversification across instruments, lenders, and geographies

Minimising refinancing risk by matching the tenors of assets and liabilities

Maintaining contingency buffers in highly liquid instruments

The Company is supported by a diverse lender base of over 100 institutions, including Indian and foreign banks, mutual funds, corporates, insurance companies, retiral funds, foreign portfolio investors, and development financial institutions/multilateral agencies. Their continued support at competitive rates has expanded the Company's funding pool and enabled them to maintain adequate headroom across various borrowing channels. The Company has always maintained headroom in each of its borrowing sources, which include term loans, non-convertible debentures, external commercial borrowings and subordinated debt. Additionally, a small part of commercial papers and working capital demand loans provide efficiency to the funding book.

In FY 2025-26, the Company made notable progress in raising funds through direct assignment and securitisation, with a total of ₹1,542 crores (net of investment) mobilised across secured and unsecured loan pools. This has not only helped maintain borrowing limits with key lenders but also enabled effective risk distribution and Tier-1 capital supplementation.

The Company received a CareEdge A/Stable rating from CareEdge Global, which was two notches above India's sovereign rating – reflecting continued and robust backing from the parent company.

Maintaining a strong Asset-Liability Management ('ALM') approach remained a key priority. The Company closely aligned the tenors of liabilities with those of customer assets, resulting in minimal short-term borrowings and avoiding rollover risks. A prudent liquidity buffer is always maintained through high-quality, liquid investments, ensuring business continuity and timely debt servicing. In addition, partially drawn bank lines and committed fee-based credit facilities serve as contingency resources.

In FY 2025-26, capital markets remained supportive, with the Company successfully raising ₹1,810 crores through Non-Convertible Debentures. Furthermore, stable funding was secured from public, private, and foreign banks through term loans. The Company's ECB programme was bolstered with a $555 million raise to diversify the borrowing mix.

As of 31 March, 2026, the Company's overall Capital Adequacy Ratio ('CAR') stood at 19.4%, with Tier-1 capital at 16.7%, comfortably above the Reserve Bank of India's regulatory requirements of 15% and 10%, respectively.

The Company raised funds from various sources, including banks, capital markets, external commercial borrowing, money markets and assignment. Total consolidated borrowings as on 31 March, 2026, were ₹56,537 crores, with ₹1,491 crores in subordinated debt (Tier-2 capital) and ₹613 crores in perpetual debt (Tier-1 capital).

Resource and Liquidity

With a continued focus on diversification of borrowing resources and conservative liquidity management, the Company maintains an optimal and well-matched Asset Liability Management profile. Fixed deposits, money market instruments and treasury bills are used to spread the liquid investments across high-quality liquid assets.

The Company has consistently received shareholder support towards growth capital. Shareholders are committed to infuse capital in the Company as and when required.

The Company raised funds from various sources including banks, capital markets, external commercial borrowing, money markets & assignment. Total borrowings as at 31 March 2026 was ₹56,537 crores, with ₹1,491 crores in subordinated debt and ₹613 crores in perpetual debt.

For its long-term debt, the Company on a standalone level maintained/reaffirmed its highest credit rating of AAA/stable from CRISIL, ICRA, India rating and CARE. CRISIL, ICRA, and CARE have given the Company's short-term debt programme an A1+ rating. These ratings demonstrate the Company's financial management and ability to meet financial obligations on time.

Human Capital Strategy – Advancing SARVOTTAM through Organisational Excellence

FY 2025-26 marked a clear evolution in SMICC's people agenda, with a sustained focus on advancing **SARVOTTAM** as a guiding standard across core Human Resources ('HR') processes. The Company's Human Capital strategy emphasised **quality, capability, and consistency,** supporting long-term business resilience and organisational effectiveness across the employee lifecycle.

Operating in an environment characterised by heightened regulatory focus, rapid digital advancement, and evolving workforce expectations, the HR function played a critical role in strengthening organisational resilience, enhancing employee experience, and building future-ready capabilities. Key initiatives during the year included: innovative hiring models with a focus on quality of hire; strengthening the **Enterprise Talent Framework;** deeper employee listening and structured onboarding processes; and the progressive adoption of **digital HR interventions** to improve access, responsiveness, and decision support.

1. Talent Acquisition

Talent acquisition during FY 2025-26 was guided by a strong emphasis on the **quality of hire,** long term workforce sustainability and role readiness. The Company's approach moved away from volume-led hiring towards prioritising **capability alignment, cultural fit and early productivity,** ensuring that hiring outcomes strengthened organisational effectiveness and leadership depth.

Hiring efforts were focused on roles critical to **business resilience, regulatory alignment and digital transformation,** supported by structured capability assessment frameworks to ensure long-term suitability and scalability.

The Company's permanent workforce reached a total headcount of **20,291 in SMICC and 23,151 on a consolidated basis** as of 31 March, 2026.

Saksham – Hire, Train, Deploy Programme

The Company launched **Saksham,** its first **Hire-Train-Deploy** programme, in partnership with educational institutions across select markets. Saksham focuses on building a pipeline of role-ready talent through structured pre-deployment training, improving quality of hire, accelerating time-to-productivity and strengthening workforce readiness for business-critical roles.

Project Shaurya – Veteran Inclusion

Project Shaurya, the Company's veteran inclusion initiative, enables structured transitions for ex-servicemen by leveraging their leadership and operational experience in critical business roles. During FY 2025-26, the first cohort of five ex-servicemen were onboarded into Territory Collection Manager roles in Karnataka, following targeted training and integration support.

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Campus and Early-career Talent

The Company onboarded **77 management trainees** during FY 2025-26 across functions, with **36% women representation,** enhancing diversity in early leadership pipelines.

Apprenticeship and Frontline Talent

Under the **National Apprenticeship Promotion Scheme ('NAPS'), 581 apprentices** were onboarded **in SMICC**. These initiatives strengthened frontline capability and workforce stability while supporting consistent skill development and local employability.

AI-enabled Hiring Pilots

To strengthen efficiency and consistency in recruitment, the Company signed off on a roadmap to initiate **AI-enabled hiring pilots** in select markets. These pilots are expected to support improved candidate screening, greater assessment consistency, and reduced time to hire, while retaining human judgement and business context as integral to final hiring decisions.

2. Talent Management

During FY 2025-26, the Company strengthened its **Enterprise Talent Framework,** defining leadership and core competencies required for current performance and future readiness. The framework provides a common foundation for talent management processes, bringing greater consistency and transparency to talent assessment, development, and progression. The structured approach improves the identification of high-potential talent, strengthens leadership pipelines, and enhances succession readiness through more disciplined, data-driven talent reviews.

The framework currently anchors **succession planning and capability building** and is being progressively integrated into performance management, career progression, and other HR processes.

Based on the Talent Framework and Potential Assessment, SMICC focused on conducting structured talent assessment to evaluate potential. Leadership teams invested time in evaluating competencies and calibrating potential assessments for building a leadership pipeline for the future. Also, Talent Councils were conducted at Functional and Organisational levels to discuss potential and future career roles and aspirations of team members.

3. Capability Building and Leadership Development

Capability building and leadership development remain key enablers of workforce readiness, regulatory alignment, and sustainable growth. Learning interventions are focused on building **functional, behavioural, and leadership capabilities** required to operate effectively in a regulated and digitally evolving environment.

Programmes were aligned with business and role requirements and delivered through a **blended learning model,** combining classroom programmes, digital modules, experiential learning, and manager-led development.

During FY 2025-26:

Over

4,40,321

Training man-hours were delivered

16,256
Employees participated in structured learning programmes

More than
39,763
Digital learning courses were completed

Average training days per employee stood at
2.71 days
Functional and Regulatory Capability

Functional learning programmes strengthened domain expertise across frontline operations, credit, risk, collections, and support functions. Continuous regulatory and compliance training ensured alignment with evolving NBFC regulations and internal governance standards.

Leadership Development

Leadership capability was strengthened further through structured, stage-appropriate programmes for people managers and senior leaders, focusing on **people leadership, team effectiveness, and managing complexity,** complemented by external partnerships for broader leadership exposure. For women leaders, the Company collaborated with leading external platforms to ensure holistic development of identified mid-senior and senior women leaders.

Digital and Continuous Learning

The Company's Digital learning platform – ilearn enables self-paced, role-relevant learning and improved access across geographies, reinforcing a culture of continuous upskilling. During the year, the Company invested in enhancing e-learning through the implementation of a **globally renowned state-of-the-art** Learning Management System.

Learning Governance and Impact

Learning effectiveness was monitored through participation metrics, feedback, and pre- and post-programme assessments, ensuring learning investments translated into on-the-job capability and leadership effectiveness.

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4. Employee Engagement and Experience

At SMICC, delivering a consistent and inclusive employee experience remains a priority, particularly for a geographically dispersed workforce. Engagement mechanisms ensure that employee voice is systematically captured and translated into action.

Employee Listening and Engagement Forums

Employee feedback is gathered through **organisation-wide engagement surveys, pulse checks, leadership townhalls, and robust grievance redressal mechanisms.** Insights gathered from these surveys inform targeted interventions, strengthening transparency, trust, and strengthening transparency, trust, and alignment.

Great Place to Work and Leadership Connect

The Company's recognition as a **Great Place to Work® for the seventh consecutive year** reflects a sustained emphasis on engagement, inclusion, and trust.

Onboarding and Early-tenure Engagement

Sampark continued to enable structured onboarding and early-tenure listening through Business HR ('BHR')-led connects and digital tracking, supporting faster assimilation, clearer role understanding, and timely issue resolution.

Leadership Townhalls

During FY 2025-26, close to **13 leadership townhalls** were conducted across regions, covering over 5,000 employees pan-India, enabling direct leadership engagement, business updates, and alignment on strategic priorities.

5. Diversity, Equity and Inclusion

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

samarth
Accelerating Abilities

Disability Inclusion

Samarth enables equitable opportunities for persons with disabilities through inclusive hiring practices, improved accessibility, awareness building, supporting ability-based role alignment and dignified participation.

Ongoing policy and infrastructure initiatives strengthened equity, accessibility, and workplace safety. In FY 2025-26, 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 with SMICC being recognised amongst the Top 100 DEI Organisations in India.

Pratibha

Gender Inclusion

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, SMICC made significant strides by launching exclusive Pratibha women 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.

6. Reward and Recognition

The **STAR (Sumitomo Mitsui Talent Appreciation & Recognition)** programme continues to reinforce performance and values-aligned behaviours.

During FY 2025-26:

2,957
SMICC employees recognised through monthly STAR awards

435
SMICC employees recognised through quarterly STAR awards

Long Service Awards FY 2025-26: The Company honoured employees completing 20 years of service, through a formal felicitation ceremony in March 2026. The event was held in the presence of their families, recognising their sustained contribution and commitment. This initiative reflects the Company's continued focus on valuing long-term association and employee loyalty.

7. Employee Well-being

Employee well-being remains a key pillar of the Company's people strategy, recognising its link to engagement, productivity, and long-term performance. The Company adopts a holistic approach addressing both **physical and mental well-being.**

During the year, the Company continued to focus on preventive health, access to medical support and awareness initiatives, reinforced by safe workplace practices and robust policies.

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 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.

8. Satark – Building a Culture of Vigilance and Integrity

SATARK
Freedom Begins With Vigilance

Satark serves as a key organisational initiative to reinforce awareness of ethical conduct, compliance responsibilities, and expected workplace behaviours across SMICC. The programme plays an important role in strengthening 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 wide-based 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.

9. External Recognitions

The Company received strong external validation for its people practices and leadership capability, including:

Great Place to Work

Great Place to Work® certification for the **7th consecutive year.**

- Recognition among the **Top 25 Best Workplaces in BFSI** (two consecutive years).
- Inclusion in **India's Top 100 Companies to Work For** (two consecutive years).
- Recognised among **India's Best Workplaces in NBFCs.**
- Recognition as a **Company with Great Managers** for the **7th consecutive year.**
- **Ranked #25** among the **Top 100 DEI Organisations.**
- Recognition for **Excellence in Developing Women Leaders** at the SPARK HR Summit.
- Recognition for **Excellence in Training and Development** at the India HR Summit.
- Recognition for **Excellence in Employee Volunteering at ASSOCHAM CSR and Sustainable Awards.**

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Annexure II to the Directors' Report

Report On Corporate Governance

Company's Philosophy on Corporate Governance

SMFG India Credit Company Limited ('SMICC'/'the Company') values best Board practices and transparent disclosures to enhance shareholders' value. The Company's corporate governance philosophy is integral to all activities. The Board of Directors of the Company ('the Board') provides strategic supervision and the Company's leadership team handles strategic management. In addition to compliance with regulatory requirements, the Company aims to uphold the highest standards of ethical and responsible conduct.

The constitution of the Board and that of its committees are compliant with the relevant provisions of the Companies Act, 2013 ('the Act') and the relevant rules made thereunder, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI LODR, 2015'), and Reserve Bank of India (Non-Banking Financial Companies – Governance) Directions, 2025 ('RBI Governance Directions'). The Company is also registered as Corporate Agent (Composite) under Regulation 11 of the IRDAI (Registration of Corporate Agents) Regulations, 2015, and the Insurance Regulatory and Development Authority Act, 1999 (4 of 1999).

The Company has been identified as a High Value Debt Listed Entity ('HVDLE'), w.e.f. 7 September, 2021 and as such is required to comply with relevant provisions of SEBI LODR, 2015 as amended from time to time relating to corporate governance, on a 'comply or explain' basis, till 31 March, 2025. SEBI *vide* SEBI (LODR) (Amendment) Regulations, 2025 introduced a separate Chapter VA w.r.t. corporate governance provisions for HVDLEs applicable w.e.f. 28 March, 2025. The Company has complied with the conditions of Corporate Governance as stipulated in the SEBI LODR, 2015 as on 31 March, 2026.

Board of Directors

The Corporate Governance principles of the Company ensure that the Board remains informed and independent while providing guidance to the Company. Further, the Board is fully aware of its fiduciary responsibilities and acknowledges its responsibilities towards the long-term interest of its stakeholders by maintaining the high standards of governance in all matters related to the Company.

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 judgment 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 8 (Eight) directors, viz. 1 (one) (12.5%) Executive Director (Chief Executive Officer and Managing Director), 4 (four) (i.e., 50%) Non-Executive, Independent Directors and 3 (three) (i.e., 37.5%) Non-Executive, Non-Independent Directors. The profiles of Directors are provided on the Company's website: https://www.smfgindiacredit.com/about-us/management-team.aspx. The Chairman of the Board is a Non-Executive, Non-Independent Director. The half of the Board consists of Independent Directors. The composition of the Board is in conformity with Section 149 and Section 152 of the Act, Regulation 62D 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) read with Regulation 62B(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 Section 149(6) of the Act and Regulation 16(1)(b) read with Regulation 62B(1)(b) of the SEBI LODR, 2015 and are independent of the management of the Company.

During the year under review, there were no Non-Executive Directors who attained the age of 75 years or more and for whom approval of shareholders was required through special resolution in terms of Regulation 62D(2) of the SEBI LODR, 2015.

Number of Board Meetings

The Board meets at least once in every quarter to review the quarterly results and other items on the agenda and additional meetings are held to address specific needs and business requirements of the Company. During the year under review, 9 (nine) Board meetings were convened and held on the following dates, wherein the required quorum was present throughout the meeting:

i. 8 May, 2025;

ii. 3 June, 2025;

iii. 13 June, 2025;

iv. 7 August, 2025;

v. 22 September, 2025;

vi. 12 November, 2025;

vii. 6 January, 2026;

viii. 11 February, 2026;

ix. 26 March, 2026

The time gap between any two 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. Video-conferencing facility is also provided at the Board/Committee meetings in compliance with the applicable laws. The relevant background materials of the agenda items are circulated well in advance of the meetings. All material information is presented for meaningful deliberations at the Board meetings. The Board on a periodic basis reviews the actions and decisions taken by it and by the Committees constituted by it.

Composition

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

As on 31 March, 2026

Name of the Director & DIN	Category of Directorship	Director Since	No. of Other Directorships	No. of Committees[I] As Member	No. of Committees[I] As Chairman/ Chairperson	Other directorship (including their designation in other listed entities)[II]
Mr. Rajeev Kannan (DIN: 01973006)	Chairman, Non-Executive, Non-Independent Director	30 November, 2021	4	1	0	1. KP Management (GP) Pte. Ltd. 2. KPCF Investments Pte. Ltd. 3. Pierfront Capital Mezzanine Fund Pte. Ltd. 4. Yes Bank Ltd (Nominee Director)
Ms. Seema Bahuguna (DIN: 09527493)	Non-Executive, Independent Director	26 April, 2022[1]	2	2	0	1. India International Bullion Exchange IFSC Limited (Independent Director) 2. DCM Shriram Limited (Independent Director)
Mr. Diwakar Gupta (DIN: 01274552)	Non-Executive, Independent Director	13 July, 2022[2]	10	6	4	1. Mahindra Holidays & Resorts India Limited (MHRIL) (Independent Director) 2. CRISIL Ratings Limited (Independent Director) 3. Mahindra Susten Private Limited (Independent Director) 4. Holiday Club Resorts Oy (Finland) (Overseas Subsidiary of MHRIL) (Independent Director) 5. Mahindra and Mahindra Financial Services Limited (Independent Director) 6. National Asset Reconstruction Company Limited (Independent Director) 7. CRISIL ESG Ratings & Analytics Limited (Independent Director) 8. ALKEM Laboratories Limited (Independent Director) 9. Resurgence Solarize Urja Private Limited (Independent Director) 10. SMFG India Home Finance Company Limited (Independent Director)
Mr. Colathur Narayanan Ram (DIN: 00211906)	Non-Executive, Independent Director	7 September, 2022[3]	5	4	0	1. Aditya Birla Health Insurance Co. Limited (Independent Director) 2. Perfios Software Solutions Private Limited 3. FYNDNA Techcorp Private Limited (Managing Director) 4. SMFG India Home Finance Company Limited (Independent Director) 5. Bandhan Asset Management Company Limited (Independent Director)
Mr. Yoshitaka Ando (DIN: 10788149)	Non-Executive, Non-Independent Director	13 January, 2025	-	2	-	Nil
Mr. Toshitake Funaki (DIN: 11205897)	Non-Executive, Non-Independent Director	19 September, 2025	-	2	1	Nil
Mr. Ravi Narayanan [4] (DIN: 08528459)	Chief Executive Officer and Managing Director (CEO&MD)	22 September, 2025	1	1	-	1. SMFG India Home Finance Company Limited (Non- Executive, Non-Independent)
Mr. Murali Ramakrishnan (DIN: 01028298)	Non-Executive, Independent Director	10 October, 2025	2	2	0	1. RBL Bank Limited (Independent Director) 2. Vayana Finserv Private Limited (Independent Director)

[1]Reappointed as an Independent Director for a period of 3 years w.e.f. 26 April, 2025

[2]Reappointed as an Independent Director for a period of 3 years w.e.f. 13 July, 2025

[3]Reappointed as an Independent Director for a period of 3 years w.e.f. 7 September, 2025

[4]Mr. Ravi Narayanan was appointed as Chief Executive Officer w.e.f. 28 August, 2025 and CEO & MD w.e.f. 22 September, 2025.

Notes:

I. For the purpose of considering the committees' membership and chairpersonship, only Audit Committee and Stakeholders Relationship Committee of Public Limited Companies including HVDLEs (including SMICC) shall be 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.

II. Other directorship includes foreign companies and Private Companies.

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

Sl. No	Name of Director	Capacity	Nature of change	Effective date
1.	Ms. Seema Bahuguna	Non-Executive, Independent Director	Reappointment	26 April, 2025
2.	Ms. Seema Bahuguna	Non-Executive, Independent Director	Reappointment at General Meeting held on 8 May, 2025	26 April, 2025
3.	Mr. Shantanu Mitra	Chief Executive Officer & Managing Director (CEO & MD)	Retirement	15 June, 2025
4.	Mr. Diwakar Gupta	Non-Executive, Independent Director	Reappointment	13 July, 2025
5.	Mr. Diwakar Gupta	Non-Executive, Independent Director	Reappointment at General Meeting held on 7 August, 2025	13 July, 2025
6.	Mr. Colathur Narayanan Ram	Non-Executive, Independent Director	Reappointment	7 September, 2025
7.	Mr. Colathur Narayanan Ram	Non-Executive, Independent Director	Reappointment at General Meeting held on 7 August, 2025	7 September, 2025
8.	Mr. Toshitake Funaki	Non-Executive, Non-Independent Additional Director	Appointment	19 September, 2025
9.	Mr. Toshitake Funaki	Non-Executive, Non-Independent Director	Appointment at General Meeting held on 12 November, 2025	19 September, 2025
10.	Mr. Ravi Narayanan	Chief Executive Officer & Managing Director (CEO&MD)*	Appointment	22 September, 2025
11.	Mr. Ravi Narayanan	Chief Executive Officer & Managing Director (CEO&MD)	Appointment at General Meeting held on 12 November, 2025	22 September, 2025
12.	Mr. Rajaraman Balachander	Non-Executive, Independent Director	Completion of tenure	9 October, 2025
13.	Mr. Murali Ramakrishnan	Non-Executive, Independent Additional Director	Appointment	10 October, 2025
14.	Mr. Murali Ramakrishnan	Non-Executive, Independent Director	Appointment at General Meeting held on 12 November, 2025	10 October, 2025
15.	Mr. Keishi Iwamoto	Non-Executive, Non-Independent Director	Cessation	11 February, 2026
16.	Ms. Dakshita Das	Non-Executive, Independent Director	Completion of tenure	27 February, 2026

*Mr. Ravi Narayanan was appointed as Chief Executive Officer w.e.f. 28 August, 2025 and CEO & MD w.e.f. 22 September, 2025.

Board Meetings

The attendance of each Director at the meetings of the Board held during the year and at the 30th Annual General Meeting (AGM) held during the year under review, are as under:

Name of the Directors	Number of meetings attended/held during their tenure	% of meetings attended	Attendance at the AGM held on 7 August, 2025
Mr. Shantanu Mitra	3/3	100%	N.A.
Mr. Rajeev Kannan	9/9	100%	Yes
Ms. Seema Bahuguna	9/9	100%	Yes
Mr. Diwakar Gupta	9/9	100%	Yes
Mr. Colathur Narayanan Ram	9/9	100%	Yes
Mr. Rajaraman Balachander	5/5	100%	Yes
Ms. Dakshita Das	8/8	100%	Yes
Mr. Keishi Iwamoto	8/8	100%	No
Mr. Yoshitaka Ando	9/9	100%	No
Mr. Toshitake Funaki	4/4	100%	N.A.
Mr. Ravi Narayanan	4/4	100%	N.A.
Mr. Murali Ramakrishnan	4/4	100%	N.A.

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 Independent Directors of the Company. Further, there are no inter-se relationships between our Board Members.

Number of shares and convertible instruments held by Executive and Non-Executive Directors

As on date, none of the Executive Directors nor Non-Executive Directors of the Company hold any equity shares of the Company.

Familiarization Program

The Company conducts familiarization programs for its Non-Executive Directors. The familiarization program ensures that the Non-Executive Directors are updated on the business and regulatory environment and the overall operations of the Company. The Non-Executive Directors periodically meet the senior management of the Company wherein they are briefed on the performance of the Company. Further, on an ongoing basis as a part of the agenda of meetings of the Board/Committee(s), presentations are regularly made before the Directors on various matters *inter alia* covering the Company's businesses and operations, strategies, risk management framework, industry and other relevant matters.

The details of programmes for familiarization of Independent Directors during FY 2025-26, in terms of the requirements of SEBI LODR, 2015 are available on the website of the Company and can be accessed at https://www.smfgindiacredit.com/policies.aspx

Board Expertise and Attributes

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

A tabular representation of the skills possessed by the Directors of the Company as on 31 March 2026, are as under:

S. No.	Name of Director	Category	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
1	Mr. Rajeev Kannan	Chairman and Non-Executive Director	Y	Y	Y	Y	Y	Y	Y	Y	Y
2	Ms. Seema Bahuguna	Independent Director	Y	Y	Y	Y	-	-	Y	-	Y
3	Mr. Diwakar Gupta	Independent Director	Y	Y	Y	Y	Y	-	Y	Y	-
4	Mr. Colathur Narayanan Ram	Independent Director	Y	Y	Y	Y	Y	Y	Y	Y	Y
5	Mr. Yoshitaka Ando	Non-Executive Director	Y	Y	Y	Y	-	-	Y	Y	-
6	Mr. Toshitake Funaki	Non-Executive Director	Y	Y	Y	Y	Y	Y	Y	Y	Y
7	Mr. Ravi Narayanan	Chief Executive Officer and Managing Director	Y	Y	Y	Y	Y	Y	Y	Y	Y
8	Mr. Murali Ramakrishnan	Independent Director	Y	Y	Y	Y	Y	Y	Y	Y	-

Separate Meeting of Independent Director

The Independent Directors ('IDs') met separately (without the presence of the management or Non-Executive, Non-Independent Directors) on 8 May, 2025. The IDs also met separately on 21 May, 2026, in terms of Section 149(8) read with Schedule IV of the Companies Act, 2013 and Regulation 62N(4) of the SEBI LODR, 2015.

Resignation of Independent Directors

During the year under review Mr. Rajaraman Balachander and Ms. Dakshita Das ceased to be Independent Directors due to completion of their tenure.

Code of Conduct

All the Board members and Senior Management personnel have affirmed compliance with the Company's Code of Conduct. The CEO & Managing Director has also confirmed and certified the same. The certification is enclosed at the end of the Report on Corporate Governance.

Board Committees

The Committees constituted by the Board focus on specific areas and 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 to 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 following 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 Defaulters Review Committee

The Board of Directors and the Committees also take decisions by circular resolutions which are noted by the Board/respective Committees of the Board at their next meetings.

Audit Committee

Composition:

The Board has constituted the Audit Committee pursuant to the requirements under Section 177 of the Act, SEBI LODR, 2015 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 attend the meetings. The proceedings of the Audit Committee Meetings are noted by the Board at their meetings. The Company Secretary acts as Secretary to the Committee.

The Audit Committee comprises of four Non-Executive, Independent Directors and two Non-Executive, Non-Independent Directors as on 31 March, 2026. All the members of the Audit Committee are financially literate and persons of proven competence and integrity.

Composition of Committee is detailed as under:

Name of the Member	Category	Member of Committee since
Mr. Diwakar Gupta, Non-Executive, Independent Director	Chairman	23 July, 2022; (As Chairman: 8 November, 2022)
Mr. Toshitake Funaki, Non-Executive, Non-Independent Director	Member	28 February, 2026
Ms. Seema Bahuguna, Non-Executive, Independent Director	Member	23 July, 2022
Mr. Colathur Narayanan Ram, Non-Executive, Independent Director	Member	7 September, 2022
Mr. Murali Ramakrishnan, Non-Executive, Independent Director	Member	10 October, 2025
Mr. Yoshitaka Ando, Non-Executive, Non-Independent Director	Member	15 January, 2025

Brief Description of Terms of Reference:

The powers and terms of reference of the Audit Committee are comprehensive and include the requirements as prescribed under Section 177 of the Act, SEBI LODR, 2015 and RBI Governance Directions. 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 judgment 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, Status of corrective action plans and the formation of quality assurance program and the results of the quality assurance review.

f) Assess the internal audit function's adequacy, structure, frequency, effectiveness and methodology; 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) Approve Risk Based Internal Audit policy, Internal audit plan based on yearly risk assessment and any changes during the year, Audits being performed by external consultants.

h) Review with the management the adequacy of internal control systems and evaluate the internal financial controls & risk management systems.

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

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

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

l) Review, approve, ratify related party transactions or any subsequent modifications thereto.

m) Scrutinize inter-corporate loans and investments.

n) Establish and oversee a vigil (whistle-blower) mechanism for directors and employees, addressing reports and complaints appropriately.

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

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

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

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

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

Meetings and Attendance during the year:

The meetings of the Audit Committee were held on the following dates during the year and the necessary quorum was present throughout the meetings:

i. 8 May, 2025

ii. 6 August, 2025

iii. 12 November, 2025

iv. 11 February, 2026

v. 26 March, 2026

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

Members	Number of meetings attended/held during their tenure	% of attendance
Mr. Diwakar Gupta	5/5	100%
Mr. Rajeev Kannan[1]	2/2	100%
Ms. Seema Bahuguna	5/5	100%
Mr. Colathur Narayanan Ram	5/5	100%
Mr. Rajaraman Balachander[2]	2/2	100%
Mr. Keishi Iwamoto[3]	2/2	100%
Mr. Yoshitaka Ando	5/5	100%
Mr. Murali Ramakrishnan[4]	3/3	100%
Mr. Toshitake Funaki[5]	1/1	100%

[1]Mr. Rajeev Kannan ceased to be a member with effect from close of business hours on 9 October, 2025

[2]Mr. Rajaraman Balachander ceased to be a member with effect from close of business hours on 9 October, 2025

[3]Mr. Keishi Iwamoto was appointed as a member with effect from 10 October, 2025 and ceased to be a member with effect from close of business hours on 11 February, 2026

[4]Mr. Murali Ramakrishnan was appointed as a member with effect from 10 October, 2025

[5]Mr. Toshitake Funaki was appointed as a member with effect from 28 February, 2026

Nomination and Remuneration Committee

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

Composition:

The NRC comprises of four Non-Executive, Independent Directors and Two Non-Executive, Non-Independent Directors as on 31 March, 2026, detailed as under:

Name of the Member	Category	Member of Committee since
Mr. Colathur Narayanan Ram, Non-Executive, Independent Director	Chairman	7 September, 2022 (As Chairman: 8 November, 2022)
Ms. Seema Bahuguna, Non-Executive, Independent Director	Member	23 July, 2022
Mr. Diwakar Gupta, Non-Executive, Independent Director	Member	23 July, 2022
Mr. Rajeev Kannan, Non-Executive, Non-Independent Director	Member	10 May, 2024
Mr. Toshitake Funaki, Non-Executive, Non-Independent Director	Member	10 October, 2025
Mr. Murali Ramakrishnan, Non-Executive, Independent Director	Member	10 October, 2025

Brief Description of Terms of Reference:

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

Nomination Functions:

a) Review the Board structure, size, composition and diversity policy.

b) Evaluate the Board skills, knowledge and experience; recommend adjustments.

c) Formulate criteria for director qualifications, attributes and independence.

d) Recommend qualified director candidates who meet "fit and proper" criteria.

e) Use external agencies to find suitable Independent Director candidates.

f) Recommend qualified Senior Management candidates while avoiding conflicts of interest.

g) "Senior Management" is defined as officers below CEO/MD/WTD, including functional heads, Company Secretary, CFO, etc.

h) Devise performance review mechanisms; recommend reappointment of Directors based on evaluations.

i) Review and recommend Succession Planning Policy for Directors and Senior Management; approve succession plans for key positions and Senior Management.

Remuneration Functions:

a) Recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees of the Company.

b) Review and recommend to the Board, the remuneration, in whatever form, payable to the Directors and Senior Management of the Company.

c) Review and approve the compensation of the CEO & MD/ Executive Director of the Company within the limits as approved by shareholders and in terms of the relevant provisions of the Companies Act, 2013, the relevant Rules made thereunder and subject to receipt of requisite approvals.

d) Recommend the overall compensation strategy and remuneration budget covering all employees of the Company.

e) Work in close co-ordination with the Risk Oversight Committee (ROC) to achieve effective alignment between compensation and risks.

Meetings and Attendance during the year:

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

i. 8 May, 2025

ii. 13 June, 2025

iii. 6 August, 2025

iv. 26 March, 2026

Details of the attendance at the aforesaid meetings are as under:

Members	Number of meetings attended/held during their tenure	% of attendance
Mr. Colathur Narayanan Ram	4/4	100%
Mr. Keishi Iwamoto[1]	3/3	100%
Ms. Seema Bahuguna	4/4	100%
Mr. Diwakar Gupta	4/4	100%
Mr. Rajaraman Balachander[2]	3/3	100%
Mr. Rajeev Kannan	4/4	100%
Mr. Toshitake Funaki[3]	1/1	100%
Mr. Murali Ramakrishnan[4]	1/1	100%

[1]Mr. Keishi Iwamoto ceased to be a member with effect from close of business hours on 9 October, 2025

[2]Mr. Rajaraman Balachander ceased to be a member with effect from close of business hours on 9 October, 2025

[3]Mr. Toshitake Funaki was appointed as a member with effect from 10 October, 2025

[4]Mr. Murali Ramakrishnan was appointed as a member with effect from 10 October, 2025

The proceedings at the meetings of the NRC 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 based on 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.

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 are:

Sr. No.	Name	Designation
1.	Mr. Swaminathan Subramanian	Chief Operating Officer
2.	Mr. Ajay Pareek	Chief Business Officer
3.	Mr. Pankaj Malik	Chief Financial Officer
4.	Mr. Srinivasan Balachander	Group Chief Compliance Officer
5.	Mr. Bikramjit Ganguly	Chief Risk Officer
6.	Mr. Sanjeeb Prusti	Head, Internal Audit

Changes in senior management since the close of the previous financial year:

Following changes in the senior management of the Company took place since close of FY 2024-25:

- Ms. Akanksha Kandoi ceased to be the Company Secretary and Compliance Officer w.e.f. close of business hours on 22 January, 2026.

Further, following changes took place post close of FY 2025-26:

- Mr. Sagar Tawre has been appointed as Company Secretary and Compliance Officer (as per SEBI LODR, 2015) w.e.f. 16 April, 2026.
- Mr. Swaminathan Subramanian ceased to be the Chief Operating Officer of the Company w.e.f. close of business hours on 17 May, 2026.
- Mr. Hiroyuki Mesaki (DIN: 11612994) was appointed as an Executive Director and Deputy Chief Executive Officer w.e.f. 22 May, 2026, subject to approval of shareholders.

Stakeholders Relationship Committee

The Board had constituted the Stakeholders Relationship Committee ('SRC') pursuant to the provisions of SEBI LODR, 2015. Company Secretary and Compliance Officer oversaw the investor complaints received and redressed during the year. The SRC is vested with necessary powers, as per its Terms of Reference duly approved by the Board.

Composition:

The SRC comprises of two Non-Executive, Non-Independent Directors and one Non-Executive, Independent Director as on 31 March, 2026.

Name of the Member	Category	Member of Committee since
Mr. Toshitake Funaki, Non-Executive, Non-Independent Director	Chairman	10 October, 2025
Ms. Seema Bahuguna, Non-Executive, Independent Director	Member	23 July, 2022
Mr. Yoshitaka Ando, Non-Executive, Non-Independent Director	Member	15 January, 2025

Brief Description of Terms of Reference:

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

a) Resolve security holders' grievances, including share transfers, annual report receipts, dividend issues, certificate requests, and general meetings.

b) Review of measures taken for effective exercise of voting rights by shareholders.

c) Ensure adherence to service standards by the Registrar & Share Transfer Agent.

d) Reduce unclaimed dividends and ensure timely receipt of dividend warrants, annual reports, and statutory notices.

e) Address other matters as directed by the Board related to shareholders, debenture holders, and investors.

Meetings and Attendance during the year:

During the year, the meeting of the SRC was held on 6 February, 2026, wherein the necessary quorum was present throughout the meeting.

The details of the attendance at the said meeting, are as under:

Members	Number of meetings attended/held during their tenure	% of attendance
Mr. Rajeev Kannan[1]	0/0	NA
Mr. Toshitake Funaki[2]	1/1	100%
Ms. Seema Bahuguna	1/1	100%
Mr. Yoshitaka Ando	1/1	100%

Notes:

[1]Mr. Rajeev Kannan ceased to be the Member w.e.f. close of business hours on 9 October, 2025

[2]Mr. Toshitake Funaki was appointed as the Chairman w.e.f. 10 October, 2025

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

Details of Investor Complaints:

During the year under review, no complaints were received from the debenture holders/other investors (including through Stock Exchanges/SEBI SCORES platform), detailed as under:

No. of Complaints pending as on 1 April, 2025	No. of Complaints received during the year	No. of Complaints resolved to the satisfaction of the security holders during the year	Complaints not resolved to the satisfaction of the security holders during the year	No. of Complaints pending as on 31 March, 2026
Nil	Nil*	Not applicable	Not applicable	Nil*

* A complaint was lodged on SCORES on 29 December, 2025 and disposed of on 31 December, 2025. However, the said complaint did not pertain to the Company and hence not categorised as 'investor complaint'.

Risk Oversight Committee

The Risk Oversight Committee ('ROC') of the Board has been constituted in accordance with the Regulation 62I of the SEBI LODR, 2015 and RBI Governance Directions. .

Composition:

The ROC comprises of two Non-Executive, Independent Directors, two Non-Executive, Non-Independent Director and one Executive Director as on 31 March, 2026.

Name of the Member	Category	Member of Committee since
Mr. Murali Ramakrishnan, Non-Executive, Independent Director	Chairman	10 October, 2025
Mr. Diwakar Gupta, Non-Executive, Independent Director	Member	23 July, 2022
Mr. Yoshitaka Ando, Non-Executive, Non-Independent Director	Member	15 January, 2025
Mr. Toshitake Funaki, Non-Executive, Non-Independent Director	Member	10 October, 2025
Mr. Ravi Narayanan, Chief Executive Officer & Managing Director	Member	10 October, 2025

Brief Description of Terms of Reference:

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

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

b) Establish, review, and monitor risk management policies and frameworks, including credit, market, liquidity, currency, interest rate, financial, operational, sectoral/concentration, cyber security, information security, information technology, fraud (including effectiveness of Early Warning Signal framework), and sustainability (environment, social and

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governance) risks and assess the adequacy of risk mitigation measures and controls.

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

d) 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.

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

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

g) Review the Company's Outsourcing and Business continuity strategies for continued relevance as mandated by the regulator.

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

i) Approve changes to the underlying Expected Credit Loss ('ECL') model or methodology and recommendation thereof to the Board.

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

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

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

m) 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 on the following dates during the year wherein the necessary quorum was present throughout the meetings:

i. 7 May, 2025;

ii. 7 August, 2025;

iii. 4 November, 2025;

iv. 12 November, 2025 and;

v. 11 February, 2026.

The details of the attendance at the said meetings, are as under:

Members	Number of meetings attended/held during their tenure	% of attendance
Mr. Keishi Iwamoto[1]	5/5	100%
Mr. Shantanu Mitra[2]	1/1	100%
Mr. Diwakar Gupta	5/5	100%
Mr. Colathur Narayanan Ram[7]	2/2	100%
Ms. Dakshita Das[3]	5/5	100%
Mr. Yoshitaka Ando	5/5	100%
Mr. Toshitake Funaki [4]	3/3	100%
Mr. Ravi Narayanan[5]	3/3	100%
Mr. Murali Ramarkrishnan[6]	3/3	100%

[1]Mr. Keishi Iwamoto ceased to be the Chairman with effect from close of business hours on 11 February, 2026

[2]Mr. Shantanu Mitra ceased to be a member with effect from close of business hours on 15 June, 2025

[3]Ms. Dakshita Das ceased to be a member with effect from close of business hours on 27 February, 2026

[4]Mr. Toshitake Funaki was appointed as a member with effect from 10 October, 2025

[5]Mr. Ravi Narayanan was appointed as a member with effect from 10 October, 2025

[6]Mr. Murali Ramakrishnan was appointed as a member with effect from 10 October, 2025 and as a Chairman with effect from 28 February, 2026.

[7]Mr. Colathur Narayanan Ram ceased to be a member with effect from close of business hours on 9 October, 2025.

The proceedings of the meetings of the ROC were noted by the Board at its meetings. The Company Secretary acts as Secretary to the ROC. The Chief Risk Officer is a permanent invitee to the ROC meetings.

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.

Composition:

The CSR Committee comprises of Two Non-Executive, Non-Independent Director, one Executive Director and one Non-Executive, Independent Director as on 31 March, 2026.

Name of the Member	Category	Member of Committee since
Mr. Toshitake Funaki, Non-Executive, Non-Independent Director	Chairman	10 October, 2025
Mr. Ravi Narayanan, Chief Executive Director and Managing Director	Member	10 October, 2025

Name of the Member	Category	Member of Committee since
Mr. Yoshitaka Ando, Non-Executive, Non-Independent Director	Member	28 February, 2026
Ms. Seema Bahuguna, Non-Executive, Independent Director	Member	23 July, 2022

Brief Description of Terms of Reference:

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

a) Formulating and recommending the CSR policy and any modifications.

b) Monitoring the implementation of the CSR policy and ongoing projects.

c) Reviewing and recommending the Annual Budget for CSR activities.

d) Drafting an Annual Action Plan detailing approved CSR projects, execution methods, fund utilization, monitoring mechanisms, and impact assessments.

e) Ensuring transparent monitoring of CSR initiatives and reviewing expenditure.

f) Aligning CSR efforts with partners in identified sectors.

g) Conducting impact assessments via independent agencies when required and recommending these to the Board.

h) Finalizing the annual CSR Report and obtaining necessary approvals.

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

j) Performing additional functions as delegated by the Board.

For ESG, the Committee is responsible for:

a) Reviewing and recommending the ESG policy.

b) Guiding and overseeing ESG strategy and implementation in coordination with the ESG Sub-Committee.

c) Ensuring timely ESG reporting and disclosures.

Meetings and Attendance during the year:

The meetings of the CSR Committee were held on the following dates during the year wherein the necessary quorum was present throughout the meetings:

i. 7 August, 2025; and

ii. 26 March, 2026.

The details of the attendance at the said meetings, are as under:

Members	Number of meetings attended/held during their tenure	% of attendance
Mr. Keishi Iwamoto[1]	1/1	100%
Mr. Toshitake Funaki[2]	1/1	100%
Ms. Seema Bahuguna	2/2	100%
Mr. Ravi Narayanan[3]	1/1	100%
Ms. Dakshita Das[4]	1/1	100%
Mr. Yoshitaka Ando[5]	1/1	100%
Mr. Shantanu Mitra[6]	0/0	NA

[1]Mr. Keishi Iwamoto ceased to be Chairman with effect from close of business hours on 11 February, 2026

[2]Mr. Toshitake Funaki was appointed as a Chairman with effect from 10 October, 2025

[3]Mr. Ravi Narayanan was appointed as a member with effect from 10 October, 2025

[4]Ms. Dakshita Das was appointed as a member w.e.f. 16 June, 2025 and ceased to be a member with effect from close of business hours on 27 February, 2026

[5]Mr. Yoshitaka Ando was appointed as a member w.e.f. 28 February, 2026

[6]Mr. Shantanu Mitra ceased to be a member w.e.f. close of business hours on 15 June, 2025

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

IT Strategy Committee

The Board has constituted the IT Strategy ('ITS') Committee to comply with the requirements as prescribed by Reserve Bank of India in its 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 comprises of two Non-Executive, Non-Independent Directors, one Executive Director, two Non-Executive, Independent Directors as on 31 March, 2026. The Chief Operating Officer, Chief Risk Officer, Chief Information Officer and Chief Information Security Officer, are the permanent invitees to the Committee meetings, detailed as under:

Name of the Member	Category	Member of Committee since
Mr. Colathur Narayanan Ram, Non-Executive, Independent Director	Chairman	7 September, 2022
Mr. Rajeev Kannan, Non-Executive, Non- Independent Director	Member	30 November, 2021
Mr. Ravi Narayanan, Chief Executive Officer and Managing Director	Member	10 October, 2025
Ms. Seema Bahuguna, Non-Executive,Independent Director	Member	28 February, 2026
Mr. Toshitake Funaki, Non-Executive, Non-Independent Director	Member	28 February, 2026

Brief Description of Terms of Reference:

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

a) 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.

b) 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.

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

d) 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.

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

f) 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 on the following dates during the year wherein the necessary quorum was present throughout the meetings:

i. 8 May, 2025;

ii. 4 August, 2025;

iii. 11 November, 2025; and

iv. 6 February, 2026

The details of the attendance at the said meeting, are as under:

Members	Number of meetings attended/held during their tenure	% of attendance
Mr. Colathur Narayanan Ram	4/4	100%
Mr. Shantanu Mitra[1]	1/1	100%
Mr. Rajeev Kannan	4/4	100%
Ms. Dakshita Das[5]	4/4	100%
Mr. Keishi Iwamoto[2]	4/4	100%
Mr. Ravi Narayanan[3]	2/2	100%
Mr. Toshitake Funaki [4]	NA	NA
Ms. Seema Bahuguna[6]	NA	NA

[1]Mr. Shantanu Mitra ceased to be a member with effect from close of business hours on 15 June, 2025

[2]Mr. Keishi Iwamoto ceased to be a member with effect from close of business hours on 11 February, 2026

[3]Mr. Ravi Narayanan was appointed as a member with effect from 10 October, 2025

[4]Mr. Toshitake Funaki was appointed as a member with effect from 28 February, 2026

[5]Ms. Dakshita Das ceased to be a member with effect from close of business hours on 27 February, 2026

[6]Ms. Seema Bahuguna was appointed as a member with effect from 28 February, 2026

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 Defaulters Review Committee

The Board has constituted the Wilful Defaulters Review Committee ('WDRC') in compliance with the requirements prescribed by the RBI (Non-Banking Financial Companies – Treatment of Wilful Defaulters and Large Defaulters) Directions, 2025. The Committee is vested with necessary powers, as laid down in its Terms of Reference, to achieve its objectives.

Composition:

The WDRC comprises of two Non-Executive, Non-Independent Directors, one Non-Executive, Independent Director and one Executive Director as on 31 March, 2026.

Name of the Member	Category	Member of Committee since
Mr. Ravi Narayanan, Chief Executive Officer and Managing Director	Chairman	10 October, 2025
Mr. Diwakar Gupta, Non-Executive, Independent Director	Member	15 January, 2025

Name of the Member	Category	Member of Committee since
Mr. Yoshitaka Ando, Non-Executive, Non-Independent Director	Member	15 January, 2025
Mr. Toshitake Funaki, Non-Executive, Non-Independent Director	Member	10 October, 2025

- Mr. Shantanu Mitra ceased to be a member with effect from close of business hours on 15 June, 2025

The Company Secretary acts as Secretary to WDRC. The Committee did not meet during the year.

Brief Description of Terms of Reference:

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

a) To review, consider and classify a borrower as a Wilful Defaulter based on written proposal from the WDIC.

b) To provide an opportunity to the identified borrower(s) 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.

c) To provide an opportunity for a personal hearing to the identified borrower(s) without the right of the borrower(s) to be represented by a lawyer.

d) 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.

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

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

g) To approve Compromise Settlement of all loan accounts reported as Fraud/Wilful Defaulter.

h) 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 carry out by any regulatory requirements.

REMUNERATION OF DIRECTORS

Non-Executive Directors

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

Non-Executive, Non-Independent Directors:

No remuneration is paid to the Non-Executive, Non-Independent Directors of the Company.

Details of remuneration, paid to the following Non-Executive, Independent Directors of the Company, during the FY 2025-26, is as under:

Members	Sitting Fees Paid for meetings held during the year (In ₹)	Commission Paid for FY 2024-25 (In ₹)
Ms. Seema Bahuguna	18,40,000	30,00,000
Mr. Diwakar Gupta	19,80,000	30,00,000
Mr. Colathur Narayanan Ram	20,50,000	21,42,857
Mr. Rajaraman Balachander[1]	9,50,000	30,00,000
Ms. Dakshita Das[2]	16,00,000	30,00,000
Mr. Murali Ramakrishnan[3]	8,90,000	NA

[1]Mr. Rajaraman Balachander ceased to be Non-Executive, Independent Director w.e.f the close of business hour on 9 October, 2025

[2]Ms. Dakshita Das ceased to be Non-Executive, Independent Director w.e.f the close of business hour on 27 February, 2026

[3]Mr. Murali Ramakrishnan was appointed as Non-Executive, Independent Director with effect from 10 October, 2025.

The sitting fees and remuneration/commission payable to the Non-Executive, Independent Directors, is detailed as under:

Sitting Fees:

- ₹ 70,000/- for attending every meeting of the Committees of the Board
- ₹ 1,00,000/- for attending every meeting of the Board or such other meetings which they are required to attend as per the statutory requirement.

Remuneration/Commission:

- Limits for each Independent Director - ₹ 3.0 Mio per year
- Limits for Chairman (Non-Executive, Independent Director) of the Board - ₹ 4.0 Mio per year

EXECUTIVE DIRECTORS

Details of the remuneration paid to Mr. Shantanu Mitra and Mr. Ravi Narayanan as the Chief Executive Officer and Managing Director of the Company, are as under:

1. Shantanu Mitra

i) All elements of remuneration package of Mr. Shantanu Mitra (01 April, 2025 to 15 June, 2025) summarized under major groups, such as salary, benefits, bonuses, stock options, pension etc.:

Particulars of Remuneration	Amount in ₹
Salary	97,60,381
Value of perquisites, other benefits, allowances & retirement benefits	12,850
Retiral Benefits	4,68,498
Performance Bonus paid (for Previous Year Performance i.e. FY2024-25)	1,75,00,000
Bonus as part of joining commitment	1,00,00,000
Stock Appreciation Option	2,04,22,850
Ex-gratia	9,00,958
Total	**5,90,65,537**

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 for 3 years, from 2 April, 2024 up to 1 April, 2026, retired on 15 June, 2025
b. Notice Period of 90 days
c. Severance fees- Not Applicable

iv) Stock option details:

During the FY 2025-26, the tenure of the CEO's previous employment contract concluded on 15 June, 2025. In accordance with the terms of that contract and the Company's Employee Phantom Share Plan, an accelerated payout of SARs was made amounting to ₹ 2,04,22,850. The total remuneration paid during the year, including fixed pay, variable pay, and the accelerated SAR payout, is in compliance with provisions of the Companies Act, 2013 and has been duly approved by the Nomination and Remuneration Committee and the Board of Directors.

2. Ravi Narayanan

i) All elements of remuneration package of Mr. Ravi Narayanan summarized under major groups, such as salary, benefits, bonuses, stock options, pension etc.

Particulars of Remuneration	**From 28 Aug 2025 to 21 Sep 2025***	**From 22 Sep 2025 to 31 Mar 2026#**	**Total Amount in ₹**
	Amount in ₹	**Amount in ₹**	
Salary	2,265,667	1,72,17,308	19,482,975
Retiral Benefits	108,752	8,26,431	935,182
Bonus as part of joining commitment			1,00,00,000
Total			**3,04,18,157**

* Remuneration paid as CEO
#Remuneration paid as CEO & MD

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 for period not exceeding 5 years, from 22 September, 2025 up to 27 August, 2030
b. Notice Period of 90 days
c. Severance fees- Not Applicable

Criteria of paying remuneration to Non-Executive Directors

The Company does not pay any remuneration to its Non-Executive, Non-Independent Directors. However, the NRC has formulated criteria for payment of remuneration to its Non-Executive, Independent Directors, duly approved by the Board which is available on the website at https://www.smfgindiacredit.com/policies.aspx

General Body Meetings

Following are the information on General Body meetings and details of special resolution(s) passed.

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
Thirtieth AGM	Through two-way video conference.	Thursday, 7 August, 2025	5:30 PM	1. Re-appointment of Mr. Diwakar Gupta (DIN: 01274552) as the Non-Executive, Independent Director of the Company. 2. Re-appointment of Mr. Colathur Narayanan Ram (DIN: 00211906) as the Non-Executive, Independent Director of the Company.
Twenty Ninth AGM		Thursday, 8 August, 2024	2:10 PM	1. To approve power to borrow funds pursuant to the provisions of Section 180 (1) (c) of the Companies Act, 2013, not exceeding INR 55,800 crores. 2. To approve the power to create charge on the assets of the Company to secure borrowings upto ₹ 55,800 crores pursuant to Section 180(1)(a) of the Companies Act, 2013
Twenty Eighth AGM		Thursday, 21 September, 2023	1:00 PM	1. To approve payment of Remuneration to Independent Directors. 2. To approve alteration of Articles of Association of the Company.

All the resolutions were passed through Poll except resolutions passed at the Thirtieth AGM. No resolution was passed by postal ballot. There is no immediate proposal for passing any resolution through Postal Ballot.

b. Extra-ordinary General Meeting:

The details of the Extra-Ordinary General Meeting held in the financial year 2025-26 are given below:

Venue	Day & Date	Time	Special Resolutions passed
Through two-way video conference.	Thursday, 8 May, 2025	7:00 PM	1. Re-appointment of Ms. Seema Bahuguna (DIN: 09527493) as the Non-Executive, Independent Director of the Company.
Board Room, 2nd North Avenue, Maker Maxity, Floor 10, BKC, Bandra (East), Mumbai- 400051	Wednesday, 12 November, 2025	11:30 AM	1. Appointment of Mr. Ravi Narayanan (DIN: 08528459) as the Chief Executive Officer and Managing Director of the Company. 2. Appointment of Mr. Toshitake Funaki (DIN: 11205897) as the Non-Executive, Non-Independent Director of the Company. 3. Appointment of Mr. Murali Ramakrishnan (DIN: 01028298) as the Non-Executive, Independent Director of the Company.

Means of communication

a. Quarterly, half-yearly and annual financial results of the Company are approved by the Board and submitted to 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.smfgindiacredit.com/investors/financials.aspx pursuant to Regulation 62 of SEBI LODR, 2015

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

c. Official news release is also uploaded on the website of the company at https://www.smfgindiacredit.com/media/press-releases.aspx

d. No presentations are made to institutional investors or to analysts.

General Shareholder Information

a. Annual General Meeting

Date, Time and Venue.	31 July, 2026, at 9:00 AM IST at Mumbai/through Two-way video conferencing

b. Financial Calendar (tentative):

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

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

d. Listing on Stock Exchange: The non-convertible securities and Commercial Papers of the Company are listed on the debt market segment of National Stock Exchange of India Limited, 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 2025-26.

f. The Company has availed electronic connectivity facility from MUFG Intime India Private Limited (previously known as 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 Ltd. C-101, 1st Floor, 247 Park, Lal Bahadur Shastri Marg, Vikhroli (West), Mumbai-400 083.	Toll-Free number (India): 1800 1020 878 Telephone Number: 022-4918 6270 Fax: 022-4918 6060 E-mail : rnt.helpdesk@linkintime.co.in Website: https://in.mpms.mufg.com/

g. No listed securities were suspended for trading during the FY 2025-26.

h. 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 derivatives 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.

i. List of all credit ratings along with any revisions thereto obtained for FY 2025-26 for all debt instruments or any fixed deposit programme or any scheme or proposal of the listed entity involving mobilization of funds, whether in India or abroad. Kindly refer to the Para no. 11 of the Directors' Report.

j. Address for correspondence and Investor queries:

Name	Contact Details
Secretarial Department	SMFG India Credit Company Limited Corporate Office Address: 2nd North Avenue, Maker Maxity, Floor 10, BKC, Bandra (East), Mumbai- 400 051 (Upto 30 June, 2026) 11th Floor, C Wing, Embassy 247, Lal Bahadur Shastri Marg, Gandhi Nagar, Vikhroli (West), Mumbai, Maharashtra- 400083 (w.e.f. 1 July, 2026). E-mail Id: secretarial@smfgindia.com Contact no: 022 41635800

k. Dematerialization of shares and liquidity

The equity shares of the Company are held in demat form.

l. Distribution of shareholding

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

Name of the Shareholders	No. of Shares held	Percentage
Sumitomo Mitsui Financial Group, Inc.*	2,65,48,54,060	100.00
Total (Issued & Paid-up Shares)	2,65,48,54,060	100.00

* Includes 6 shares held by Nominee shareholders of Sumitomo Mitsui Financial Group, Inc.

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; are not applicable to the Company.

The Company is registered with the Reserve Bank of India as NBFC-Investment and Credit Companies (NBFC-ICC) and in the operations since 2007. At present, the Company is a Middle Layer NBFC based on size, activity and perceived riskiness. The Company operates from various offices in India and does not have any manufacturing plant.

Other Disclosures:

a. There are no significant material-related party transactions that may have potential conflict of interest with the interest of the Company at large. There are no material related party transactions which required approval of the shareholders of the Company except as provided in the Director's Report.

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 except one instance of non-compliance with Regulation 60(2) of SEBI LODR, 2015 (intimation of record date) for 1 ISIN, and NSE has levied a fine of ₹ 10,000 plus taxes, which was paid by the Company in FY 2024-25. The Company had applied for waiver of fine with the NSE, however it was not considered favorably by NSE.

c. The Company has in place a Vigil Mechanism/Whistle Blower Policy duly approved by the Board. No personnel of the Company have been denied access to the Audit Committee to lodge their grievance. The said Policy has been uploaded on the website of the Company at: https://www.smfgindiacredit.com/policies.aspx

d. The Company has complied with the following discretionary requirements, as specified under Part E of Schedule II to Regulation 27(1) read with Regulation 62Q(1) of SEBI LODR, 2015, detailed as under.

   i. Non-Executive Director is the Chairperson of the Company and does not maintain any office at the expense of the Company.

   ii. The Company delivers the audited financial results/ statements on a quarterly and annual basis to its shareholders.

   iii. Financial statements for the year ended on 31 March, 2026 was unmodified.

   iv. Company has separated the post of Chairman and that of the Chief Executive Officer and Managing Director.

e. During FY 2025-26, information as mentioned in Part A of Schedule II of the SEBI LODR, 2015, has been placed before the Board for its consideration.

f. The Policy for determining material subsidiary is uploaded on the website of the Company at https://www.smfgindiacredit.com/policies.aspx

g. The Policy for Related Party Transactions has been uploaded on the website of the Company at https://www.smfgindiacredit.com/policies.aspx. A copy of the said Policy has also been attached to the Directors' Report as **Annexure VI.**

h. Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A) of SEBI LODR, 2015 – Not applicable.

i. The Company has been identified as a High Value Debt Listed Entity ('HVDLE'), with effect from 7 September, 2021 and as such is required to comply with relevant provisions of SEBI LODR, 2015 relating to corporate governance. SEBI vide SEBI (LODR) (Amendment) Regulations, 2025 introduced a separate Chapter VA w.r.t. corporate governance provisions for HVDLEs w.e.f. 28 March, 2025. The Company is in compliance with Regulations 15 to 27 read with Chapter VA of the SEBI LODR, 2015. The Company has obtained a certificate from Vinod Kothari & Company, Practicing Company Secretaries regarding compliance with the provisions relating to corporate governance laid down under the SEBI LODR, 2015.

j. The Certificate dated 15 May, 2026 issued by M/s Vinod Kothari and Company, Practicing Company Secretaries (Unique Code. F010559G000236477) that none of the Directors of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by their Board or by the Ministry of Corporate Affairs or any such 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.

l. The details of the fees paid by the Company and SMFG India Home Finance Company Limited ('SMHFC'), its wholly owned subsidiary to the Joint statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part, during the financial year ended 31 March, 2026, is as under:

(₹ in lakh)

Professional fees payable to auditors	Standalone	Subsidiary	Consolidated
Statutory Audit fee	182	28	210
Tax Audit fee	17	5	22
Out of pocket expenses and certification Services	14	29	43
Total	**213**	**62**	**275**

m. Disclosure in relation to the Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013, for the FY ended 31 March, 2026, is as under:

No. of complaints filed	6
No. of complaints disposed off	5
No. of complaints pending	1

n. The Company and SMHFC, its wholly owned subsidiary have not taken or given any loans and advances to firms/companies/ body corporates, in which directors are interested or deemed to be interested by name and account.

o. Details of material subsidiaries

Name of the material subsidiary	SMFG India Home Finance Company Limited
Date and place of incorporation	12 August, 2010, Chennai
Date of appointment of the statutory auditors	19 June, 2024

p. Disclosures with respect to demat suspense account/ unclaimed suspense account: Not Applicable

q. The Reserve Bank of India had imposed a monetary penalty of ₹ 23,10,000 (Rupees Twenty-Three Lakh Ten thousand only) on the company for non-compliance with certain provisions of the Master Direction – Information Technology Framework for the NBFC sector and other related directions issued by the RBI during FY 2024-25. Further, there were no defaults observed in compliance with the requirements of the Companies Act, 2013, including with respect to compliance with accounting and secretarial standards.

r. Details of non-compliance with requirement of Companies Act, 2013: Nil

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

Compliance with Code of Conduct

I confirm that all Board Members and Senior Management Team have affirmed compliance with the "Code of Conduct for Directors, Senior Management, Key Managerial Personnel and Employees of the Company", as applicable to them for the year ended 31 March, 2026.

Ravi Narayanan
Chief Executive Officer &
Managing Director
(DIN: 08528459)

Date: 22 May, 2026
Place: Mumbai

01
02
Statutory Reports
03

Certificate of Corporate Governance

The certificate dated 15 May, 2026 obtained from M/s Vinod Kothari and Company, Practicing Company Secretaries (Unique Code. F010559G000236532) confirming compliances with the conditions relating to 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, Securitized Debt Instruments and/or Commercial Paper]

To,
The Members of
SMFG India Credit Company Limited,
Commerzone IT Park, Tower B,
1st Floor, No.111, Mount Poonamallee Road,
Porur, Chennai, Tamil Nadu, India - 600116

We have examined the relevant registers, records, forms, returns, and disclosures received from the Directors of **SMFG India Credit Company Limited** ***(hereinafter referred to as 'the Company')*** having CIN U65191TN1994PLC079235 and having registered office at Commerzone IT Park, Tower B, 1st Floor, No.111, Mount Poonamallee Road, Porur, Chennai, Tamil Nadu, India - 600116, 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, Securitized Debt Instruments and/or Commercial Paper.

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. Rajeev Veeravalli Kannan	01973006	Chairman, Non-Executive Director, Non-Independent Director	30 November, 2021
2.	Mr. Ravi Narayanan	08528459	Chief Executive Officer & Managing Director	22 September, 2025
3.	Mr. Colathur Narayanan Ram	00211906	Independent Director	07 September, 2022
4.	Ms. Seema Bahuguna	09527493	Independent Director	26 April, 2022
5.	Mr. Diwakar Gupta	01274552	Independent Director	13 July, 2022
6.	Mr. Murali Ramakrishnan	01028298	Independent Director	10 October, 2025
7.	Ms. Yoshitaka Ando	10788149	Non-Executive, Non-Independent Director	13 January, 2025
8.	Mr. Toshitake Funaki	11205897	Non-Executive, Non-Independent Director	19 September, 2025

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: F010559H000370083
Peer Review Certificate No.: 4123/2023

Place: Mumbai
Date: 15 May, 2026

Annexure B to the Directors' Report

CERTIFICATE ON CORPORATE GOVERNANCE

To,
The Members,
SMFG India Credit Company Limited

We have examined the compliance of Corporate Governance by **SMFG India Credit 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 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: F010559H000369951
Peer Review Certificate No.: 4123/2023

Place: Mumbai
Date: 15 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;
    - Corporate Social Responsibility Committee;
    - IT Strategy 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

Certification by Chief Executive Officer (CEO) and Chief Financial Officer (CFO)

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

We, Ravi Narayanan, Chief Executive Officer & Managing Director and Pankaj Malik, Chief Financial Officer, of SMFG India Credit Company Limited (hereinafter referred to as 'the Company'), to the best of our knowledge and belief, certify that:

a. We have reviewed the financial statements and the cash flow statement for the year ended 31 March, 2026 (hereinafter referred to as 'the year') and that to the best of our knowledge and belief:

   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 violative 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 over financial reporting during the year and;

   ii. Significant changes in accounting policies during the year and the same have been disclosed in the notes to the financial statements.

e. There have been 52 instances of fraud reported by the Company to the Board. The Company has taken appropriate legal action against the same. As the Company is registered as non-deposit taking NBFC, it has not accepted deposits from the public.

Ravi Narayanan
Chief Executive Officer & Managing Director

Pankaj Malik
Chief Financial Officer

Date: 22 May, 2026
Place: Mumbai

Annexure IV to the Directors' Report

Form No. MR-3

Secretarial Audit Report

FOR THE FINANCIAL YEAR ENDED ON MARCH 31, 2026

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

To,
The Members,
SMFG India Credit 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 Credit Company Limited** [hereinafter called '**the Company'**] for the year ended on March 31, 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 quarter ended on March 31, 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 quarter ended on March 31, 2026, according to the provisions of:

1. The Companies Act, 2013 ('the Act') and the rules made thereunder including any re-enactment thereof;
2. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the 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 the 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 (Listing Regulations);
    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. **Laws to the extent applicable to the Company being a NBFC-Middle Layer:**
    a. Reserve Bank of India Act, 1934 along with relevant master directions, notification, circulars and guidelines as applicable;
    b. Miscellaneous Instructions to all Non-Banking Financial Companies;
    c. Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 2016;
    d. Master Direction - Non-Banking Financial Companies Auditor's Report (Reserve Bank) Directions, 2016;
    e. Master Directions on Fraud Risk Management in NBFC (including HFC);
    f. Master Direction - Know Your Customer (KYC) Directions, 2016;
    g. Master Direction - Reserve Bank of India (Filing of Supervisory Returns) Directions, 2024;
    h. RBI Master Direction on Information Technology Governance, Risk, Controls and Assurance Practices;
    i. Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023;
    j. Master Direction – Reserve Bank of India (Transfer of Loan Exposures) Directions, 2021;
    k. Compliance Function and Role of Chief Compliance Officer (CCO) – NBFCs – RBI Circular dated April 11, 2022;
    l. Implementation of 'Core Financial Services Solution' by Non-Banking Financial Companies (NBFCs) – RBI Circular dated February 23, 2022;
    m. Guidelines on Risk-Based Internal Audit (RBIA) System for Select NBFCs and UCBs dated 03 February, 2021;
    n. Guidelines for Appointment of Statutory Central Auditors (SCAs)/Statutory Auditors (SAs) of Commercial Banks (excluding RRBs), UCBs and NBFCs (including HFCs);
    o. Other RBI Master Directions introduced pursuant to the RBI consolidation exercise applicable w.e.f. November

28, 2025, to the extent applicable to the Company during the audit period.

p. Master Direction – Reserve Bank of India (Commercial Paper and Non-Convertible Debentures of original or initial maturity upto 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 October 15, 2025 as updated from time to time; and;

q. Laws to the extent applicable to the Company being a Corporate Agent:

   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 the Secretarial Standards-1 & 2 issued by the Institute of Company Secretaries of India.

During the audit period, 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 Director, Non-Executive Directors 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 and Committee meetings, agenda and detailed notes on agenda were sent at least seven days in advance except in cases where the 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 was no instance of dissent in Board or Committee Meetings.

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

We further report that during the audit period, the Company has not undertaken any specific events/actions that can have a major bearing on the Company's compliance responsibility in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc., except as follows:

i. Private Placement of Non-Convertible Debentures (NCDs):

During the audit period, the Company has allotted secured debentures amounting to ₹1,709.8 crores and subordinated debt amounting to ₹100 crores.

ii. Redemption of NCDs:

During the audit period, the Company redeemed secured debentures amounting to ₹3,124.18 crores pursuant to maturity/partial redemption and subordinated debentures amounting to ₹200 crores pursuant to maturity.

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

Vinita Nair
Joint Managing Partner
Membership No.: F10559
CP No.: 11902
UDIN: F010559H000376861
Peer Review Certificate No.: 4123/2023

Place: Mumbai
Date: 15 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 Credit 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 upto 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 accounts 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 a 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 following meetings:
    - Board of Directors;
    - Audit Committee;
    - Nomination & Remuneration Committee;
    - Risk Oversight Committee;
    - Corporate Social Responsibility Committee;
    - Asset Liability Committee Meeting;
    - IT Strategy Committee Meeting;
    - Stakeholders Relationship Committee Meeting;
    - Annual General Meeting and Extraordinary General Meetings.
2. Notices for Board and Committee Meetings on a sample basis;
3. Resolutions passed by Circulation on a sample basis;
4. List of related parties maintained during audit period;
5. Director's disclosure under the Act and rules made thereunder;
6. Statutory Registers under the Act;
7. Intimations/Information submitted to Stock Exchanges, Debenture Trustees, RBI, IRDA and Credit Rating Agencies;
8. Forms and returns filed with the ROC, RBI and IRDAI;
9. Codes, Policies and Terms of Reference of Committees framed under applicable SEBI Regulations and disclosures/details obtained/ furnished thereunder.
10. Forms filed under the Foreign Exchange Management Act and the Regulations made thereunder with Authorised Dealer Bank and RBI in relation to ECB.
11. Annual report FY 2024-25 and quarterly financials submitted during the audit period.

Annexure V to the Directors' Report

Annual Report On CSR Activities For Financial Year 2025-26

1. Brief outline of the Company's CSR policy:

CSR policy of SMFG India Credit Company Limited. (SMFG India Credit)

i. Introduction

As a part of its Corporate Social Responsibility, SMFG India Credit enables sustainable development and inclusive growth across communities. The Company has implemented certain innovative socio-economic and environmental initiatives, in fulfilment of its role as a socially responsible corporate citizen. SMFG India Credit reaches 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.

SMFG India Credit's Corporate Social Responsibility (CSR) projects operate under the brand name - 'Uday – ek nayi subhah', which signifies hope, thus fulfilling the Company's commitment in making a change in lives of the under privileged.

Every CSR initiative of SMFG India Credit is branded to build mass connect both for internal as well as external stakeholders.

Livelihood enhancement & training programmes	Cattle care camps	Education programmes	Environment & organic farming
Primary healthcare	Financial literacy	Skill development for youth	Eye-care programmes

ii. *Uday* VISION

SMFG India Credit's CSR Vision – *Uday*, is to enable sustainable development and inclusive growth across communities through innovative socio-economic and environmental interventions, in fulfillment of its role as a socially responsible corporate citizen.

iii. *Uday* OBJECTIVES

SMFG India Credit's *Uday* initiative focuses on the three key aspects of community development - Social, Economic and Environment. To achieve long-term sustainable impact on the community, SMFG India Credit's *Uday* objectives are:

Advance livelihoods through

- Identification of technical expertise for guidance and facilitation of programmes
- Skill development and capacity building initiatives
- Income enhancement through market linkages, across value chains
- Education programmes focusing on enhancement of knowledge leading to up-gradation of skills and empowerment

Improve the social wellbeing of the community through

- Health awareness and intervention programmes for community and the under-privileged, with a focus on eye-care and nutrition.
- Women and children-focused health interventions through awareness and implementation of programmes enabling adoption of best health practices.
- Awareness about preventive healthcare, with a focus on hygiene and clean drinking water.

Adoption of sustainable environmental practices through

- Promotion and adoption of environmentally sustainable practices, such as organic farming
- Awareness and adoption of green technology and alternative energy through programmes/interventions

iv. SCOPE

The CSR Policy (the Policy) shall be applicable to all CSR initiatives and activities undertaken by SMFG India Credit and all its employees for the welfare and sustainable development benefit of different segments of the society at large.

This Policy is in line with Section 135 of the Companies Act, 2013 (the Act) and the rules made thereunder.

2. Composition of CSR Committee:

Sl. No.	Name of Director	Designation/Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Mr. Toshitake Funaki	Chairman, Non-Executive Director	1	1
2	Mr. Ravi Narayanan	Member, CEO & Managing Director	1	1
3	Ms. Seema Bahuguna	Member, Non-Executive, Independent Director	2	2
4	Mr. Yoshitaka Ando	Member, Non-Executive Director	1	1
5	Mr. Keishi Iwamoto	Chairman, Non-Executive Director	1	1
6	Ms. Dakshita Das	Member, Non-Executive, Independent Director	1	1
7	Mr. Shantanu Mitra	Member, CEO & Managing Director	0	0

Note:

1. Mr. Shantanu Mitra ceased to be a member w.e.f. close of business hours on 15 June, 2025
2. Ms. Dakshita Das was appointed as a member w.e.f. 16 June, 2025 and ceased to be a member w.e.f. close of business hours on 27 February, 2026.
3. Mr. Ravi Narayanan was appointed as a member w.e.f. 10 October, 2025.
4. Mr. Keishi Iwamoto ceased to be Chairman w.e.f. close of business hours on 11 February, 2026.
5. Mr. Toshitake Funaki was appointed as a member w.e.f. 10 October, 2025 and Chairman w.e.f. 28 February, 2026.
6. Mr. Yoshitaka Ando was appointed as a member w.e.f. 28 February, 2026.

3. Provide the web-link 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: https://www.smfgindiacredit.com/csr-documents.aspx

CSR Policy: https://www.smfgindiacredit.com/csr-documents.aspx

CSR projects: https://www.smfgindiacredit.com/csr.aspx

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.

(a) Average Net Profit of the Company as per section (5) of section 135: ₹ 7,25,70,25,794

(b) Two percent of average net profit of the company as per section (5) of section 135: ₹14,51,40,516 (2% of ₹7,25,70,25,794)

(c) Surplus arising out of the CSR projects/programs/activities of the previous financial years: Nil

(d) Amount required to be set off for the financial year, if any: ₹6,50,00,000

(e) Total CSR obligation for the financial year [(b)+(c)-(d)]: ₹8,01,40,516 (Board approved budget for FY 25-26 is ₹12,00,00,000)

6. (a) Amount spent on CSR projects (both Ongoing Project and other than Ongoing Project)

- Details of CSR amount spent against Ongoing projects for the financial year: Not Applicable
- Details of CSR amount spent against other than Ongoing projects for the financial year: ₹11,43,00,000

(b) Amount spent in Administrative Overheads: ₹57,00,000

(c) Amount spent on Impact Assessment, if applicable: Nil

(d) Total amount spent for the Financial Year (a)+(b)+(c): ₹12,00,00,000

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

Total Amount Spent for the Financial Year (in ₹)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
12,00,00,000	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable

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

Sl. No.	Name of Director	Amount (in ₹)
(i)	Two percent of average of net profit of the company as per sub-section (5) of section 135	14,51,40,516
(ii)	Total amount spent for the Financial Year#	18,50,00,000
(iii)	Excess amount spent for the Financial Year [(ii)-(i)]	3,98,59,484
(iv)	Surplus arising out of the CSR projects or programs or activities of the previous Financial Years; if any	-
(v)	Amount available for set off in succeeding Financial Years [(iii)-(iv)]	3,98,59,484

The actual total amount spent during FY 2025–26 is ₹12,00,00,000. The excess amount available for set off from previous financial years, which was availed in FY 2025-26 of ₹6,50,00,000, has reduced the CSR obligation for the year to ₹8,01,40,516. The excess spending for this FY i.e. ₹3,98,59,484 is included in the total amount spent above [in (ii)] to accurately reflect the excess amount available for future set-off.

7. Details of Unspent CSR amount for the preceding three financial years:

Sl. No.	Preceding Financial Year(s)	Amount transferred to Unspent CSR Account under section 135 (6) (in ₹)	Balance Amount in Unspent CSR Account under subsection (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 subsection (5) of section 135, if any		Amount remaining to be spent in succeeding financial years (in ₹)	Deficiency, if any
					Amount (in ₹)	Date of transfer		
1	2022-23	-	-	1,04,35,004	-	-	-	-
2	2023-24	-	-	-	-	-	-	-
3	2024-25	-	-	-	-	-	-	-

8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the financial year:

Yes ☐ No ■

9. 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

Ravi Narayanan
Chief Executive Officer & Managing Director
DIN: 08528459

Place: Mumbai
Date: 22 May, 2026

Toshitake Funaki
Chairman, CSR Committee
DIN: 11205897

Place: Mumbai
Date: 22 May, 2026

Annexure VI to the Directors' Report

Policy on Related Party Transactions

1. SCOPE AND OBJECTIVE

Related party transactions can create conflict of interest affecting SMFG India Credit Company Limited ('the Company') and its stakeholders. To maintain transparency and compliance, the Company adheres to legal norms such as the Companies Act, 2013, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, RBI Directions, IND AS-24, and IRDA Regulations ('Applicable Laws').

The Company's Policy on Related Party Transactions (RPT(s)) ensures:

i. Systematic identification of Related Parties ('RP') as per applicable laws.

ii. Transparent processes for identifying, approving, and disclosing RPTs as per applicable laws.

iii. Fair conduct of RPTs in line with legal requirements.

iv. To set out Materiality thresholds for RPTs.

This policy is to be read with the Internal SOP/Process Manual formulated by the Company for RPTs.

2. DEFINITIONS

Annual Consolidated Turnover	Turnover as per the last audited Consolidated Financial Statements.
Annual Standalone Turnover	Turnover as per the last audited Standalone Financial Statements.
Company	SMFG India Credit Company Limited
Act	Companies Act, 2013
Arm's length basis	A transaction between two related parties that is conducted as if they were unrelated so that there is no conflict of interest.
Key Managerial Personnel (KMPs)	i. The Chief Executive Officer (CEO) or the Managing Director (MD) or the Manager; ii. The Company Secretary (CS); iii. The Whole-time Director (WTD); iv. The Chief Financial Officer (CFO); v. Such other officer, not more than one level below the Directors who is in whole-time employment, designated as key managerial personnel by the Board and vi. Such other officer as may be prescribed
Listing Regulations/LODR	SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, from time to time.
Material Modification	Any modification, either individually or taken together with any previous modification, made in the nature, value/exposure, or other terms and conditions of any ongoing or proposed RPT, as originally approved by the Audit Committee/Board and/or shareholders, as may be applicable, which has the effect of variation in the approved value of the transaction, by 20% or more, or by which the transaction ceases to be in ordinary course and/or on arm's length or such other parameter as may be determined by the Audit Committee from time to time. Provided that, a modification mandated pursuant to change in law, or pursuant to and in accordance with the terms of the approved transaction/contract, or resulting from change in constitution of either of the parties pursuant to schemes of arrangement (e.g. merger, amalgamation, demerger, etc.), or is of a nature which is purely technical and does not result in substantive change or alteration of rights, interests, and obligations of any of the parties, or is uniformly affected for similar transactions with unrelated parties shall not be regarded as material modification.
Material Related Party Transaction	Material Related Party Transaction shall have the same meaning as defined in the Act and Listing Regulations. For details, please refer to **Annexure 1 of this Policy.**
Net Worth	The aggregate value of the paid-up share capital and all reserves created out of the profits, securities premium account and debit or credit balance of profit and loss account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, as per the audited balance sheet, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation.

Potential Conflict of Interest	Conflict of interest either by being a party to an RPT or in case of an RPT with another body corporate, holding more than 2% of the paid-up share capital of the other body corporate.
Related Party (RP)	Related Party (RP) means a Related Party (RP) as defined under clause (zb) of Regulation 2(1) of the Listing Regulations and as mentioned under the applicable accounting standards read with relevant rules and proviso of the said statutes as amended from time to time. In accordance with the above, RP with reference to a company, shall include: i. director or his relative; ii. key managerial personnel or his relative; iii. firm, in which a director, manager or his relative is a partner; iv. private company in which a director or manager or his relative is a member or director; v. public company in which a director or manager is a director and holds along with his relatives, more than two percent of its paid-up share capital; vi. any body corporate whose Board of Directors, Managing Director or manager is accustomed to act in accordance with the advice, directions or instructions of a director or manager other than advice, directions or instructions given in a professional capacity; vii. any person on whose advice, directions or instructions a director or manager is accustomed to act other than advice, directions or instructions given in a professional capacity; viii. any body corporate which is: (a) a holding, subsidiary or an associate company of the company; (b) a subsidiary of a holding company to which it is also a subsidiary; (c) an investing company or the venturer of the company ("the investing company or the venturer of a company" means a body corporate whose investment in the company would result in the company becoming an associate company of the body corporate.); ix. a director (other than an independent director) or KMP of the holding company or his relative with reference to the Company; x. any person or entity forming a part of the promoter or promoter group of the Company; xi. any person or any entity, holding ten per cent or more equity shares in the Company either directly or on a beneficial interest basis as provided under section 89 of the Companies Act, 2013, at any time during the immediate preceding financial year; xii. any related party as identified under IND-AS 24.
Related Party Transaction (RPT)	Means a transaction involving transfer of resources, services or obligations between: i. the Company or any of its subsidiaries on one hand with a RP of the Company or any of its subsidiaries on the other hand; or ii. the Company or any of its subsidiaries on one hand with any other person or entity on the other hand, the purpose and effect of which is to benefit a RP of the Company or any of its subsidiaries. It is clarified that regardless of whether a price is charged, a "transaction" with a RP shall be construed to include a single transaction or a group of transactions in a contract. Provided that the transactions specified under Para 3 of this Policy shall be excluded from the definition of a RPT.
Relative	'Relative' with reference to any person, means anyone who is related to another, if they are - i. members of Hindu Undivided Family; ii. husband or wife; iii. father (including step-father) and mother (including step-mother) iv. son (including step-son) and son's wife; v. daughter and daughter's husband; vi. brother (including step-brother) and sister (including step-sister).

Senior Officers (SOs)/ Senior Management/ Leadership Team	Means officers and personnel of the Company who are members of its core management team, excluding the Board of Directors, and shall also comprise all the members of the management, one level below the CEO & MD, and shall specifically include the functional heads, by whatever name called and the persons identified and designated as KMP (other than board of directors) by the Company.
Turnover	The gross amount of revenue recognized in the profit and loss account from the sale, supply, or distribution of goods or on account of services rendered, or both, by the Company during a financial year.

Note: All words and expressions used herein, unless defined herein, shall have the same meaning as respectively assigned to them under the Act and Rules framed thereunder, LODR, IND-AS 24 or any other applicable laws or as per the circulars/guidelines issued by RBI from time to time.

3. EXCLUSION FROM THE DEFINITION OF RPTs

The following transactions shall not be considered as a related party transactions, although disclosure in the financial statement as per the Listing Regulations shall be made by the Company:

i. The issue of specified securities on a preferential basis, subject to compliance of the requirements under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended from time to time.

ii. Corporate actions uniformly applicable or offered to all shareholders in proportion to their shareholding, including:

- Payment of dividends;
- Subdivision or consolidation of securities;
- Issuance of securities by way of a rights issue or bonus issue; and
- Buy-back of securities.

iii. Acceptance of fixed deposits (including payment of interest thereon) by banks/NBFCs at the terms uniformly applicable/offered to all shareholders/public, subject to disclosure of the same along with the disclosure of related party transactions every six months to the stock exchange(s), in the format as specified by SEBI.

iv. Acceptance of current account deposits and savings account deposits by banks in compliance with the directions issued by the relevant regulators in the relevant jurisdiction from time to time. For the purposes of these clauses, acceptance of deposits includes payment of interest thereon.

v. Retail purchases from the Company or its subsidiary by its directors or KMPs and relatives of directors or KMPs, without establishing a business relationship and at the terms which are uniformly applicable or offered to all its employees, directors, KMPs and relatives of directors or KMPs. "Retail purchases" refer to the purchase or availing of products and services offered by the Company in the ordinary course of business, or, in case of any related party transaction by any subsidiary, in the ordinary course of its business of such subsidiary, through retail channels (i.e., branches or business outlets) through which the Company/subsidiary services its retail customers, at the terms which are uniformly offered to all its employees, directors, KMPs and relatives of director or KMPs as per applicable policies of the Company/subsidiary, subject to applicable laws.

vi. Any other exception consistent with the applicable laws, including any rules or regulations made thereunder.

4. APPROVAL OF RELATED PARTY TRANSACTIONS:

A. AUDIT COMMITTEE:

i. Prior approval of the Audit Committee of the Company shall be required for the following transactions:

- All related party transactions and subsequent material modification thereto, where Company is one of the party to the transaction.
- A related party transaction above rupees one crore, whether entered into individually or taken together with previous transactions during a financial year, to which the subsidiary of the Company is a party but the Company is not a party, if the value of such transaction exceeds (i) 10% of the annual standalone turnover of the subsidiary as per the last audited financial statements of the subsidiary or (ii) the threshold for material related party transactions of the Company whichever is lower;

In case such subsidiary does not have audited financial statements for a period of at least one-year, prior approval of Audit Committee of the Company shall be obtained if value of such transaction exceeds (i) 10% of the aggregate value of paid up share capital and securities premium account (as on date, not older than 3 months prior to seeking approval of Audit Committee) of the subsidiary or (ii) the threshold for material related party transactions of the Company whichever is lower;

ii. The Audit Committee shall consider all relevant factors while deliberating the related party transactions for its approval. The Audit Committee may not approve a transaction but may make appropriate recommendations to the Board.

iii. Any member of the Committee who has a potential interest in any Related Party Transaction shall not be present at the meeting during the discussion and voting on such transactions. Only those members of the Audit Committee, who are independent directors, shall approve related party transactions.

iv. The following Related party transactions would be exempted from obtaining approval from the Audit Committee:

- Transaction to which the listed subsidiary is a party, but the Company is not a party, if regulation 23 read with regulation 62K and regulation 15(2) are applicable to the listed subsidiary.
- Transaction entered by unlisted subsidiaries of a listed subsidiary, if prior approval of the audit committee of the listed subsidiary has been obtained.
- Transactions between the Company and its wholly owned subsidiary, except those transactions referred to in Section 188 of the Act.
- Transactions between the Company and its wholly owned subsidiary whose accounts are consolidated with the Company and placed before the shareholders at the general meeting for approval.
- Transactions entered into between two wholly owned subsidiaries of the Company, whose accounts are consolidated with the company and placed before the shareholders at the general meeting for approval.
- Remuneration and sitting fees paid by the Company or its subsidiary to Directors, KMPs, and Senior Officers, (who are not part of the promoter and promoter group), if they are not Material RPTs under LODR.

v. The members of the Audit Committee, who are independent directors, may ratify related party transactions entered into by a director or officer of the Company without obtaining the approval of the Audit Committee, within three months from the date of the transaction or in the immediate next meeting of the AC, whichever is earlier, subject to the following conditions:

- The value of the ratified transaction(s) with a related party, whether entered into individually or taken together, during a financial year shall not exceed rupees one crore.
- It is not a material related party transaction.
- Rationale for inability to seek prior approval for the transaction shall be placed before the Audit Committee at the time of seeking ratification;
- The details of such ratification shall be disclosed as per Regulation 62K (9) of the Listing Regulations.
- Any other condition as specified by the Audit Committee.
- Failure to seek ratification of the Audit Committee shall render the transaction voidable at the option of the Audit Committee and if the transaction is with a related party to any director, or is authorised by any other director, the director(s) concerned shall indemnify the Company against any loss incurred by it.

vi. Audit Committee shall review, on a quarterly basis, the details of related party transactions entered into by the Company. In connection with any review of a related party transaction, the Audit Committee has authority to modify or waive any procedural requirements of this policy.

vii. The Audit Committee shall review the status of long-term (more than one year) and/or recurring RPTs, on an annual basis.

B. OMNIBUS APPROVAL OF AUDIT COMMITTEE:

i. The Audit Committee may grant omnibus approval for related party transactions proposed to be entered into by the Company or its subsidiary which are repetitive in nature and subject to certain criteria/conditions as required under Regulation 23 read with Regulation 62K of the Listing Regulations and Section 177 of the Act read with rules made thereunder and such other conditions as it may consider necessary in line with this policy and in the interest of the Company.

ii. Such omnibus approval shall be valid for a period not exceeding one financial year and shall require fresh approval after the expiry of one financial year.

iii. Such omnibus approval shall specify the following:

(a) the name(s) of the related party and nature of relationship with the Company and/or its subsidiary, nature of transaction, period of transaction, maximum amount of transactions (in aggregate and per transaction) that shall be entered into;

(b) the indicative base price/current contracted price and the formula for variation in the price if any; and

(c) such other conditions as the Audit Committee may deem fit.

iv. For the ease of carrying out transactions/contracts/ arrangements, the Audit Committee may grant omnibus approvals to certain transactions based on the following criteria:

- The maximum value of the transactions, in aggregate, which can be allowed under omnibus route in a year shall not exceed 10% of annual consolidated turnover of the Company, if transaction is in the nature of revenue or expenses or 10% of the total assets, if transaction is in the nature of liabilities/ assets, as per the last audited financial statement.
- The maximum value per transaction which can be allowed under omnibus approval in a year shall not exceed 10% of annual consolidated turnover of the Company, if transaction is in the nature of revenue

or expenses or 10% of the total assets, if transaction is in the nature of liabilities/assets, as per the last audited financial statement.

- The following transactions cannot be subject to the omnibus approval by the Audit Committee.
  - Transactions which are not in ordinary course of business or not on arm's length basis;
  - Transactions involving and in respect of sale or disposal of an undertaking of the Company;
  - Any other transaction the Audit Committee may deem not fit for omnibus approval;
  - Such other transactions specified under applicable Laws from time to time.

v. Where the need for related party transactions cannot be foreseen or for which specific details as required to be placed for seeking omnibus approval are not available, the Audit Committee may grant omnibus approval for such transactions subject to their value not exceeding rupees one crore per transaction.

vi. Audit Committee shall review, on a quarterly basis, the details of related party transactions entered into by the Company or its subsidiary pursuant to each of the omnibus approval given.

C. BOARD OF DIRECTORS:

i. In case any related party transactions are referred by the Audit Committee to the Board for its approval due to the transaction being (i) not in the ordinary course of business, or (ii) not at an arm's length price, or (iii) a transaction not approved but recommended by the Audit Committee, the Board will consider such factors as, nature of the transaction, material terms, the manner of determining the pricing and the business rationale for entering into such transaction. On such consideration, the Board shall approve the transaction or require such modifications to transaction terms as it deems appropriate under the circumstances. Where any Director is interested in any contract or arrangement with a related party, such Director shall not be present at the meeting during the discussion on the subject matter of the resolution relating to such contract or arrangement.

ii. The Board shall also consider the related party transaction requiring shareholder approval as per applicable laws.

iii. Any member of the Board who has any interest in any related party transaction shall not vote to approve the related party transaction.

iv. The approval of the Board is not required for a transaction, other than a transaction referred to in Section 188 of the Companies Act, 2013 with a wholly owned subsidiary of the Company.

v. The Company will ensure compliance with the provisions of Section 188 of the Act.

D. DEBENTURE HOLDERS AND SHAREHOLDERS:

i. All material related party transaction under Listing Regulations and subsequent material modifications thereto as defined in this Policy or by the Audit Committee, shall require prior No-Objection Certificate from the Debenture Trustee and the Debenture Trustee shall in turn obtain No-Objection from the debenture holders who are not related with the Company and hold at least more than fifty percent of the debenture in value on the basis of voting including e-voting. This No-Objection Certificate from Debenture Trustee and debenture holders shall be obtained in respect of listed debt securities issued on or after April 01, 2025.

ii. After obtaining approval of the debenture holders, approval of the shareholders through resolution shall be obtained. It is clarified that if the No-Objection Certificate has been withheld, the matter shall not be taken forward for shareholders' consideration.

iii. The following material related party transactions will be exempt from obtaining prior approval from the shareholders and No-Objection Certificate by Debenture Trustee of the Company:

- Transactions with its wholly owned subsidiary whose accounts are consolidated with the Bank and placed before the shareholders at the general meeting for approval.
- Transactions to which the listed subsidiary is a party, but the Company is not a party, if Regulation 23 read with 62K of the Listing Regulations are applicable to such listed subsidiary.
- Transactions entered into between two wholly owned subsidiaries of the Company, whose accounts are consolidated with the Company and placed before the shareholders at the general meeting for approval.

iv. For material related party transactions of unlisted subsidiaries of a listed subsidiary, the prior approval of the shareholders of the listed subsidiary, in the manner as specified in para 4(D)(i) above shall be obtained.

v. The shareholders may grant omnibus approval for material related party transactions under Listing Regulations proposed to be entered into by the Company or its subsidiary which are repetitive in nature. Such omnibus approval granted by the shareholders in an Annual General Meeting shall be valid till the date of the next Annual General Meeting held within the timelines prescribed under the Act read with rules, notifications or circulars issued thereunder from time to time. In case, such omnibus approval for material related party transactions are granted by the shareholders in general meetings other than the Annual General Meeting, the validity of such omnibus approvals shall not exceed one year from the date of such approval.

vi. Related party transaction, entered by the Company, which are either not in the ordinary course of business, or not at arm's length price and exceeds the thresholds prescribed under the Act read with rules made thereunder, shall also require prior shareholders' approval by a resolution. However, transaction between the Company and its wholly owned subsidiary will be exempt from shareholders' approval.

vii. The Related Party Transactions which would require prior approval of Shareholders, will be placed before the Shareholders after seeking prior approval of Audit Committee/Board.

5. LENDING TO RELATED PARTIES:

i. For the purpose of this section, Related Persons, Related Party, Specified employees and Lending shall have the meaning as provided under the Credit Risk Management Policy of the Company in line with the RBI (Non-Banking Financial Companies – Credit Risk Management) – Amendment Directions, 2026.

ii. The Credit Risk Management Policy of the Company contains the specific provisions governing Lending to Related Parties in accordance with RBI (Non-Banking Financial Companies – Credit Risk Management) – Amendment Directions, 2026. All such facilities, including personal loans to Directors or KMPs, shall be subject to the materiality thresholds as prescribed in the said policy. All loans beyond the prescribed materiality threshold shall be sanctioned by the Risk Oversight Committee of the Company.

iii. Any deviation from the provisions of the lending to related parties as covered in the Credit Risk Management Policy including reasons therefore shall be reported to the Audit Committee.

iv. In addition to the provisions relating to Lending to Related Parties provided under the Credit Risk Management Policy of the Company read with the RBI (Non-Banking Financial Companies – Credit Risk Management) – Amendment Directions, 2026, the Company shall continue to comply to the applicable provisions of the Act, the Listing Regulations and other applicable laws, as amended from time to time.

6. DISCLOSURE

- Website and Annual Report: The RPT Policy will be uploaded on the company's website and included in the Corporate Governance Report, which is part of the Annual Report.
- Directors Report: The Policy on Related Party Transactions should be disclosed in the Directors Report. Also, particulars of RPTs will be included in the Boards' report in the form AOC-2 as per section 134(3)(h) of the Act.
- Form MBP-4: The Company will disclose RPTs in Form MBP-4 Part A and Part B, as applicable.
- Half-Yearly Disclosure: Details of RPTs will be disclosed along with standalone financial results on a half-yearly basis in the specified format and uploaded on the company's website.
- Listing Regulations and RBI Guidelines: RPT details will be disclosed according to the norms under the Listing Regulations and any applicable RBI guidelines.
- Remuneration and Sitting Fees: Details of remuneration and sitting fees paid to Directors, Key Managerial Personnel, and Senior Officers (except those in the promoter and promoter group) are not required in the half-yearly disclosure under Listing Regulations, unless it is a Material RPT under the Listing Regulations. Company shall disclose in the Annual Report, any loans, advances or Contracts made to its Related Parties, Senior Officer or to its Relatives in addition to disclosure w.r.t. related party transactions as mandated under RBI (Non-Banking Financial Companies – Financial Statements: Presentation and Disclosures) Directions, 2025 covering disclosure in financial statements -notes to accounts.

7. POLICY REVIEW

This Policy is framed based on the provisions of the Listing Regulations, the Act and rules thereunder and other applicable law.

In case of any subsequent changes in the provisions of the Listing Regulations or the Act and rules thereunder or other applicable law, the relevant amended provisions would prevail over the Policy and the provisions in the Policy would be modified in due course to make it consistent with law. This Policy shall be reviewed by the Board atleast once in a year and shall be amended as and when any changes are to be incorporated in the Policy due to change in applicable law/ regulations or as may be felt appropriate.

ANNEXURE 1

Material Related Party Transaction

A. Material Related Party Transaction under the Act:

Following transactions with Related Parties, which are not in the ordinary course of business or not on an arm's length basis. It shall include:

(i) Sale, purchase or supply of any goods or materials amounting to 10% or more of the turnover of the Company;

(ii) Selling or otherwise disposing of, or buying, property of any kind amounting to 10% or more of net worth of the Company;

(iii) Leasing of property of any kind amounting to 10% or more of the turnover of the Company;

(iv) Availing or rendering of any services amounting to 10% or more of the turnover of the Company;

(v) Appointment of any agent for purchase or sale of goods, materials, services or property amounting to 10% or more of the turnover of the Company;

(vi) Appointment to any office or place of profit in the company, subsidiary company or associate company with monthly remuneration exceeding two and a half lakh rupees;

(vii) For remuneration for underwriting the subscription of any securities or derivatives thereof, of the company exceeding 1% of the net worth.

Note:

i) The Limits specified in (i) to (v) above shall apply for transaction or transactions to be entered into either individually or taken together with the previous transactions during a financial year.

ii) The Turnover or Net Worth shall be computed on the basis of the Audited Financial Statement of the preceding financial year.

B. Material Related Party Transaction under Listing Regulations:

A transaction with a related party shall be considered material, if the transaction(s) to be entered into individually or taken together with previous transactions during a financial year exceeds the following:

Consolidated Turnover of the Company	Threshold
(I) Up to ₹20,000 crores	10% of the annual consolidated turnover of the Company
(II) More than ₹20,000 crores to upto ₹40,000 crores	₹2,000 crores + 5% of the annual consolidated turnover of the listed entity above ₹20,000 crores
(III) More than ₹40,000 crores	₹3,000 crores + 2.5% of the annual consolidated turnover of the listed entity above ₹40,000 crores or ₹5000 croress, whichever is lower.

Note: The annual consolidated turnover shall be determined based on the last audited financial statements of the Company.

Notwithstanding the above point, a transaction involving payments made to a Related Party for brand usage or brand royalty shall be considered material if the transaction(s) to be entered into individually or taken together with previous transactions, during a financial year, exceed 5% (five percent) of the Annual Consolidated Turnover of the Company, as per the last audited financial statements of the Company.

Independent Auditor's Report

To
The Members of
SMFG India Credit Company Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

1. We have audited the accompanying consolidated financial statements of **SMFG India Credit Company Limited** ('the Holding Company') and its subsidiary, SMFG India Home Finance Company Limited (the Holding Company and its subsidiary together referred to as 'the Group'), which comprise the Consolidated Balance Sheet as at **31 March, 2026**, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the year then ended, and notes to the consolidated financial statements, including material accounting policy information and other explanatory information.

2. In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditor on separate financial statements and on the other financial information of the subsidiary, as referred to in paragraph 15 of 'Other Matter' section below, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ('the Act') in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards ('Ind AS') specified under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, and other accounting principles generally accepted in India of the consolidated state of affairs of the Group, as at 31 March, 2026, and their consolidated profit (including other comprehensive income), consolidated cash flows and the consolidated changes in equity for the year ended on that date.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group, in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('the ICAI') together with the ethical requirements that are relevant to our audit of the consolidated 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 together with the audit evidence obtained by the other auditor in terms of their report referred to in paragraph 15 of the 'Other Matter' section below, is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

4. Key audit matters are those matters that, in our professional judgment and based on the consideration of the reports of the other auditor on separate financial statements of the subsidiary, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

5. We have determined the matters described below to be the key audit matters to be communicated in our report.

Key audit matters	How our audit addressed the key audit matters
Impairment of loan assets (Refer note 1(C)(2) for material accounting policies and note 6, 32, and 50 for financial disclosures in the accompanying consolidated financial statements)	
As at 31 March, 2026, the Group has reported gross loan assets of ₹ 62,65,995 lakhs (31 March 2025: ₹ 54,36,560 lakhs) against which an impairment loss of ₹ 1,88,275 lakhs (31 March, 2025: ₹ 1,47,781 lakhs) has been recorded. The Group recognized impairment provision on loan assets based on the Expected Credit Loss ('ECL') approach laid down under 'Ind AS 109 – Financial Instruments'. The Group has applied a three-stage approach based on changes in credit quality of loan assets which is primarily determined based on number of days past due for each loan asset apart from other factors considered by the management for ascertaining significant increase in credit risk.	Our audit focused on assessing the appropriateness of management's judgment and estimates used in determination of impairment allowance on loan assets through our audit procedures and those of the component auditor of one subsidiary that included, but were not limited to, the following: ▸ Obtained an understanding of the modelling techniques adopted by the Group including the key inputs and assumptions. Since modelling assumptions and parameters are based on historical data, we assessed whether historical experience was representative of current circumstances;

Key audit matters

The Group measures 12-month ECL for Stage 1 loan assets and at lifetime ECL for Stage 2 and Stage 3 loan assets. The estimation of ECL on loan assets is complex and involves significant management judgement and estimates. The key areas where greater levels of management judgement are identified and therefore increased levels of audit focus in the Group's estimation of ECL are:

- Data inputs – The application of ECL model requires several data inputs from internal and external sources. This increases the risk of completeness and accuracy of the data that has been used to create assumptions in the model.
- Model estimations –The models used to estimate ECL, 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 model and as a result are considered to be an area involving significant management judgement and estimate.
- Economic scenarios – Ind AS 109 requires the Group to measure ECL on an unbiased forward-looking basis reflecting a range of future economic conditions/ assumptions. Significant management judgement is applied in determining the economic scenarios used and the probability weights applied to them.
- Management overlays - The basis of providing for management overlays are periodically monitored by the Group which is significantly dependent on the performance of the portfolio.

Determining ECL on the financial assets also requires compliance with key disclosure requirements as prescribed under the standards and by the Reserve Bank of India ('the RBI'), to explain the key judgements and assumptions made by the management in the measurement.

Further, as described in note 48 to the accompanying consolidated financial statements, pursuant to RBI (Non-Banking Financial Companies – Income Recognition, Asset Classification and Provisioning) Amendment Directions the Company has considered the credit enhancement arising from DLG arrangements which are integral to the contractual terms in the computation of ECL as per Ind AS 109 which was excluded in ECL computation of the Holding Company for the previous year ended 31 March, 2025 following RBI's instructions.

This matter has also been considered as fundamental to the users' understanding of the consolidated financial statements.

In view of the significance of above matter to the consolidated financial statements, complex nature of assumptions and judgements exercised by the management in determining ECL for loan assets which form major portion of the Group's total assets, it required significant auditor's attention. Accordingly, we and auditors of one subsidiary have identified this as a key audit matter for current year audit.

How our audit addressed the key audit matters

- Assessed the Group's accounting policies for estimation of expected credit loss on loans for compliance as per Ind AS 109;
- Reviewed the policy approved by the respective Board of Directors for ECL allowance and related approach including the assessment of credit quality;
- Evaluated the design and tested the operating effectiveness of key internal financial controls around completeness and accuracy of the key inputs and assumptions considered for calculation, recording, monitoring of the expected credit loss;
- On sample basis performed test of details over calculation of ECL, in relation to the completeness and accuracy of the data;
- Tested classification of loan assets into stage 1, 2 and 3 categories, on sample basis, to verify that these were allocated to the appropriate stage;
- Involved auditor's experts, as applicable, for testing the ECL model of the Group and performed the following procedures:
  - Evaluated the appropriateness of the Group's determination of significant increase in credit risk in accordance with the applicable accounting standard and the basis for classification of exposures into various stages;
  - Assessed the reasonableness of critical assumptions and input data used in the estimation of expected credit loss model for specific key credit risk parameters, such as the movement logic between stages, EAD, PD or LGD including forward-looking macro-economic factors; and
  - Evaluated whether the methodology applied by the Group is compliant with the requirements of the relevant accounting standards and confirmed that the calculations are performed in accordance with the approved methodology, including mathematical accuracy of the workings.
- Evaluated the management's judgements and basis of estimates in relation to provision for overlay and assessed its reasonableness;
- On sample basis inspected the co-lending arrangements to ensure that DLG benefits were integral to the contractual terms of the co-lending arrangements and were a part of DLG adjustments in ECL computation of the Holding Company. Further, we have verified underlying data used by management in assessing DLG adjustments to Gross ECL of the Holding Company
- Assessed the appropriateness and adequacy of the related presentation and disclosure made in the accompanying Consolidated Financial Statements in accordance with the applicable accounting standards and related RBI circulars and guidelines; and
- Obtained written representations from management and those charged with governance in relation to appropriateness of such ECL methodology reasonableness of judgements and assumptions used.

Key audit matters	How our audit addressed the key audit matters
Information Technology ('IT') Systems and Controls for financial reporting process:	
The Group is highly dependent on its complex IT architecture comprising hardware, software, multiple applications, automated interfaces and controls in systems for recording, storing and reporting financial transactions. A number of independent and inter-dependent IT systems are used by the Group for processing and recording the large volume of transactions on daily basis as part of its operations, which impacts key financial accounting and reporting items such as loan assets, impairment allowance on loan assets and interest income amongst others. There exists a risk that, gaps in the IT control environment could result in the financial accounting and reporting records being materially misstated. The controls implemented by the Group in its IT environment determine the integrity, accuracy, completeness, and the validity of the data that is processed by the applications and is ultimately used for financial reporting. These controls contribute to mitigating risk of potential misstatements caused by fraud or errors. The Group has separate software applications for management of its loan portfolio from origination to servicing and closure and for the routine accounting. Transfer of data from/to these software are critical for accurate compilation of financial information. Our audit approach relies on automated controls and therefore, procedures are designed to test controls over in scope IT systems, segregation of duties, interface and system application controls over key financial accounting and reporting systems. We and auditors of one subsidiary have identified certain Key IT System and IT enabled applications ('in-scope' IT System) which have an impact on Group's financial reporting process and related control testing as a key audit matter because of high level of automation, the complexity of IT environment and its pervasive impact on financial records and financial reporting process of the Group.	We and component auditor of one subsidiary, involved auditor's IT specialists to perform procedures which included, but were not limited to the following: ▸ Obtained an understanding of the Group's IT related control environment, IT applications and databases. Furthermore, we conducted a risk assessment and identified IT applications, databases that are relevant for the Group's financial reporting; ▸ For the IT systems relevant to financial reporting, we have tested design and operative effectiveness of key IT general controls over such scoped-in IT systems that are critical to financial reporting .This included evaluation of entity's controls to ensure segregation of duties and access rights being provisioned / modified based on duly approved requests, access for exit cases being revoked in a timely manner and access of all users being re-certified during the period of audit. Further, controls related to program change were evaluated to verify whether the changes were approved, tested in an environment that was segregated from production and moved to production by appropriate users; ▸ Evaluated the design and tested the operating effectiveness of key automated controls within the scoped in IT systems. This included testing the integrity of system interfaces, report logic for system generated reports, other application layer controls identified during our audit and testing of key automated controls relevant to our audit mainly for loans, interest income and impairment of loan asset for evaluating completeness and accuracy; ▸ Where deficiency were identified, tested compensating controls or performed alternate procedures, where necessary; and ▸ Obtained written representations from management and those charged with governance on whether IT general controls and automated IT controls are designed and were operating effectively during the year.

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

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

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

   In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

   When we read the Director's Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance under SA 720 'The Auditor's responsibilities Relating to Other Information'.

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

7. The accompanying consolidated financial statements have been approved by the Holding Company's Board of Directors. The Holding Company's Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation and presentation of

these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated changes in equity and consolidated cash flows of the Group in accordance with the Ind AS specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Board of Directors of the Holding Company, as aforesaid.

8. In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group 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 intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

9. Those respective Board of Directors are also responsible for overseeing the financial reporting process of the companies included in the Group.

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

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

11. As part of an audit in accordance with Standards on Auditing specified under section 143(10) of the Act we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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

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

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

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

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

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group, to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of financial statements of such entities included in the consolidated financial statements, of which we are the independent auditors. For the other entity included in the consolidated financial statements, which have been audited by the other auditor, such other auditor remain responsible for the direction, supervision and performance of the audit carried out by them. We remain solely responsible for our audit opinion.

12. 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.

13. 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.

14. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated 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.

Other Matter

15. We did not audit the financial statements of subsidiary, whose financial statements reflect total assets of ₹12,04,866 lakhs and net assets of ₹ 1,69,006 lakhs as at 31 March, 2026, total revenues of ₹ 1,52,151 lakhs, total net profit after tax of ₹ 12,600 lakhs, and net cash outflow amounting to ₹ 12,224 lakhs for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditor whose report has been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of the subsidiary, and our report in terms of sub-section (3) of section 143 of the Act in so far as it relates to the aforesaid subsidiary, are based solely on the report of the other auditor.

    Our opinion above on the consolidated financial statements, and our report on other legal and regulatory requirements below, are not modified in respect of the above matters with respect to our reliance on the work done by and the report of the other auditor.

Report on Other Legal and Regulatory Requirements

16. As required by section 197(16) of the Act, based on our audit and on the consideration of the report of the other auditor, referred to in paragraph 15, on separate financial statements of the subsidiary, we report that the Holding Company and its subsidiary incorporated in India whose financial statements have been audited under the Act have paid remuneration to their respective directors during the year in accordance with the provisions of and limits laid down under section 197 read with Schedule V to the Act.

17. As required by clause (xxi) of paragraph 3 of Companies (Auditor's Report) Order, 2020 ('the Order') issued by the Central Government of India in terms of section 143(11) of the Act, based on the consideration of the Order reports issued by us and by the respective other auditor as mentioned in paragraph 15 above, of subsidiary company included in the consolidated financial statements and covered under the Act we report that there are no qualifications or adverse remarks reported in the respective Order report of such subsidiary company.

18. As required by section 143(3) of the Act, based on our audit and on the consideration of the report of the other auditor on separate financial statements of the subsidiary incorporated in India whose financial statements have been audited under 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 purpose of our audit of the aforesaid consolidated financial statements;

b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors;

c) The consolidated financial statements dealt with by this report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;

d) In our opinion, the aforesaid consolidated financial statements comply with Ind AS specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015;

e) On the basis of the written representations received from the directors of the Holding Company and its subsidiary and taken on record by the Board of Directors of the Holding Company and its subsidiary, and the report of the statutory auditor of its subsidiary, covered under the Act, none of the directors of the Holding Company and its subsidiary, are 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 Holding Company and its subsidiary, covered under the Act, and the operating effectiveness of such controls, refer to our separate report in Annexure I wherein we have expressed an unmodified opinion; and

g) 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 and based on the consideration of the report of the other auditors on separate financial statements of the subsidiary incorporated in India whose financial statements have been audited under the Act:

i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group, as detailed in note 43 to the accompanying consolidated financial statements;

ii. Provision has been made in these consolidated financial statements, as required under the applicable law or Ind AS, for material foreseeable losses, on long-term contracts including derivative contracts, as detailed in note 4 and 43 to the accompanying consolidated financial statements;

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company, and its subsidiary, during the year ended 31 March, 2026;

iv. a. The respective managements of the Holding Company and its subsidiary, incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiary, respectively that, to the best of their knowledge and belief, as disclosed in note 52(h) to the accompanying consolidated financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or securities premium or any other sources or kind of funds) by the Holding Company or its subsidiary, to or in any person(s) or entity(ies), including foreign entities ('the 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 Holding Company, or any such subsidiary, ('the Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf the Ultimate Beneficiaries;

b. The respective managements of the Holding Company and its subsidiary, incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiary, respectively that, to the best of their knowledge and belief, as disclosed in the note 52(h) to the accompanying consolidated financial statements, no funds have been received by the Holding Company or its subsidiary, from any person(s) or entity(ies), including foreign entities ('the Funding Parties'), with the understanding, whether recorded in writing or otherwise, that the Holding Company, or any such subsidiary, shall, whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

c. Based on such audit procedures performed by us and that performed by the auditor of the subsidiary, as considered reasonable and appropriate in the circumstances, nothing has come to our or other auditors' notice that has caused us or the other auditors to believe that the management representations under sub-clauses (a) and (b) above contain any material misstatement.

v. The Holding Company and its subsidiary have not declared or paid any dividend during the year ended 31 March, 2026.

vi. As stated in note 55 to the accompanying consolidated financial statements and based on our examination which included test checks performed by us on the Holding Company and that performed by the respective auditor of the subsidiary company which are companies incorporated in India and audited under the Act, the Holding Company and its subsidiary company, in respect of financial year commencing on 1 April, 2025, have used accounting software for maintaining their books of account which have a feature of recording audit trail (edit log) facility and the same have been operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we and respective auditor of the above referred subsidiary company did not come across any instance of audit trail feature being tampered with.

Furthermore, the audit trail has been preserved by the Holding Company and above referred subsidiary company as per statutory requirements for record retention.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm Registration No:001076N/N500013

Manish Gujral
Partner
Membership No:105117

UDIN: 26105117STZAFK1792

Place: Mumbai
Date: 22 May, 2026

For **M/s. G.D. Apte & Co.**
Chartered Accountants
Firm Registration No:100515W

S.B. Rashinkar
Partner
Membership No:103483

UDIN: 26103483XVMLXP3745

Place: Mumbai
Date: 22 May, 2026

Annexure I referred to in Paragraph 18(f) of Independent Auditor's Report of even date to the members of SMFG India Credit Company Limited on the consolidated financial statements for the year ended 31 March 2026

Independent Auditor's Report on the internal financial controls with reference to consolidated financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')

1. In conjunction with our audit of the consolidated financial statements of **SMFG India Credit Company Limited** ('the Holding Company') and its subsidiary, SMFG India Home Finance Company Limited (the Holding Company and its subsidiary together referred to as 'the Group'), as at and for the year ended **31 March,2026**,we have audited the internal financial controls with reference to consolidated financial statements of the Holding Company and its subsidiary company, which are companies covered under the Act, as at that date.

Responsibilities of Management and Those Charged with Governance for Internal Financial Controls

2. The respective Board of Directors of the Holding Company and its subsidiary company, which are companies covered under the Act, are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to consolidated financial statements criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (hereinafter referred to as 'the Guidance Note') issued by the Institute of Chartered Accountants of India (' the ICAI').These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of the Company's 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 for the Audit of the Internal Financial Controls with Reference to Consolidated Financial Statements

3. Our responsibility is to express an opinion on the internal financial controls with reference to consolidated financial statements of the Holding Company and its subsidiary company, as aforesaid, based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the ICAI prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to consolidated financial statements, and the Guidance Note issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to consolidated financial statements were established and maintained and if such controls operated effectively in all material respects.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements includes obtaining an understanding of such internal financial controls, 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.

5. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their report referred to in the Other Matter paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to consolidated financial statements of the Holding Company and its subsidiary company as aforesaid.

Meaning of Internal Financial Controls with Reference to Consolidated Financial Statements

6. A company's internal financial controls with reference to consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to consolidated financial statements 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 consolidated 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 consolidated financial statements.

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

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

Opinion

8. In our opinion and based on the consideration of the reports of the other auditors on internal financial controls with reference to financial statements of the subsidiary company, the Holding Company and its subsidiary company, which are companies covered under the Act, have in all material respects, adequate internal financial controls with reference to consolidated financial statements and such controls were operating effectively as at 31 March, 2026, based on the internal financial controls with reference to consolidated financial statements criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the ICAI.

Other Matter

9. We did not audit the internal financial controls with reference to financial statements insofar as it relates to subsidiary company, which is a company covered under the Act, whose financial statements reflect total assets of ₹ 12,04,866 lakhs and net assets of ₹ 1,69,006 lakhs as at 31 March, 2026, total revenues of ₹ 1,52,151 lakhs, total net profit after tax of ₹ 12,600 lakhs, and net cash outflow amounting to ₹ 12,224 lakhs for the year ended on that date, as considered in the consolidated financial statements. The internal financial controls with reference to consolidated financial statements in so far as it relates to such subsidiary company, have been audited by other auditors whose report has been furnished to us by the management and our report on the adequacy and operating effectiveness of the internal financial controls with reference to consolidated financial statements for the Holding Company and its subsidiary company, as aforesaid, under Section 143(3)(i) of the Act in so far as it relates to such subsidiary company, is based solely on the report of the auditor of such company. Our opinion is not modified in respect of this matter with respect to our reliance on the work done by and on the reports of the other auditors.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm Registration No:001076N/N500013

Manish Gujral
Partner
Membership No:105117

UDIN: 26105117STZAFK1792

Place: Mumbai
Date: 22 May, 2026

For **M/s. G.D. Apte & Co.**
Chartered Accountants
Firm Registration No:100515W

S.B. Rashinkar
Partner
Membership No:103483

UDIN: 26103483XVMLXP3745

Place: Mumbai
Date: 22 May, 2026

Consolidated 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	1,25,646	2,49,558
Bank balances other than cash and cash equivalents	3	1,77,353	1,34,972
Derivative financial instruments	4	1,34,730	17,840
Trade receivables	5	2,266	3,186
Loans	6	60,77,720	52,88,779
Investments	7	3,51,961	3,20,648
Other financial assets	8	40,513	32,022
		69,10,189	**60,47,005**
Non-financial assets			
Current tax assets (net)	9	9,944	9,410
Deferred tax asset (net)	10	58,655	53,157
Property, plant and equipment	11	23,213	26,900
Intangible assets under development	12	2,560	448
Other intangible assets	13	12,063	10,958
Right of use assets	14	31,923	35,416
Other non-financial assets	15	44,061	37,002
		1,82,419	**1,73,291**
Total Assets		**70,92,608**	**62,20,296**
LIABILITIES AND EQUITY			
Liabilities			
Financial liabilities			
Derivative financial instruments	4	497	4,742
Payable			
a) Trade payables	16		
i) total outstanding dues to micro enterprises and small enterprises		426	2,422
ii) total outstanding dues to creditors other than micro enterprises and small enterprises		1,21,961	1,12,736
b) Other payables			
i) total outstanding dues to micro enterprises and small enterprises		2,606	1,699
ii) total outstanding dues to creditors other than micro enterprises and small enterprises		22,739	12,103
Debt Securities	17	10,52,863	11,38,705
Borrowings (Other than Debt Securities)	18	43,90,464	35,37,696
Subordinated liabilities	19	2,10,386	2,15,473
Other financial liabilities	20	1,28,384	1,00,435
		59,30,326	**51,26,011**
Non-financial liabilities			
Current tax liabilities (net)	21	7,415	5,842
Provisions	22	18,649	13,839
Other non-financial liabilities	23	23,369	22,819
		49,433	**42,500**
Equity			
Equity share capital	24	2,65,485	2,65,485
Other equity	25	8,47,364	7,86,300
		11,12,849	**10,51,785**
Total Liabilities and Equity		**70,92,608**	**62,20,296**

Refer accompanying notes which form an integral part of the consolidated financial statements 1-57

As per our report of even date attached.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm Registration No:001076N/N500013

Manish Gujral
Partner
Membership No:105117

Place: Mumbai
Date: 22 May 2026

For **G.D. Apte & Co.**
Chartered Accountants
Firm Registration No:100515W

S.B. Rashinkar
Partner
Membership No:103483

Place: Mumbai
Date: 22 May 2026

For and on behalf of the Board of Directors of
SMFG India Credit Company Limited

Rajeev Kannan
Chairman
DIN: 01973006

Place: Mumbai
Date: 22 May 2026

Ravi Narayanan
CEO & Managing Director
DIN : 08528459

Place: Mumbai
Date: 22 May 2026

Pankaj Malik
Chief Financial Officer

Place: Mumbai
Date: 22 May 2026

Sagar Tawre
Company Secretary

Place: Mumbai
Date: 22 May 2026

Consolidated Statement of Profit and Loss

for the year ended 31 March 2026

(₹ lakhs)

Particulars	Note	Year Ended 31 March 2026	2025
Revenue from operations			
Interest income	26	11,73,228	9,58,501
Dividend income	27	4	13
Fees and commission income	28	39,228	30,855
Gain on derecognition of financial instruments		14,290	14,470
Net gain on fair value changes	29	7,348	8,892
Total revenue from operations		**12,34,098**	**10,12,731**
Other income	30	1,168	2,114
Total Income		**12,35,266**	**10,14,845**
Expenses			
Finance costs	31	4,22,789	3,71,258
Impairment on financial instruments	32	2,55,611	1,77,723
Employee benefits expense	33	1,87,492	1,79,485
Depreciation and amortization	34	23,789	21,240
Other expenses	35	2,74,319	2,04,665
Total expenses		**11,64,000**	**9,54,371**
Profit before tax and exceptional item		**71,266**	**60,474**
Exceptional items	56	**4,036**	**-**
Profit before tax		**67,230**	**60,474**
Tax expense	36 (a)		
Current tax including tax relating to earlier years		26,503	16,740
Deferred tax credit		(9,368)	(511)
Total tax expense		**17,135**	**16,229**
Net profit after tax		**50,095**	**44,245**
Other comprehensive income / (loss)	36 (b)		
Items that will not be reclassified to profit or loss			
Re-measurement of gain / (loss) on defined benefit plans		(720)	(925)
Tax relating to above		181	233
Items that will be reclassified to profit or loss			
Gain / (loss) on Derivatives designated at Cash flow hedge		15,378	(7,878)
Tax relating to above		(3,870)	1,983
Gain / (loss) on Loans held at FVOCI		-	(251)
Tax relating to above		-	63
Other comprehensive income/(loss)		**10,969**	**(6,775)**
Total comprehensive income for the year		**61,064**	**37,470**
Earnings per equity share:	37		
Basic earnings per share (in ₹)		1.89	1.81
Diluted earnings per share (in ₹)		1.89	1.81
Face value per share (in ₹)		**10.00**	10.00

Refer accompanying notes which form an integral part of the consolidated financial statements 1-57

As per our report of even date attached.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm Registration No:001076N/N500013

Manish Gujral
Partner
Membership No:105117

Place: Mumbai
Date: 22 May 2026

For and on behalf of the Board of Directors of
SMFG India Credit Company Limited

Rajeev Kannan
Chairman
DIN: 01973006

Place: Mumbai
Date: 22 May 2026

Ravi Narayanan
CEO & Managing Director
DIN : 08528459

Place: Mumbai
Date: 22 May 2026

For **G.D. Apte & Co.**
Chartered Accountants
Firm Registration No:100515W

S.B. Rashinkar
Partner
Membership No:103483

Place: Mumbai
Date: 22 May 2026

Pankaj Malik
Chief Financial Officer

Place: Mumbai
Date: 22 May 2026

Sagar Tawre
Company Secretary

Place: Mumbai
Date: 22 May 2026

Consolidated Statement of Cash Flow

for the year ended 31 March 2026

(₹ lakhs)

	Particulars	Year Ended 31 March 2026	Year Ended 31 March 2025
A.	**CASH FLOW FROM OPERATING ACTIVITIES**		
	Profit before tax	**67,230**	**60,474**
	Adjustments for :		
	Financial asset measured at amortised cost	(16,081)	(2,439)
	Financial liabilities measured at amortised cost	8,058	7,197
	Depreciation, amortisation and impairment	23,789	21,240
	Interest income on fixed deposits and investments	(7,807)	(6,347)
	Profit on sale of property, plant and equipment	(154)	(55)
	Net gain on financial assets at FVTPL	(7,348)	(8,892)
	Impairment on financial instruments	2,55,611	1,77,723
	Write off of property, plant and equipment and intangible assets	99	35
	Fair valuation of cash settled stock appreciation rights	2,059	3,158
	Gain on derecognition of financial instruments held at amortized cost	(14,290)	(14,470)
	Dividend received from investments	(4)	(13)
	Operating profit before working capital changes	**3,11,162**	**2,37,611**
	Adjustments:		
	- (Increase) / Decrease in loans	(10,28,472)	(12,70,104)
	- (Increase) / Decrease in other financial and non-financial assets	(31,738)	(27,608)
	- (Increase) / Decrease in trade receivables	920	393
	- Increase / (Decrease) in financial and non-financial liabilities	44,440	(80,718)
	Cash used in operating activities	**(7,03,688)**	**(11,40,426)**
	Income tax paid (net)	(24,768)	(22,077)
	Net cash used in operating activities (A)	**(7,28,456)**	**(11,62,503)**
B.	**CASH FLOW FROM INVESTING ACTIVITIES**		
	Purchase of property, plant and equipment and intangible assets (including intangible assets under development)	(12,608)	(25,562)
	Proceeds from the sale of property, plant and equipment and intangible assets	583	770
	Purchase of investments	(51,43,579)	(56,33,933)
	Sale / maturity of investments (including interest received)	51,31,693	56,05,216
	Fixed deposit placed	(6,15,958)	(7,80,069)
	Fixed deposit matured (including interest received)	5,92,251	6,62,524
	Dividend received from investments	4	13
	Net cash used in investing activities (B)	**(47,614)**	**(1,71,041)**

Consolidated Statement of Cash Flow

for the year ended 31 March 2026

(₹ lakhs)

	Particulars	Year Ended 31 March 2026	2025
C.	**CASH FLOW FROM FINANCING ACTIVITIES**		
	Proceeds from issuance of share capital (including share premium)	-	4,30,000
	Proceeds from borrowings from banks and financial institutions	26,38,939	26,16,879
	Repayment of borrowings from banks and financial institutions	(19,71,258)	(16,45,318)
	Payment of ancillary borrowing costs	(3,631)	(5,385)
	Repayment of lease liabilities	(11,892)	(10,656)
	Net cash generated from financing activities (C)	**6,52,158**	**13,85,520**
	Net (decrease) / increase in cash and cash equivalents D=(A+B+C)	**(1,23,912)**	**51,976**
	Cash and cash equivalents as at the beginning of the year (E)	2,49,558	1,97,582
	Closing balance of cash and cash equivalents (D+E)	**1,25,646**	**2,49,558**
	Components of cash and cash equivalents:		
	Cash on hand	2,013	2,730
	Cheques & drafts on hand	1,795	1,212
	Balances with banks		
	- in current accounts	70,540	92,799
	- in fixed deposit with maturity less than 3 months	51,298	1,52,817
	Cash and cash equivalents	**1,25,646**	**2,49,558**

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 accompanying notes which form an integral part of the consolidated financial statements

As per our report of even date attached.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm Registration No:001076N/N500013

For and on behalf of the Board of Directors of
SMFG India Credit Company Limited

Manish Gujral
Partner
Membership No:105117

Place: Mumbai
Date: 22 May 2026

Rajeev Kannan
Chairman
DIN: 01973006

Place: Mumbai
Date: 22 May 2026

Ravi Narayanan
CEO & Managing Director
DIN : 08528459

Place: Mumbai
Date: 22 May 2026

For **G.D. Apte & Co.**
Chartered Accountants
Firm Registration No:100515W

S.B. Rashinkar
Partner
Membership No:103483

Place: Mumbai
Date: 22 May 2026

Pankaj Malik
Chief Financial Officer

Place: Mumbai
Date: 22 May 2026

Sagar Tawre
Company Secretary

Place: Mumbai
Date: 22 May 2026

Consolidated Statement of Changes in Equity

as at 31 March 2026

A. Equity share capital

(₹ lakhs)

Particulars	Number of shares	Amount
Equity share of ₹ 10 each fully paid up as at 31 March 2024	2,24,67,17,350	2,24,672
Changes during the year	40,81,36,710	40,813
Equity share of ₹10 each fully paid up as at 31 March 2025	2,65,48,54,060	2,65,485
Changes during the year	-	-
Equity share of ₹ 10 each fully paid up as at 31 March 2026	2,65,48,54,060	2,65,485

B. Other equity

(₹ lakhs)

Particulars	Reserves and Surplus						Items of Other Comprehensive Income			Total
	General reserve	Capital Reserve	Securities premium	Reserve Fund under Section 45 - IC of the RBI Act, 1934	Reserve Fund under Section 29C(i) of the NHB Act, 1987	Retained Earnings	Re-measurement of gain / (loss) on defined benefit plans	Effective portion of cash flow hedge	Gain/(loss) on fair valuation of loans	
Balance as at 31 March 2024	**96**	**3,453**	**1,38,712**	**90,575**	**3,505**	**1,27,787**	**(1,304)**	**(3,368)**	**188**	**3,59,644**
Securities Premium on shares issued	-	-	3,89,186	-	-	-	-	-	-	3,89,186
Transferred from retained earnings to reserve fund	-	-	-	6,879	2,390	(9,269)	-	-	-	-
Profit for the year	-	-	-	-	-	44,245	-	-	-	44,245
Other comprehensive income / (loss) for the year	-	-	-	-	-	-	(692)	(5,895)	(188)	(6,775)
Balance as at 31 March 2025	**96**	**3,453**	**5,27,898**	**97,454**	**5,895**	**1,62,763**	**(1,996)**	**(9,263)**	**-**	**7,86,300**
Securities Premium on shares issued	-	-	-	-	-	-	-	-	-	-
Transferred from retained earnings to reserve fund	-	-	-	7,080	2,520	(9,600)	-	-	-	-
Profit for the year	-	-	-	-	-	50,095	-	-	-	50,095
Other comprehensive income / (loss) for the year	-	-	-	-	-	-	(539)	11,508	-	10,969
Balance as at 31 March 2026	**96**	**3,453**	**5,27,898**	**1,04,534**	**8,415**	**2,03,258**	**(2,535)**	**2,245**	**-**	**8,47,364**

Refer accompanying notes which form an integral part of the consolidated financial statements 1-57

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm Registration No:001076N/N500013

For and on behalf of the Board of Directors of
SMFG India Credit Company Limited

Manish Gujral
Partner
Membership No:105117

Place: Mumbai
Date: 22 May 2026

Rajeev Kannan
Chairman
DIN: 01973006

Place: Mumbai
Date: 22 May 2026

Ravi Narayanan
CEO & Managing Director
DIN : 08528459

Place: Mumbai
Date: 22 May 2026

For **G.D. Apte & Co.**
Chartered Accountants
Firm Registration No:100515W

S.B. Rashinkar
Partner
Membership No:103483

Place: Mumbai
Date: 22 May 2026

Pankaj Malik
Chief Financial Officer

Place: Mumbai
Date: 22 May 2026

Sagar Tawre
Company Secretary

Place: Mumbai
Date: 22 May 2026

Notes to Consolidated Financial Statements

for the year ended 31 March 2026

Summary of material accounting policies and Other explanatory information to Consolidated Financial Statements as at and for the year ended 31 March 2026

Note 1. General Information:

(A) Company Information

SMFG India Credit Company Limited ('The Holding Company' or 'SMICCL') (CIN: U65191TN1994PLC079235) is a public limited company domiciled in India and incorporated under the provisions of Companies Act, 1956.

The Holding Company is a public limited company domiciled in India and incorporated under the provisions of Companies Act, 1956. The Holding Company is a non-banking financial company ('NBFC') registered as Non Deposit taking NBFC vide Registration no B-07-00791 dated May 25, 2023 with the Reserve Bank of India ('RBI').

(B) Basis of preparation

(i) Statement of Compliance

These consolidated financial statements comprise of the financial statements of SMICCL ('The Holding Company') and its subsidiary Company (hereinafter collectively referred to as the 'Group').

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, prescribed under Section 133 of the Companies Act, 2013 ('the Act'), other relevant provisions of the Act, guidelines issued by the RBI/ NHB as applicable to a company within the group and other accounting principles generally accepted in India.

(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 Schedule III vide their Notification G.S.R. 1022 (E) dated 11 October 2018 read with amendment to Schedule III made vide Notification G.S.R. (E) dated 24 March 2021 for Non-Banking Financial Companies in Division III to the Act. The statement of cash flow has been presented as per the requirements of Ind AS 7 "Statement of Cash Flows"

The Group 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 51.

Principles of consolidation

The consolidated financial statements are prepared in accordance with Ind AS 110 - consolidated financial statements notified under Section 133 of the Act. The financial statements of the group companies are prepared according to uniform accounting policies, in accordance with accounting principles generally accepted in India. The effects of inter-company transactions are eliminated on consolidation.

The financial statements of the Company and its subsidiary have been combined on a line-by-line basis by adding together like items of assets, liabilities, income and expenses, after eliminating intra-group balances and intra-group transactions resulting in unrealised profits or losses.

The consolidated financial statements are prepared using uniform accounting policies for like transactions and events in similar circumstances and necessary adjustments required for deviations, if any to the extent possible unless otherwise stated, are made in the consolidated financial statements and are presented in the same manner as the Company's standalone financial statements.

The consolidated financial statements have been prepared 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 issued by the NHB as applicable to an HFCs and other accounting principles generally accepted in India. Due to the lack of homogeneity of the businesses, the financial statements of the subsidiary Company have been consolidated, to the extent possible in the format as adopted by the Holding Company, as required by Ind AS - 110 and as prescribed under section 133 of the Act.

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for the year ended 31 March 2026

The subsidiary company considered in preparation of consolidated financial statements are:

Name of Company	Country of incorporation	Proportion of Equity interest	
		31 March 2026	31 March 2025
SMFG India Home Finance Company Limited	India	100%	100%

For the purpose of consolidated financial statements, the results of SMICCL and its subsidiary Company for the year ended 31 March 2026 have been derived from the respective Company's audited financials of the year ended 31 March 2026.

Non-controlling interest in the net assets of consolidated financial statements is identified and presented in the consolidated balance sheet separately within equity. Non-controlling interest in the net assets of consolidated subsidiary consists of:

a. The amount of equity attributable to non-controlling interests at the date on which investment in subsidiary Company is made.

b. The non-controlling interest share of movement in equity since the date of Holding subsidiary relationship came into existence. The profit and other comprehensive income attributable to non-controlling interests of subsidiary Company are shown separately in the Statement of profit and Statement of change in equity.

(iii) Functional and presentation currency

Indian rupee is the Group's functional currency and the currency of the primary economic environment in which the Group 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 consolidated financial statements have been prepared on a historical cost basis, except for certain financial assets/ financial liabilities (including derivative financial instrument) which are measured at fair value through profit and loss or fair value through other comprehensive income.

(v) Use of estimates and judgments

The preparation of consolidated financial statements in conformity with Ind AS requires management to make estimates, assumptions and exercise judgments in applying the accounting policies that affect the reported amount of assets, liabilities and disclosure of contingent liabilities at the date of consolidated 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 judgments, assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment during the year ended 31 March 2026 is included in the following notes of the policy:

Note 1.C.2 – Financial Instruments: Fair values, risk management and impairment of financials instruments;

Note 1.C.9 – Taxes: recognition of deferred tax asset;

Note 1.C.10 – estimates of useful lives and the residual value of property, plant and equipment and intangible assets;

Note 1.C.11 – Impairment test of non-financial assets: key assumptions underlying recoverable amounts including the recoverability of expenditure on intangible assets;

Note 1.C.12 – measurement of defined benefit obligation: key actuarial assumptions and cash-settled share-based payments;

Note 1.C.13 – 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 Group 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 Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

The Group 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 judgment and estimation in the determination of fair value. Judgment and estimation are usually required for the selection of the appropriate valuation

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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. The management regularly reviews significant unobservable inputs and valuation adjustments.

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 Group 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 Group 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 financials instruments

Note 40 (B) and 40 (C)- Gratuity and compensated absences

Note 50 - Financial risk management

Note 41 – Employee stock appreciation rights

(C) Material Accounting Policies

1. Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured and there exists reasonable certainty of its recovery.

Interest income

The Group 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 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 Group 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 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. 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 Group calculates interest income by applying the effective interest rate to the amortised cost (net of provision) of the financial asset. If the financial asset is no longer credit-impaired, the Group reverts to calculating interest income on a gross basis.

Interest on fixed deposits is recognised on a time proportion basis taking into account the amount outstanding and the applicable rate.

Interest income on financial assets classified at FVTPL is recognised at the contractual interest rate of financial instruments.

Fee income

Loan processing fee/document fees/stamp fees which are an integral part of financials 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/assignment. Applications fee is recognized upfront at the commencement of the contract. Additional charges such as penal/additional interest, dishonour, foreclosure charges, delayed payment charges etc. are recognized on realization basis.

Dividend income

Dividend income is recognized as and when the right to receive payment 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 fair value at the end of the reporting period.

Rendering of services

The Group 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

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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, the Group estimates the amount of consideration to which it will be entitled in exchange for rendering the promised services to a customer. The 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 terms of the contract.

2. Financial instruments

Recognition and initial measurement

Financial assets and liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially recognised at fair value on 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 recognised upfront in the statement of profit and loss.

Classification and subsequent measurement

The Group assesses the classification and measurement of a financial asset based on the contractual cash flow characteristics of the asset and the Group’s business model for managing the asset.

Financial assets (other than equity)

The Group 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 Group’s business model for managing 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 Group 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.

A financial asset is classified and measured at FVOCI if both of the following conditions are met:

- 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; 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 Group may irrevocably elect to present subsequent changes in the investment’s fair value in OCI (designated as FVOCI – equity investment). This election is made an investment –by-investment basis.

The Group subsequently measures all equity investments excluding investment in the subsidiary at fair value through profit or loss, unless the Group’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 Group makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level since this best reflects the way the Group’s business is managed and information is provided to management. If cash flows after initial recognition are realised in a way that is different from the Group's original expectations, the Group does not change the classification of the remaining financial assets held in that business model, but incorporates such information when assessing newly originated or newly purchased financial assets going forward. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice;

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- how the performance of the portfolio is evaluated and reported to the Group'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.
- 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 Group determines whether newly recognized financial assets are part of an existing business model or whether they reflect a new business model. The Group reassess its business models each reporting period to determine whether the business models have 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 consists of 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 Group 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 Group 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 Group'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.

A prepayment feature is consistent with the solely 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 amount at par, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus interest accrued (but unpaid) and 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 at each reporting date. 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, if any. Interest income, foreign exchange gains and losses and impairment and 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 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 de-recognition, cumulative gain or loss previously recognised in OCI is reclassified from the equity to 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.

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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 Group 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 at FVTPL. Interest expense, foreign exchange gains and losses and gain or loss on de-recognition is recognised in the statement of profit or loss.

Reclassification

If the business model under which the Group 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 Group's financial assets. Changes in contractual cash flows are considered under the accounting policy on modification and de-recognition of financial assets described below.

Original classification	Revised classification	Accounting treatment
Amortised cost	FVTPL	Fair value is measured at reclassification date. Difference between previous amortised 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	FVTOCI	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.
FVTOCI	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	FVTOCI	Fair value at reclassification date becomes its new carrying amount. No other adjustment is required.
FVTOCI	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.

Derecognition, modification and transfer

Financial assets

The Group 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 Group 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 Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group 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 Group 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 Group 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

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assigned portion of loans is derecognised and gains/losses are accounted for, only if the Group 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 Group retains substantially all the risks and rewards, of ownership of a portion of the transferred loan assets. The Group 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 Group derecognises a financial liability when its contractual obligations are discharged or cancelled or expired.

The Group 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 Group 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 Group 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 and certain loan commitments. Equity instruments are not subjected to ECL.

For recognition of impairment loss on financial assets, the Group 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 Group 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.

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 Group 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 Group's procedures for recovery of amounts due. Subsequent recoveries of amount previously written off are credited to the statement of profit and loss.

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 Group in accordance with the contract and the cash flows which the Group expects to receive) discounted at an approximation to the effective interest rate.

The Group 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.

The Group measures ECL on a collective basis for portfolios of loans that share similar economic risk characteristics. This expected credit loss is computed based on provision matrix which takes into account historical credit loss experience and adjusted for forward looking information.

A more detailed description of the methodology used for ECL is covered in the 'credit risk' section of note no. 50.

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Presentation of allowance for expected credit losses in the balance sheet

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 for as income/ expense in the statement of profit and loss.

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 Group 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 Group'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 Group seeks to use collateral, where possible as per the Board approved Credit Policy. The Group provides secured and unsecured loans to customers. The parameters relating to acceptability and valuation of each type of collateral is a part of the Credit Policy of the Group.

In its normal course of business, the Group does not physically repossess properties in its retail portfolio. For other collaterals, the Group liquidates the assets and recovers the amount due against the loan. Any surplus funds are returned to the customers/obligors.

3. Derivative financial instruments

The Group 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 are cross currency swaps.

Initial recognition and subsequent measurement

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at each reporting 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 Group 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 Group uses derivative instruments to manage its risk on exposures to interest rate and foreign currency. In order to manage particular risks, the Group applies hedge accounting for transactions that meet specified criteria.

At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship. The documentation includes the Group's risk management objective and strategy for undertaking hedge, the hedging/ economic relationship, the hedged item or transaction and the nature of the risk being hedged. Hedge effectiveness is determined at the inception of the hedge relationship and at the end of each 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 floating interest rate) or a highly probable forecast transaction that can 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 reserve within Other 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 cash on hand, call deposits and other short term highly liquid securities with an original 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 consists of balances with banks which are unrestricted for withdrawal and usage.

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5. Leases

The Group assesses whether the contract is, or contains, a lease at its inception. A contract is, or contains, a lease if it 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 Group has various offices, branches and other premises under non-cancellable 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 Group'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 Group'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 Group's estimate of the amount expected to be payable under a residual value guarantee, or
- the Group'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.

Short-term leases

The Group 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 Group 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 Group holds the leased assets on-balance sheet within property, plant and equipment.

6. Borrowing cost

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 upfront are recognised as an expense in the period in which they are incurred.

7. Foreign Currency

The Group's financial statements are presented in Indian Rupees (INR) which is also the Group's functional currency. Transactions in foreign currencies are initially recorded by the Group at their respective functional currency spot rates on the date the transaction first qualifies for recognition. Income and expenses in foreign currencies are recorded by the Group 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 on 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.

Notes to Consolidated Financial Statements

for the year ended 31 March 2026

8. Trade and other payables

These amounts represent liabilities for goods and services provided to the Group till the end of the financial year which are unpaid as at financial year end. 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 is also recognised in Other comprehensive income or directly in Equity respectively.

Current Income taxes

The current income tax includes income taxes payable by the Group computed in accordance with the tax laws applicable in the jurisdiction in which the Group 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.

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 assets 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 Group 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 Group 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.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset deferred tax assets and liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority

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.

10. Property, plant and equipment (including Capital-Work-In-Progress) and Intangible Assets

(a) Property, plant and equipment, including Capital Work in Progress and intangible assets

Recognition and measurement

PPE is recognised when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

Notes to Consolidated Financial Statements
for the year ended 31 March 2026

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.

PPEs not ready for the intended use on the date of the Balance Sheet are disclosed as “capital work-in-progress”.

Intangible assets are initially measured at cost. Subsequently, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses, if any.

Intangible assets not ready for the intended use on the date of Balance Sheet are disclosed as “Intangible assets under development”

Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognised 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.

Asset category*	Useful life estimated by the Group (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	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/upto the date on which asset is ready to use /disposed of except individual 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 upto 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.

(b) 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.

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 (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 of are reported at the lower of the carrying value or the fair value less cost to sell.

11. Impairment on non-financial assets

The carrying amount of the non-financial assets other than deferred tax are reviewed at each Balance Sheet date to assess 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

Notes to Consolidated Financial Statements

for the year ended 31 March 2026

of the cash inflows from other assets or groups of assets is considered as a cash generating unit.

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.

12. 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. The employees of the Group are entitled to compensated absences which are accumulating in nature.

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 Group pays fixed contributions into an account with a separate entity and has no legal or constructive obligation to pay further amounts. the Group 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

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. the Group'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 Group, 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 Group 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.

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 Group recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

Other long term employee benefits

The Group'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. Re-measurement gains or losses are recognised as profit or loss as part of Other Comprehensive Income 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 41 for details.

Notes to Consolidated Financial Statements
for the year ended 31 March 2026

13. 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 Group 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 Group 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 Group operates in a regulatory and legal environment that, by nature, has inherent litigation risk to its operations and in the ordinary course of the Group's business. Given the subjectivity and uncertainty of determining the probability and amount of losses, the Group 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

14. Earnings per share

The Group 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.

15. 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 Group and assess the performance of the operating segments of the Group.

16. Dividend on equity shares

The Group 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 Group. As per the corporate laws in India, distribution is authorized when it is approved by the shareholders except in case of interim dividend. A corresponding amount is recognized directly in equity.

17. Trade receivable

These amounts represent receivable for goods and services provided by the Group. Trade receivables are presented as financial assets. They are measured at amortised cost, using the effective interest method, less any impairment loss. An allowance for impairment of trade receivables is established if the collection of the receivable becomes doubtful.

18. 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.

19. 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 Group is treated as an exceptional item and the same is disclosed in the notes to account

Notes to Consolidated Financial Statements
for the year ended 31 March 2026

20. New standards and amendments

Recent accounting pronouncements

The Ministry of Corporate Affairs notified new standards or amendment to existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. The Company applied following amendments for the first-time during the current year which are effective from 1 April 2025:

Lack of exchangeability – Amendments to Ind AS 21

MCA via notification dated 7 May 2025, announced amendments to Ind AS 21, The Effects of Changes in Foreign Exchange Rates, to specify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking. The amendments also require disclosure of information that enables users of its financial statements to understand how the currency not being exchangeable into the other currency affects, or is expected to affect, the entity's financial performance, financial position and cash flows.

Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants - Amendments to Ind AS 1

MCA via notification dated 13 August 2025 announced amendments to Ind AS 1, Presentation of Financial Statements, which elaborate on guidance set out in Ind AS 1 by clarifying that the right to defer settlement of a liability for at least 12 months after the reporting period;

a) must have substance, and

b) must exist at the end of the reporting period;

- stating that management's expectations around whether the settlement of a liability would be deferred or not, does not impact the classification of the liability into current or non-current;
- including requirements for liabilities that can be settled using an entity's own instruments; and
- stating that covenants of loan arrangements will not affect classification of a liability as current or non-current at the reporting date if the entity must only comply with the covenants after the reporting date. However, if the entity must comply with a covenant either before or at the reporting date, this will affect the classification as current or non-current even if the covenant is only tested for compliance after the reporting date.

In addition, an entity is required to make certain disclosures when a liability arising from a loan agreement is classified as non-current and the entity's right to defer settlement is contingent on compliance with future covenants within twelve months.

Supplier Finance Arrangements - Amendments to Ind AS 7 and Ind AS 107

MCA via notification dated 13 August 2025 announced amendments to Ind AS 7, Statement of Cash Flows and Ind AS 107, Financial Instruments: Disclosures which introduced disclosure requirements with the objective to enable users of financial statements to assess how supplier finance arrangements affect an entity's liabilities, cashflows and exposure to liquidity risk.

International Tax Reform - Pillar Two Model Rules - Amendments to Ind AS 12

MCA via notification dated 13 August 2025 announced amendments to Ind AS 12, Income Taxes, which includes:

- a temporary exception to the recognition and disclosure of deferred taxes arising from the implementation of the Pillar Two model rules; and
- additional disclosure requirements targeted at a reporting entity's exposure to income taxes in periods in which the Pillar Two Model legislation is enacted or substantively enacted but not yet in effect.

The Company has reviewed the new pronouncements and based on its evaluation has determined that these amendments do not have any impact on the financial statements.

New standards and amendments to existing Standards which are issued but are not yet effective and have not been early adopted by the Company.

Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants - Amendments to Ind AS 1

Paragraph 74 of Ind AS 1 currently effective for the year ended 31 March 2026 requires the entity not to classify the liability as current, if there is a breach of a material covenant of a long-term loan arrangement on or before the end of the reporting period with the effect that the liability becomes payable on demand on the reporting date, however, the lender agreed, after the reporting period and before the approval of the financial statements for issue, not to demand payment as a consequence of the breach.

MCA vide notification dated 13 August 2025, has introduced amendment under Paragraph 74 of Ind AS 1 which requires the entity to classify the liability as current under the afore mentioned situation because, at the end of the reporting period, it does not have the right to defer its settlement for at least twelve months after that date. Such amendment has been made effective for annual reporting periods beginning on or after 01 April 2026 retrospectively in accordance with Ind AS 8.

This amendment is not expected to have a material impact on the Company's Consolidated financial statements.

Notes to Consolidated Financial Statements
for the year ended 31 March 2026

Note 2. Cash and cash equivalents

(₹ lakhs)

Particulars	As at 31 March 2026	As at 31 March 2025
Cash on hand	2,013	2,730
Balances with banks		
- in current accounts	70,540	92,799
- in fixed deposit with original maturity less than 3 months	51,298	1,52,817
Cheques and drafts on hand	1,795	1,212
Total	**1,25,646**	**2,49,558**

Note 3. Bank balances other than cash and cash equivalents

(₹ lakhs)

Particulars	As at 31 March 2026	As at 31 March 2025
Deposits with original maturity of more than 3 months*	1,77,353	1,34,972
Total	**1,77,353**	**1,34,972**

**Includes deposit with bank kept as lien or guarantee as detailed below:*

1) *Deposit amounting to ₹ 5,939 lakhs(31 March 2025:₹ 4,356 lakhs) pertains to deposits towards securitisation deal.*
2) *Deposit amounting to ₹ 734 lakhs (31 March 2025: ₹ 688 lakhs) pertains to lien marked for Constituent Subsidiary General Ledger (CSGL) account.*
3) *Deposit amounting to ₹ 73 lakhs(31 March 2025:₹ 104 lakhs) pertains to collateral deposits with banks for Aadhaar authentication and bank guarantee provided to MCGM for Waste Management Plan and deposits lien marked against service charges and deposit placed against Working Capital Demand Loans and lien towards NACH Migration etc.*
4) *Deposit amounting to ₹ 56 lakhs (31 March 2025: ₹ 53 lakhs) pertains to Bank Guarantee provided to UIDAI to obtain KYC User Agency to implement eKYC solutions.*

Note 4. Derivative Financial instruments

(₹ lakhs)

Particulars	Maturity Date	As at 31 March 2026 Notional amount	As at 31 March 2026 Fair value assets	As at 31 March 2026 Fair value liabilities	For the year ended 31 March 2026 (Gains) or losses on hedged item	For the year ended 31 March 2026 (Gains) or losses on hedging instrument	For the year ended 31 March 2026 Hedging (gains) or losses recognised in other comprehensive income	For the year ended 31 March 2026 Hedge ineffectiveness recognised in statement of profit and loss
(a) Currency Derivative - Cross currency swap								
USD	August 29, 2027 May 19, 2028 September 26, 2027 February 10, 2028 February 10, 2029 March 27, 2028 March 27, 2029 January 9, 2028 April 9, 2028 July 9, 2028 September 26, 2028 August 5, 2028 March 06,2028 August 16, 2028	8,12,143	1,09,646	-	87,152	(96,725)	(9,573)	-
EUR	July 2, 2027	81,363	17,344	-	15,384	(16,710)	(1,326)	-

Notes to Consolidated Financial Statements

for the year ended 31 March 2026

(₹ lakhs)

Particulars	Maturity Date	As at 31 March 2026			For the year ended 31 March 2026			
		Notional amount	Fair value assets	Fair value liabilities	(Gains) or losses on hedged item	(Gains) or losses on hedging instrument	Hedging (gains) or losses recognised in other comprehensive income	Hedge ineffectiveness recognised in statement of profit and loss
JPY	February 10, 2027 March 27, 2027 June 20, 2028 June 30, 2028 January 5, 2029	3,69,903	6,258	71	3,215	(6,645)	(3,430)	-
AED	August 5, 2028	43,775	-	426	6	426	432	-
Sub total (a)		**13,07,184**	**1,33,248**	**497**	**1,05,757**	**(1,19,654)**	**(13,897)**	**-**
(b) Interest Derivative - Interest Rate Swap								
INR	November 10,2028	90,000	1,482	-	-	(1,482)	(1,482)	-
Sub total (b)		**90,000**	**1,482**	**-**	**-**	**(1,482)**	**(1,482)**	**-**
Total Derivative financial instruments (a+b)		**13,97,184**	**1,34,730**	**497**	**1,05,757**	**(1,21,136)**	**(15,379)**	

(₹ lakhs)

Particulars	Maturity Date	As at 31 March 2025			For the Year ended 31 March 2025			
		Notional amount	Fair value assets	Fair Value liabilities	(Gains) or losses on hedged item	(Gains) or losses on hedging instrument	Hedging (gains) or losses recognised in other comprehensive income	Hedge ineffectiveness recognised in statement of profit and loss
(a) Currency Derivative - Cross currency swap								
USD	August 29, 2027 May 19, 2028 September 26, 2027 February 10, 2028 February 10, 2029 March 27, 2028 March 27, 2029 March 6, 2028	6,59,321	17,205	4,284	8,905	(3,351)	5,554	-
EUR	July 2, 2027	81,363	635	-	2,439	(635)	1,804	-
JPY	February 10, 2027 March 27, 2027 June 20, 2028 June 30, 2028 January 5, 2029	45,498	-	458	62	458	520	-
Sub total (a)		**7,86,182**	**17,840**	**4,742**	**11,406**	**(3,528)**	**7,878**	**-**
(b) Interest Derivative - Interest Rate Swap								
INR	-	-	-	-	-	-	-	
Total Derivative financial instruments (a+b)		**7,86,182**	**17,840**	**4,742**	**11,406**	**(3,528)**	**7,878**	**-**

Notes :

1. *All financial derivate instruments are held for cashflow hedging as part of risk management strategy, these derivative instruments are designated at Fair value through OCI. There are no fair value hedges and undesignated derivatives.*

2. *Qualitative Disclosure:-*

   The Group has a risk management policy to enter into derivatives to manage the risk associated with foreign currency fluctuation and change in interest rate. 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 Group has put in place a reporting and monitoring mechanism for the risk associated with the derivative transaction.*

   c) *The Group has a hedging policy in place, which mandates a hedge relationship to be established before a derivative transaction is entered into. The Group ensures that the hedging effectiveness is monitored continuously during the life of the derivative contract (Refer Note 50).*

Notes to Consolidated Financial Statements
for the year ended 31 March 2026

Note 5. Trade receivables

(₹ lakhs)

Particulars	As at 31 March 2026	2025
Unsecured Receivables (considered good and Credit Impaired)	2,289	3,309
Less: Provision for impairment (Refer Note 50)	(23)	(123)
Total	**2,266**	**3,186**

There is no due from any related party, directors or other officers of the Group or any firm or private company in which any director is a partner, a director or a member .

(A) Trade Receivables ageing schedule as on 31 March 2026

(₹ lakhs)

Particulars	Unbilled Dues	Outstanding for following periods from transaction date: 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	-	2,266	-	-	-	-	2,266
(ii) Undisputed Trade Receivables — which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables — credit impaired	-	-	-	-	19	4	23
iv) Disputed Trade Receivables — considered good	-	-	-	-	-	-	-
v) Disputed Trade Receivables —which have significant increase in credit risk	-	-	-	-	-	-	-
vi) Disputed Trade Receivables —credit impaired	-	-	-	-	-	-	-

(B) Trade Receivables ageing schedule as on 31 March 2025

(₹ lakhs)

Particulars	Unbilled Dues	Outstanding for following periods from transaction date: 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	-	3,186	-	-	-	-	3,186
(ii) Undisputed Trade Receivables — which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables — credit impaired	-	-	-	64	56	3	123
iv) Disputed Trade Receivables — considered good	-	-	-	-	-	-	-
v) Disputed Trade Receivables —which have significant increase in credit risk	-	-	-	-	-	-	-
vi) Disputed Trade Receivables —credit impaired	-	-	-	-	-	-	-

Notes to Consolidated Financial Statements
for the year ended 31 March 2026

Note 6. Loans

(₹ lakhs)

Particulars	As at 31 March 2026				As at 31 March 2025			
	At Amortised cost	At Fair Value Through P&L	At Fair Value Through Other Comprehensive Income	Total	At Amortised cost	At Fair Value Through P&L	At Fair Value Through Other Comprehensive Income	Total
Loans given								
(i) Term loan*	62,65,995	-	-	62,65,995	54,36,560	-	-	54,36,560
Gross loans	**62,65,995**	**-**	**-**	**62,65,995**	**54,36,560**			**54,36,560**
Less- Impairment allowance	(1,88,275)	-	-	(1,88,275)	(1,47,781)	-	-	(1,47,781)
Net loans	**60,77,720**	**-**	**-**	**60,77,720**	**52,88,779**	**-**	**-**	**52,88,779**
(i) Secured by tangible assets, shares and securities	27,62,499	-	-	27,62,499	23,17,735	-	-	23,17,735
(ii) Covered by Government guarantees	2,71,253	-	-	2,71,253	4,47,222	-	-	4,47,222
(iii) Unsecured	32,32,243	-	-	32,32,243	26,71,603	-	-	26,71,603
Gross loans	**62,65,995**	**-**	**-**	**62,65,995**	**54,36,560**	**-**	**-**	**54,36,560**
Less: Impairment loss allowance	(1,88,275)	-	-	(1,88,275)	(1,47,781)			(1,47,781)
Net loans	**60,77,720**	**-**	**-**	**60,77,720**	**52,88,779**	**-**	**-**	**52,88,779**

**All the loans are disbursed in India and there are no loans given to the public sector.*

Note 7. Investments

(₹ lakhs)

Particulars	As at 31 March 2026	2025
Measured at fair value through profit and loss (FVTPL)		
Quoted: Commercial Paper	48,695	-
Unquoted: Equity instruments	-	105
Less: Impairment loss allowance on Equity Instruments (Refer Note 50)	-	(100)
Quoted: Government securities and T-bills	1,49,506	1,81,618
Quoted: Certificate of deposits	1,53,760	1,39,025
Total	**3,51,961**	**3,20,648**
Investments within India	3,51,961	3,20,648
Investments outside India	-	-

Note 8. Other financial assets

(₹ lakhs)

Particulars	As at 31 March 2026	2025
Security Deposits	5,592	4,419
Less- Impairment allowance (Refer Note 50)	(55)	-
Interest accrued on investments	3,829	1,973
Interest strip asset on assignment	30,453	24,443
Others	694	1,187
Total	**40,513**	**32,022**

Notes to Consolidated Financial Statements
for the year ended 31 March 2026

Note 9. Current tax assets (net)

(₹ lakhs)

Particulars	As at 31 March 2026	As at 31 March 2025
Advance tax and TDS Receivable (net of provision)	9,944	9,410
Total	**9,944**	**9,410**

Note 10. Deferred tax assets (net)

(₹ lakhs)

Particulars	As at 31 March 2026	As at 31 March 2025
Deferred tax asset arising on account of :		
Impact of expenditure charged to profit and loss but allowed for tax purposes on payment basis	2,441	2,067
Timing difference between book depreciation and depreciation as per Income Tax Act, 1961	1,843	1,395
MTM on Investments	56	50
Provision for expected credit loss on financial assets	46,015	37,194
Provision for expenses disallowed as per Income-Tax Act, 1961	16,208	15,629
Lease liabilities	9,333	10,110
Derivatives designated at Cash flow hedge	-	3,115
Total deferred tax assets (A)	**75,896**	**69,560**
Deferred tax liability arising on account of :		
EIR adjustment related to financial assets at amortized cost	4,505	3,788
Right to use asset	7,687	8,536
EIR adjustment related to financial liabilities at amortized cost	2,651	3,070
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
Derivatives designated at Cash flow hedge	755	-
Total deferred tax liabilities (B)	**17,241**	**16,403**
Deferred tax assets (net) (A-B)	**58,655**	**53,157**

Note 11. Property, plant and equipment

(₹ lakhs)

Particulars	Office Equipments	Furniture & Fixtures	Computers & Accessories	Leasehold Improvements	Vehicles	Land*	Leased assets	Total
Gross block								
Balance as at 31 March 2024	**4,605**	**6,399**	**16,416**	**6,166**	**3,247**	**12**	**28**	**36,873**
Additions	3,127	2,118	7,258	4,846	2,211	-	-	19,560
Deletions	(1,055)	(586)	(989)	(479)	(675)	-	-	(3,784)
Balance as at 31 March 2025	**6,677**	**7,931**	**22,685**	**10,533**	**4,783**	**12**	**28**	**52,649**
Additions	1,253	922	3,772	665	1,063	-	-	7,675
Deletions	(324)	(345)	(2,884)	(264)	(917)	-	(26)	(4,760)
Balance as at 31 March 2026	**7,606**	**8,508**	**23,573**	**10,934**	**4,929**	**12**	**2**	**55,564**

Notes to Consolidated Financial Statements

for the year ended 31 March 2026

(₹ lakhs)

Particulars	Office Equipments	Furniture & Fixtures	Computers & Accessories	Leasehold Improvements	Vehicles	Land*	Leased assets	Total
Accumulated depreciation								
Balance as at 31 March 2024	**3,210**	**3,686**	**9,701**	**2,453**	**1,158**	**-**	**28**	**20,236**
Depreciation charge	905	1,010	4,253	1,683	998	-	-	8,849
Deletions	(1,027)	(522)	(962)	(434)	(391)	-	-	(3,336)
Balance as at 31 March 2025	**3,088**	**4,174**	**12,992**	**3,702**	**1,765**	**-**	**28**	**25,749**
Depreciation charge	1,359	1,275	5,044	2,034	1,171	-	-	10,883
Deletions	(316)	(309)	(2,878)	(246)	(506)	-	(26)	(4,281)
Balance as at 31 March 2026	**4,131**	**5,140**	**15,158**	**5,490**	**2,430**	**-**	**2**	**32,351**
Net block								
Balance as at 31 March 2025	**3,589**	**3,757**	**9,693**	**6,831**	**3,018**	**12**	**-**	**26,900**
Balance as at 31 March 2026	**3,475**	**3,368**	**8,415**	**5,444**	**2,499**	**12**	**-**	**23,213**

**Pledged as security against secured non-convertible debenture*

a) As per management assessment, there is no probable scenario in which the recoverable amount of asset will decrease below the carrying amount of asset. Consequently no impairment required.

b) The title deed of immovable property is held in the name of the Group .

c) The Group has not revalued its Property, Plant and Equipment during the year ended 31 March 2026 and 31 March 2025.

Note 12. Intangible assets under development

(₹ lakhs)

Particulars	As at 31 March 2026	As at 31 March 2025
Opening	448	470
Additions	7,124	5,983
Deletions	(5,012)	(6,005)
Closing	**2,560**	**448**

(₹ lakhs)

Intangible assets under development	As at 31 March 2026					As at 31 March 2025				
	Amount in Intangible assets under development for a period of				Total	Amount in Intangible assets under development 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	2,441	119	-	-	2,560	448	-	-	-	448
Projects temporarily suspended	-	-	-	-	-	-	-	-	-	-

There are no items which are overdue or has exceeded its cost compared to its original plan.

There are no impairment losses on Intangible under Development recognised during the current period and previous period.

There are no internally generated intangible asset under development.

Notes to Consolidated Financial Statements
for the year ended 31 March 2026

Note 13. Other Intangible assets

(₹ lakhs)

Particulars	Computer Software	Total
Gross block		
Balance as at 31 March 2024	**21,676**	**21,676**
Additions	6,005	6,005
Deletions	(299)	(299)
Balance as at 31 March 2025	**27,382**	**27,382**
Additions	5,012	5,012
Deletions	(721)	(721)
Balance as at 31 March 2026	**31,673**	**31,673**
Amortisation		
Balance as at 31 March 2024	**13,182**	**13,182**
Amortisation	3,539	3,539
Deletions	(297)	(297)
Balance as at 31 March 2025	**16,424**	**16,424**
Amortisation	3,855	3,855
Deletions	(669)	(669)
Balance as at 31 March 2026	**19,610**	**19,610**
Net block		
Balance as at 31 March 2025	**10,958**	**10,958**
Balance as at 31 March 2026	**12,063**	**12,063**

Note 14. Right of use assets

(₹ lakhs)

Particulars	Right of Use Assets (Lease premises)	Total
Gross block		
Balance as at 31 March 2024	**59,595**	**59,595**
Additions	11,822	11,822
Deletions	(891)	(891)
Balance as at 31 March 2025	**70,526**	**70,526**
Additions	6,623	6,623
Deletions	(1,156)	(1,156)
Balance as at 31 March 2026	**75,993**	**75,993**
Accumulated Depreciation		
Balance as at 31 March 2024	**26,258**	**26,258**
Depreciation	8,852	8,852
Deletions	-	-
Balance as at 31 March 2025	**35,110**	**35,110**
Depreciation	9,051	9,051
Deletions	(91)	(91)
Balance as at 31 March 2026	**44,070**	**44,070**
Net Block		
Balance as at 31 March 2025	**35,416**	**35,416**
Balance as at 31 March 2026	**31,923**	**31,923**

Notes to Consolidated Financial Statements
for the year ended 31 March 2026

Note 15. Other non-financial assets

(₹ lakhs)

Particulars	As at 31 March 2026	As at 31 March 2025
Balance with Government Authorities	9,467	4,024
Prepayments	17,124	17,094
Capital advances	231	468
Advances to employees	201	275
Advance CSR Expenditure	1,399	1,650
Others*	15,639	13,491
Total	**44,061**	**37,002**

**Others include unamortised service cost paid to digital partners*

Note 16. Trade payables

(₹ lakhs)

Particulars	As at 31 March 2026	As at 31 March 2025
a) Trade Payables		
Total outstanding dues of micro and small enterprises*	426	2,422
Total outstanding dues other than micro and small enterprises	1,21,961	1,12,736
b) Other Payables		
Total outstanding dues of micro and small enterprises*	2,606	1,699
Total outstanding dues other than micro and small enterprises	22,739	12,103
Total	**1,47,732**	**1,28,960**

** Refer Note 46*

(A) Trade Payable ageing schedule as on 31 March 2026

(₹ lakhs)

Particulars	Unbilled dues	Outstanding for following periods from transaction date				
		Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed dues- MSME	273	144	4	-	5	426
(ii) Undisputed dues- Others	1,11,690	10,240	31	-	-	1,21,961
(iii) Disputed dues – MSME	-	-	-	-	-	-
(iv) Disputed dues- Others	-	-	-	-	-	-
Total	**1,11,963**	**10,384**	**35**	**-**	**5**	**1,22,387**

(B) Other Payable ageing schedule as on 31 March 2026

(₹ lakhs)

Particulars	Unbilled dues	Outstanding for following periods from transaction date				
		Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed dues- MSME	1,978	599	14	14	1	2,606
(ii) Undisputed dues- Others	19,198	3,410	109	18	4	22,739
(iii) Disputed dues – MSME	-	-	-	-	-	-
(iv) Disputed dues- Others	-	-	-	-	-	-
Total	**21,176**	**4,009**	**123**	**32**	**5**	**25,345**

Notes to Consolidated Financial Statements
for the year ended 31 March 2026

(C) Trade Payable ageing schedule as on 31 March 2025

(₹ lakhs)

Particulars	Unbilled dues	Outstanding for following periods from transaction date				
		Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed dues- MSME	2,124	288	10	-	-	2,422
(ii) Undisputed dues- Others	1,06,652	6,069	4	10	1	1,12,736
(iii) Disputed dues – MSME	-	-	-	-	-	-
(iv) Disputed dues- Others	-	-	-	-	-	-
Total	**1,08,776**	**6,357**	**14**	**10**	**1**	**1,15,158**

(D) Other Payable ageing schedule as on 31 March 2025

(₹ lakhs)

Particulars	Unbilled dues	Outstanding for following periods from transaction date				
		Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed dues- MSME	1,409	288	2	-	-	1,699
(ii) Undisputed dues- Others	10,196	1,865	35	6	1	12,103
(iii) Disputed dues – MSME	-	-	-	-	-	-
(iv) Disputed dues- Others	-	-	-	-	-	-
Total	**11,605**	**2,153**	**37**	**6**	**1**	**13,802**

Note 17. Debt Securities

(₹ lakhs)

Particulars	As at 31 March 2026	2025
At amortised cost		
Non-convertible debentures (Secured)*	10,52,863	11,38,705
Total	**10,52,863**	**11,38,705**
Borrowings within India	10,52,863	11,38,705
Borrowings outside India	-	-

**All Secured NCDs issued by the Group are primarily secured 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, additionally few Secured NCDs are secured by first pari-passu charge on the Group's immovable property at Chennai as mentioned in respective information memorandum.*

The funds raised by the Group during the year by the issue of Secured Non-convertible Debentures were utilised for the purpose intended, i.e. towards lending, financing, to refinance the existing indebtedness of the Group or for long-term working capital, in compliance with applicable laws and regulation from time to time, funds from series 111 were parked temporarily in investments and liquid funds to the extent unutilised for the specified purposes of the issue. Further no Non convertible debentures is guaranteed by directors and / or any other related party.

Note 18. Borrowings (Other than Debt Securities)

(₹ lakhs)

Particulars	As at 31 March 2026	2025
At amortised cost		
Loan from banks (Secured)		
Term loans	25,23,196	23,88,657
External Commercial Borrowings (from related party)	8,05,037	4,31,524

Notes to Consolidated Financial Statements
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(₹ lakhs)

Particulars	As at 31 March 2026	2025
External Commercial Borrowings (from non related party)	5,96,837	3,41,262
Working Capital Demand Loan	2,65,000	2,77,289
Other Loans		
Commercial papers (Unsecured)	1,59,219	77,323
Borrowing through PTCs (Secured)	41,175	21,641
Total	**43,90,464**	**35,37,696**
Borrowings within India	29,88,590	27,64,910
Borrowings outside India	14,01,874	7,72,786

Loan from banks are secured by first pari passu charge over all loan receivables.Further no Term loans, External commercial borrowings, Commercial Paper and any other borrowings is guaranteed by directors and / or any other related party.

Note 19. Subordinated liabilities

(₹ lakhs)

Particulars	As at 31 March 2026	2025
At amortised cost		
Non-convertible Subordinated debentures (Unsecured)	1,49,067	1,54,157
Non-convertible Perpetual debentures (Unsecured) (from related party)	61,319	61,316
Total	**2,10,386**	**2,15,473**
Subordinated liabilities within India	1,49,067	1,54,157
Subordinated liabilities outside India	61,319	61,316

No Non-convertible Sub-ordinated debentures and Perpetual debentures is guaranteed by directors and/ or any other related party.

Net reconciliation of Borrowings and Debt securities

(₹ lakhs)

Particulars	As at 31 March 2026	2025
Borrowings	43,90,464	35,37,696
Debt securities (including subordinated liabilities)	12,63,249	13,54,178
Less: Cash and cash equivalents	(1,25,646)	(2,49,558)
Net Debt	**55,28,067**	**46,42,316**

(₹ lakhs)

Particulars	Borrowings	Debt securities (including subordinated liabilities)
Balance as at 31 March 2024	**28,07,709**	**10,85,310**
Cash flows (net)	7,22,266	2,50,132
Exchange rate difference	11,406	-
Others*	(3,685)	18,736
Balance as at 31 March 2025	**35,37,696**	**13,54,178**
Cash flows (net)	7,42,568	(83,808)
Exchange rate difference	1,05,752	-
Others*	4,448	(7,121)
Balance as at 31 March 2026	**43,90,464**	**12,63,249**

**Others includes the effect of accrued but not due interest on borrowing, other unamortised incidental cost related to borrowings etc.*

Notes to Consolidated Financial Statements
for the year ended 31 March 2026

(A) Details of terms of contractual principal redemption/repayment in respect of debt securities and subordinated liabilities

Non-convertible debenture as at 31 March 2026

Original maturity of loan	Rate of interest	Due within 1 year ₹ lakhs	Due 1 to 2 Years* ₹ lakhs	Due 2 to 3 Years ₹ lakhs	More than 3 Years ₹ lakhs	Total ₹ lakhs
Issued at par and redeemable at par						
1- 2 years	07%- 08%	-	6,780	-	-	6,780
2-3 years	07%- 08%	-	20,000	90,000	-	1,10,000
	08%- 09%	1,07,000	30,000	-	-	1,37,000
3-4 years	07%- 08%	-	-	80,500	-	80,500
	08%- 09%	25,000	-	-	-	25,000
More than 4 years	07%- 08%	72,625	35,625	35,625	1,01,625	2,45,500
	08%- 09%	16,618	16,619	18,000	17,500	68,737
	09%- 11%	-	-	-	-	-
Issued at discount and redeemable at par						
More than 4 years	08%- 09%	-	-	-	5,000	5,000
Issued at premium and redeemable at par						
1- 2 years	08%- 09%	97,500	-	-	-	97,500
2-3 years	07%- 08%	-	30,000	-	-	30,000
	08%- 09%	35,000	1,45,000	-	-	1,80,000
3-4 years	07%- 08%	-	-	25,000	-	25,000
	08%- 09%	-	-	-	6,000	6,000
Subtotal		**3,53,743**	**2,84,024**	**2,49,125**	**1,30,125**	**10,17,017**
Adjustments for Interest accrued and Ind AS						35,846
Total						**10,52,863**

**includes NCD having call option. Call option date considered for above bucketing*

Subordinated Debts as at 31 March 2026

Original maturity of loan	Rate of interest	Due within 1 year ₹ lakhs	Due 1 to 2 Years ₹ lakhs	Due 2 to 3 Years ₹ lakhs	More than 3 Years ₹ lakhs	Total ₹ lakhs
Issued at par and redeemable at par						
More than 4 years	07%- 08%	-	-	-	41,500	41,500
	08%- 09%	-	-	-	43,000	43,000
	09%- 11%	2,100	-	7,500	15,000	24,600
Issued at discount and redeemable at par						
More than 4 years	08%- 09%	-	-	-	15,000	15,000
	09%- 11%	-	-	19,500	-	19,500
Subtotal		**2,100**	**-**	**27,000**	**1,14,500**	**1,43,600**
Adjustments for Interest accrued and Ind AS						5,467
Total						**1,49,067**

Notes to Consolidated Financial Statements
for the year ended 31 March 2026

Perpetual debentures as at 31 March 2026

Original maturity of loan	Rate of interest	Due within 1 year ₹ lakhs	Due 1 to 2 Years ₹ lakhs	Due 2 to 3 Years ₹ lakhs	More than 3 Years* ₹ lakhs	Total ₹ lakhs
Issued at par and redeemable at par						
More than 4 years	08%- 09%	-	-	-	60,000	60,000
Subtotal		**-**	**-**	**-**	**60,000**	**60,000**
Adjustments for Interest accrued and Ind AS						1,319
Total						**61,319**

includes Perpetual debt having call option. Call option date considered for above bucketing

Non-convertible debenture as at 31 March 2025

Original maturity of loan	Rate of interest	Due within 1 years ₹ lakhs	Due 1 to 2 Years ₹ lakhs	Due 2 to 3 Years ₹ lakhs	More than 3 Years ₹ lakhs	Total ₹ lakhs
Issued at par and redeemable at par						
1-2 years	08%- 09%	70,000	-	-	-	70,000
2-3 years	08%- 09%	60,000	1,07,000	50,000	-	2,17,000
3-4 years	07%- 08%	1,18,500	-	-	-	1,18,500
	08%- 09%	43,970	25,000	-	-	68,970
More than 4 years	07%- 08%	-	35,625	35,625	94,750	1,66,000
	08%- 09%	53,618	53,618	16,619	35,500	1,59,355
	09%- 11%	7,500	-	-	-	7,500
Issued at discount and redeemable at par						
2-3 years	08%- 09%	-	35,000	57,500	-	92,500
	09%- 11%	-	-	-	5,000	5,000
Issued at discount and redeemable at par						
1- 2 years	08%- 09%	-	97,500	-	-	97,500
2-3 years	08%- 09%	-	-	87,500	-	87,500
More than 4 years	08%- 09%	-	-	-	6,000	6,000
Subtotal		**3,53,588**	**3,53,743**	**2,47,244**	**1,41,250**	**10,95,825**
Adjustments for Interest accrued and Ind AS						42,880
Total						**11,38,705**

Subordinated Debts as at 31 March 2025

Original maturity of loan	Rate of interest	Due within 1 years ₹ lakhs	Due 1 to 2 Years ₹ lakhs	Due 2 to 3 Years ₹ lakhs	More than 3 Years ₹ lakhs	Total ₹ lakhs
Issued at par and redeemable at par						
More than 4 years	07%- 08%	-	-	-	41,500	41,500
	08%- 09%	2,500	-	-	28,000	30,500
	09%- 11%	17,500	2,100	-	22,500	42,100
Issued at discount and redeemable at par						
More than 4 years	08%- 09%	-	-	-	15,000	15,000
	09%- 11%	-	-	-	19,500	19,500
Subtotal		**20,000**	**2,100**	**-**	**1,26,500**	**1,48,600**
Adjustments for Interest accrued and Ind AS						5,557
Total						**1,54,157**

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Perpetual debentures as at 31 March 2025

Original maturity of loan	Rate of interest	Due within 1 years ₹ lakhs	Due 1 to 2 Years ₹ lakhs	Due 2 to 3 Years ₹ lakhs	More than 3 Years* ₹ lakhs	Total ₹ lakhs
Issued at par and redeemable at par						
More than 4 years	08%- 09%	-	-	-	60,000	60,000
Subtotal		**-**	**-**	**-**	**60,000**	**60,000**
Adjustments for Interest accrued and Ind AS						1,317
Total						**61,317**

includes Perpetual debt having call option. Call option date considered for above bucketing

(B) Details of terms of contractual principal redemption/repayment in respect of borrowings

Term Loans as at 31st 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 instalments	₹ lakhs	No. of instalments	₹ lakhs	No. of instalments	₹ lakhs	No. of instalments	₹ lakhs	₹ lakhs
Monthly repayment schedule										
1-2 years	05%- 07%	39	36,538	15	12,500	-	-	-	-	49,038
	07%- 08%	3	3,462	-	-	-	-	-	-	3,462
2-3 years	05%- 07%	12	10,000	12	10,000	-	-	-	-	20,000
More than 4 years	07%- 08%	12	714	9	536	-	-	-	-	1,250
Quarterly repayment schedule										
1-2 years	05%- 07%	25	24,552	6	3,928	-	-	-	-	28,480
	07%- 08%	3	66,000	-	-	-	-	-	-	66,000
2-3 years	05%- 07%	11	8,000	9	6,042	1	333	-	-	14,375
	07%- 08%	9	20,679	6	13,714	-	-	-	-	34,393
3-4 years	05%- 07%	24	12,324	24	12,324	20	8,203	-	-	32,851
	07%- 08%	36	79,333	36	79,333	21	41,500	-	-	2,00,166
More than 4 years	04%- 07%	52	32,298	54	33,092	49	30,139	60	31,541	1,27,070
	07%- 08%	157	1,72,038	161	1,73,622	130	1,33,416	259	1,93,410	6,72,486
	08%- 09%	42	16,904	36	13,083	28	7,006	86	21,028	58,021
Half yearly repayment schedule										
1-2 years	07%- 08%	2	3,846	1	1,154	-	-	-	-	5,000
2-3 years	05%- 07%	2	1,667	1	833	-	-	-	-	2,500
	07%- 08%	1	2,167	2	5,333	1	2,000	-	-	9,500
More than 4 years	04%- 07%	16	98,767	14	84,769	5	15,990	2	10,000	2,09,526
	07%- 08%	61	1,81,007	40	1,32,681	27	85,087	44	1,43,401	5,42,176
	08%- 09%	60	1,14,700	60	1,10,325	51	87,742	80	92,138	4,04,905
	09%- 11%	1	1,660	-	-	-	-	-	-	1,660
Yearly repayment schedule										
3-4 years	05%- 07%	1	6,666	1	6,666	-	-	-	-	13,332
	07%- 08%	1	6,666	1	6,667	1	6,667	-	-	20,000
More than 4 years	05%- 07%	1	1,300	1	1,300	1	1,300	-	-	3,900
Bullet repayment schedule										
2-3 years	08%- 09%	1	500	-	-	-	-	-	-	500
Subtotal		**572**	**9,01,788**	**489**	**7,07,902**	**335**	**4,19,383**	**531**	**4,91,518**	**25,20,591**
Adjustments for Interest accrued and Ind AS										2,605
Total										**25,23,196**

Notes to Consolidated Financial Statements
for the year ended 31 March 2026

External Commercial Borrowings as at 31st March 2026

Original maturity of loan	Fixed / Floating rate of interest	Due within 1 year		Due 1 to 2 Years		Due 2 to 3 Years		More than 3 Years		Total
		No of instalments	Amount in lakhs	No of instalments	Amount in lakhs	No of instalments	Amount in lakhs	No. of instalments	In Lakhs	In Lakhs
Bullet repayment schedule										
1-2 years	07%- 08% / TONAR plus spread 0.65%	1	34,067	-	-	-	-	-	-	34,067
1-2 years	07%- 08% / TONAR plus spread 0.65%	1	13,627	-	-	-	-	-	-	13,627
2-3 years	07%- 08% / SOFR plus spread 1.20%	-	-	1	71,126	-	-	-	-	71,126
2-3 years	07%- 08% / SOFR plus spread 0.85%	-	-	1	35,563	-	-	-	-	35,563
2-3 years	08%- 09% / EUBOR plus spread 1.28%	-	-	1	99,185	-	-	-	-	99,185
3-4 years	07%- 08% / SOFR plus spread 0.85%	-	-	1	14,225	-	-	-	-	14,225
3-4 years	07%- 08% / TONAR plus spread 0.48%	-	-	-	-	1	84,919	-	-	84,919
3-4 years	07%- 08% / EIBOR plus spread 0.65%	-	-	-	-	1	47,423	-	-	47,423
3-4 years	07%-08% / SOFR plus spread 1.1%	1	47,418	-	-	-	-	-	-	47,418
3-4 years	07%- 08% / SOFR plus spread 1.15%	1	14,225	2	33,192	1	71,126	-	-	1,18,543
3-4 years	05%- 07% / TONAR plus spread 0.48%	-	-	-	-	1	1,54,651	-	-	1,54,651
3-4 years	07%- 08% / TONAR plus spread 0.48%	-	-	-	-	1	85,917	-	-	85,917
3-4 years	07%- 08% / SOFR plus spread 1.15%	-	-	1	14,225	2	33,192	-	-	47,417
More than 4 years	07%- 08% / SOFR plus spread 1.00%	-	-	-	-	1	47,418	-	-	47,418
More than 4 years	07%- 08% / SOFR plus spread 1.00%	-	-	-	-	1	18,967	-	-	18,967
More than 4 years	08%- 09% / SOFR plus spread 1.22%	-	-	1	3,31,923	-	-	-	-	3,31,923

Notes to Consolidated Financial Statements

for the year ended 31 March 2026

Original maturity of loan	Fixed / Floating rate of interest	Due within 1 year		Due 1 to 2 Years		Due 2 to 3 Years		More than 3 Years		Total
		No of instalments	Amount in lakhs	No of instalments	Amount in lakhs	No of instalments	Amount in lakhs	No. of instalments	In Lakhs	In Lakhs
More than 4 years	08%- 09% / SOFR plus spread 1.20%	-	-	-	-	1	1,42,253	-	-	1,42,253
Subtotal		**4**	**1,09,337**	**8**	**5,99,439**	**10**	**6,85,866**	**-**	**-**	**13,94,642**
Adjustments for Interest accrued and Ind AS										7,232
Total										**14,01,874**

Working Capital Demand Loan as at 31st 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 instalments	₹ lakhs	No. of instalments	₹ lakhs	No. of instalments	₹ lakhs	No. of instalments	₹ lakhs	₹ lakhs
Less than 1 year	05%- 07%	7	2,65,000	-	-	-	-	-	-	2,65,000
Total		**7**	**2,65,000**	**-**	**-**	**-**	**-**	**-**	**-**	**2,65,000**

Commercial Paper as at 31st 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 instalments	₹ lakhs	No. of instalments	₹ lakhs	No. of instalments	₹ lakhs	No. of instalments	₹ lakhs	₹ lakhs
Less than 1 year	05%- 07%	6	1,37,500	-	-	-	-	-	-	1,37,500
	07%- 08%	1	25,000	-	-	-	-	-	-	25,000
Subtotal		**7**	**1,62,500**	**-**	**-**	**-**	**-**	**-**	**-**	**1,62,500**
Adjustments for Interest accrued and Ind AS										(3,281)
Total										**1,59,219**

PTC as at 31st 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 instalments	₹ lakhs	No. of instalments	₹ lakhs	No. of instalments	₹ lakhs	No. of instalments	₹ lakhs	₹ lakhs
Monthly repayment schedule										
3-4 years	08%- 09%	24	2,289	20	544	6	24	-	-	2,857
More than 4 years	08%- 09%	48	8,112	48	7,970	48	5,773	192	16,400	38,255
Total		**72**	**10,401**	**68**	**8,514**	**54**	**5,797**	**192**	**16,400**	**41,112**
Adjustments for Interest accrued and Ind AS										62
Total										**41,174**

Notes to Consolidated Financial Statements
for the year ended 31 March 2026

Term Loans as at 31 March 2025

Original maturity of loan	Rate of Interest	Due within 1 years		Due 1 to 2 Years		Due 2 to 3 Years		More than 3 Years		Total
		No. of instalments	₹ lakhs	No. of instalments	₹ lakhs	No. of instalments	₹ lakhs	No. of instalments	₹ lakhs	₹ lakhs
Monthly repayment schedule										
1-2 years	05%- 07%	24	37,500	9	7,500	-	-	-	-	45,000
	07%- 08%	24	36,152	6	9,038	-	-	-	-	45,190
2-3 years	07%- 08%	24	32,500	0	-	-	-	-	-	32,500
	08%- 09%	12	13,848	3	3,462	-	-	-	-	17,310
More than 4 years	08%- 09%	27	2,089	12	714	9	536	-	-	3,339
Quarterly repayment schedule										
1-2 years	07%- 08%	30	61,290	9	13,839	-	-	-	-	75,129
	08%- 09%	4	84,000	3	66,000	-	-	-	-	1,50,000
2-3 years	07%- 08%	4	14,282	-	-	-	-	-	-	14,282
	08%- 09%	12	15,232	13	24,179	7	14,589	-	-	54,000
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
	09%- 11%	3	7,500	-	-	-	-	-	-	7,500
More than 4 years	05%- 07%	12	2,508	16	3,344	16	3,344	56	10,354	19,550
	07%- 08%	37	43,466	38	43,966	34	42,600	32	28,788	1,58,820
	08%- 09%	108	84,472	131	1,01,427	128	1,00,109	347	1,72,169	4,58,177
	09%- 11%	16	14,209	12	7,960	5	4,276	-	-	26,445
Half yearly repayment schedule										
1-2 years	08%- 09%	1	3,750	-	-	-	-	-	-	3,750
2-3 years	07%- 08%	2	1,666	2	1,667	1	833	-	-	4,166
	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	07%- 08%	8	44,800	8	44,800	8	43,952	5	15,990	1,49,542
	08%- 09%	101	2,26,405	99	2,56,552	74	1,74,034	130	1,89,674	8,46,665
	09%- 11%	13	32,771	17	55,262	10	41,972	-	-	1,30,005
Yearly repayment schedule										
3-4 years	05%- 07%	1	10,000	-	-	-	-	-	-	10,000
	07%- 08%	1	6,666	1	6,667	1	6,667	-	-	20,000
More than 4 years	07%- 08%	1	1,300	1	1,300	1	1,300	1	1,300	5,200
Bullet repayment schedule										
Less than 1 Year	07%- 08%	1	20,000	-	-	-	-	-	-	20,000
	08%- 09%	2	47,500	-	-	-	-	-	-	47,500
2-3 years	08%- 09%	-	-	1	4,996	-	-	-	-	4,996
Subtotal		**490**	**8,66,650**	**394**	**6,59,923**	**306**	**4,40,212**	**576**	**4,21,025**	**23,87,810**
Adjustments for Interest accrued and Ind AS										847
Total										**23,88,657**

Notes to Consolidated Financial Statements
for the year ended 31 March 2026

External Commercial Borrowings as at 31st March 2025

Original maturity of loan	Fixed / Floating rate of interest	Due within 1 year		Due 1 to 2 Years		Due 2 to 3 Years		More than 3 Years		Total
		No of instalments	Amount in lakhs	No of instalments	Amount in lakhs	No of instalments	Amount in lakhs	No. of instalments	In Lakhs	In Lakhs
Bullet repayment schedule										
1-2 years	07%- 08% / TONAR plus spread 0.65%	-	-	1	32,543	-	-	-	-	32,543
1-2 years	07%- 08% / TONAR plus spread 0.65%	-	-	1	13,017	-	-	-	-	13,017
2-3 years	07%- 08% / SOFR plus spread 1.20%	-	-	-	-	1	64,106	-	-	64,106
2-3 years	07%- 08% / SOFR plus spread 0.85%	-	-	-	-	1	32,053	-	-	32,053
2-3 years	08%- 09% / EUBOR plus spread 1.28%	-	-	-	-	1	83,802	-	-	83,802
3-4 years	07%- 08% / SOFR plus spread 0.85%	-	-	-	-	1	12,821	-	-	12,821
3-4 years	07%- 08% / SOFR plus spread 1.1%	-	-	-	-	1	42,738	-	-	42,738
More than 4 years	07%- 08% / SOFR plus spread 1.00%	-	-	-	-	-	-	1	42,738	42,738
More than 4 years	07%- 08% / SOFR plus spread 1.00%	-	-	-	-	-	-	1	17,095	17,095
More than 4 years	08%- 09% / SOFR plus spread 1.22%	-	-	-	-	1	2,99,163	-	-	2,99,163
More than 4 years	08%- 09% / SOFR plus spread 1.20%	-	-	-	-	-	-	1	1,28,212	1,28,212
Subtotal		**-**	**-**	**2**	**45,560**	**6**	**5,34,683**	**3**	**1,88,045**	**7,68,288**
Adjustments for Interest accrued and Ind AS										4,498
Total										**7,72,786**

Working Capital Demand Loan as at 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 instalments	₹ lakhs	No. of instalments	₹ lakhs	No. of instalments	₹ lakhs	No. of instalments	₹ lakhs	₹ lakhs
Less than 1 year	07%- 08%	5	1,25,000	-	-	-	-	-	-	1,25,000
	08%- 09%	5	1,50,000	-	-	-	-	-	-	1,50,000
1-2 years	09%- 11%	1	2,289	-	-	-	-	-	-	2,289
Total		**11**	**2,77,289**	**-**	**-**	**-**	**-**	**-**	**-**	**2,77,289**

Notes to Consolidated Financial Statements

for the year ended 31 March 2026

Commercial Paper as at 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 instalments	₹ lakhs	No. of instalments	₹ lakhs	No. of instalments	₹ lakhs	No. of instalments	₹ lakhs	₹ lakhs
Less than 1 year	07%- 08%	5	80,500	-	-	-	-	-	-	80,500
Subtotal		**5**	**80,500**	**-**	**-**	**-**	**-**	**-**	**-**	**80,500**
Adjustments for Interest accrued and Ind AS										(3,177)
Total										**77,323**

PTC as at 31 March 2025

Original maturity of loan	Rate of Interest	Due within 1 years		Due 1 to 2 Years		Due 2 to 3 Years		More than 3 Years		Total
		No. of instalments	₹ lakhs	No. of instalments	₹ lakhs	No. of instalments	₹ lakhs	No. of instalments	₹ lakhs	₹ lakhs
Monthly repayment schedule										
3-4 years	08%- 09%	35	6,073	24	2,941	20	695	6	30	9,739
More than 4 years	08%- 09%	12	2,758	12	2,951	12	2,320	41	3,871	11,900
Subtotal		**47**	**8,831**	**36**	**5,892**	**32**	**3,015**	**47**	**3,901**	**21,639**
Adjustments for Interest accrued and Ind AS										2
Total										**21,641**

(C) Particulars of Secured Redeemable Non-convertible Debentures:

(₹ lakhs)

Particulars	Face Value (₹ lakhs)	Quantity	Date of Redemption	As at 31 March 2026	As at 31 March 2025
7.30% Series-93	10	3,500	May 2, 2025	-	35,000
7.95% Series-95	10	350	June 30, 2025	-	3,500
7.80% Series-94	10	3,000	July 2, 2025	-	30,000
FRB (linked to Repo rate plus fixed spread 2%) Series 96	10	2,500	July 21, 2025	-	25,000
7.90% Series-97	10	5,000	July 28, 2025	-	50,000
8.31% Series-103-II	1	20,000	July 29, 2025	-	20,000
9.20% Series-73	10	500	August 8, 2025	-	5,000
8.30% Series-106	1	50,000	September 15, 2025	-	50,000
8.89% MLD-Series-3	10	1,030	December 16, 2025	-	10,300
8.45% Series-102-I	1	30,000	March 10, 2026	-	30,000
8.45% Series-102-II	1	25,000	April 10, 2026	25,000	25,000
8.28% Series-109 Option II	1	82,500	August 5, 2026	82,500	82,500
8.15% Series-110 Option II	1	15,000	September 24, 2026	15,000	15,000
FRB (linked to 6M MIBOR-OIS plus Floating spread 2.22%) Series 91	5/10	7,400	November 17, 2026	37,000	74,000
8.277% Series-107	1	52,500	March 12, 2027	52,500	52,500
8.3% Series-109 Option I	1	87,500	June 30, 2027	87,500	87,500
7.30% Series-113*	1	1,980	June 26, 2027	1,980	-

Notes to Consolidated Financial Statements
for the year ended 31 March 2026

(₹ lakhs)

Particulars	Face Value (₹ lakhs)	Quantity	Date of Redemption	As at 31 March	
				2026	2025
8.15% Series-110 Option I	1	10,000	September 24, 2027	10,000	10,000
8.05% Series-85	3.1/4.6	10,802	January 22, 2028	33,237	49,855
7.30% Series-114	1	69,000	July 10, 2028	69,000	-
7.40% Series-116	1	90,000	September 3, 2030	90,000	-
8.37% Series-104	1	5,500	January 31, 2029	5,500	5,500
8.30% Series-105	1	12,500	March 5, 2029	12,500	12,500
8.304% Series-108	1	5,000	June 8, 2029	5,000	5,000
8.304% Series-108 Reissue	1	6,000	June 8, 2029	6,000	6,000
7.8% Series-111	1	1,42,500	December 16, 2029	1,42,500	1,42,500
7.9742% Series-112	1	23,500	February 3, 2030	23,500	23,500
7.45% Series-115	1	10,000	September 3, 2030	10,000	-
8.30% Series-98	10	750	November 15, 2032	7,500	7,500
8.30% Series-98 Reissue	10	500	November 15, 2032	5,000	5,000
8.30% Series-99	10	500	December 31, 2032	5,000	5,000
8.10% Series-18	10	2,000	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	1,000	December 26, 2025	-	10,000
8.45% Series-22	1	7,500	February 9, 2026	-	7,500
8.35% Series-23	1	35,000	May 15, 2026	35,000	35,000
8.15% Series-24	1	12,000	September 4, 2026	12,000	12,000
8.35% Series-25	1	42,500	January 15, 2027	42,500	42,500
8.25%Series-26	1	20,000	May 28, 2027	20,000	20,000
8.07%Series-27	1	20,000	September 10, 2027	20,000	20,000
8.07%Series-27 Re-issuance 1	1	37,500	September 10, 2027	37,500	37,500
8.16%Series-28	1	20,000	October 29, 2027	20,000	20,000
7.40% Series-29	1	25,000	May 19, 2028	25,000	-
7.25% Series-30	1	10,000	September 4, 2028	10,000	-
7.17% Series-31	1	30,000	January 27, 2028	30,000	-
7.30% Series-32 (3% Partly paid)*	1	60,000	October 14, 2027	1,800	-
7.71% Series-33	1	32,500	November 16, 2035	32,500	-
7.25% Series-34 (10% Partly paid)*	1	30,000	January 23, 2028	3,000	-
7.50% Series-36 (3% Partly paid)	1	50,000	March 30, 2029	1,500	-
Subtotal				**10,17,017**	**10,95,825**
Adjustments for Interest accrued and Ind AS				35,846	42,880
Total				**10,52,863**	**11,38,705**

These NCDs series has call option.

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02

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Financial Statements

Notes to Consolidated Financial Statements
for the year ended 31 March 2026

(D) Particulars of Unsecured Redeemable Non-convertible Debentures (Subordinated Debt):

(₹ lakhs)

Particulars	Face Value (₹ lakhs)	Quantity	Date of Redemption	As at 31 March 2026	As at 31 March 2025
8.75% Subdebts Series 12(ii)	10	250	April 25, 2025	-	2,500
9.50% Subdebts_Series 5I	10	250	June 10, 2025	-	2,500
9.50% Subdebts_Series 7I	10	1,000	October 13, 2025	-	10,000
9.30% Subdebts_Series 9II	10	250	February 25, 2026	-	2,500
9.25% Subdebts_Series 10	10	250	March 23, 2026	-	2,500
9.30% Subdebts Series 11	10	210	April 30, 2026	2,100	2,100
9.30% Subdebts_Series 13	10	2,250	June 8, 2028	22,500	22,500
9.45% Subdebts_Series 14	10	450	July 20, 2028	4,500	4,500
9.25% Subdebts_Series 15	10	1,500	April 26, 2029	15,000	15,000
7.70% Subdebts_Series 16	10	1,500	June 25, 2031	15,000	15,000
7.60% Subdebts_Series 17	100	100	August 12, 2031	10,000	10,000
7.60% Subdebts_Series 18	100	50	October 1, 2031	5,000	5,000
7.65% Subdebts_Series 19	100	50	April 23, 2032	5,000	5,000
8.40% Subdebts_Series 20	100	50	December 23, 2032	5,000	5,000
8.40% Subdebts_Series 20(Reissue)	100	100	December 23, 2032	10,000	10,000
8.35% Subdebts_Series 21	1	5,000	September 27, 2033	5,000	5,000
8.35% Subdebts_Series 21(Reissue)	1	5,000	September 27, 2033	5,000	5,000
8.05%Subdebt series-22	1	10,000	October 24, 2035	10,000	-
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	5,000	October 24, 2035	5,000	-
Subtotal				**1,43,600**	**1,48,600**
Adjustments for Interest accrued and Ind AS				5,467	5,556
Total				**1,49,067**	**1,54,156**

(E) Perpetual Debt Instrument

(₹ lakhs)

Particulars	Face Value (₹ lakhs)	Quantity	Date of Redemption	As at 31 March 2026	As at 31 March 2025
9.00% Perpetual Debt Instrument*	5	12,000	December 29, 2033	60,000	60,000
Adjustments for Interest accrued and Ind AS				1,319	1,317
Total				**61,319**	**61,317**

**This perpetual debenture has call option. Date of call option is considered as date of redemption.*

Notes to Consolidated Financial Statements
for the year ended 31 March 2026

Note 20. Other financial liabilities

(₹ lakhs)

Particulars	As at 31 March 2026	As at 31 March 2025
Employee benefits and other payables	24,329	24,743
Book overdraft	9,945	11,132
Payable towards assignment / securitization*	16,982	14,682
Lease liabilities (Refer Note 45)	37,088	40,169
Others	40,040	9,709
Total	**1,28,384**	**1,00,435**

**Includes payable to related party (Refer Note 38)*

Note 21. Current tax liabilities

(₹ lakhs)

Particulars	As at 31 March 2026	As at 31 March 2025
Provision for income tax (Net of Advance Tax and TDS Receivable)	7,415	5,842
Total	**7,415**	**5,842**

Note 22. Provisions

(₹ lakhs)

Particulars	As at 31 March 2026	As at 31 March 2025
Provision for Employee Benefits		
Provision for compensated absences- Refer Note 40 (C)	6,631	4,708
Provision for defined benefit plans- Refer Note 40 (B)	664	481
Provision for other employee benefit	290	-
Provision for Others		
Provision for pending tax matters	11,064	8,650
Total	**18,649**	**13,839**

Note 23. Other non-financial liabilities

(₹ lakhs)

Particulars	As at 31 March 2026	As at 31 March 2025
Statutory dues	5,005	6,886
Others	18,364	15,933
Total	**23,369**	**22,819**

Notes to Consolidated Financial Statements
for the year ended 31 March 2026

Note 24. Equity share capital

(₹ lakhs)

Particulars	As at 31 March 2026	As at 31 March 2025
Authorised capital		
4,000,000,000 (31 March 2025: 4,000,000,000) equity shares of ₹ 10 each, fully paid up	4,00,000	4,00,000
1,000,000,000 (31 March 2025: 1,000,000,000) preference shares of ₹ 10 each, fully paid up	1,00,000	1,00,000
Issued, subscribed and fully paid up		
2,654,854,060 (31 March 2025: 2,654,854,060) equity shares of ₹ 10 each	2,65,485	2,65,485

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

(₹ lakhs)

Particulars	As at 31 March 2026		As at 31 March 2025	
	Number of shares	Amount	Number of shares	Amount
Balance at the beginning of the year	2,65,48,54,060	2,65,485	2,24,67,17,350	2,24,672
Add: Shares issued during the year		-	40,81,36,710	40,813
Balance at the end of the year	**2,65,48,54,060**	**2,65,485**	**2,65,48,54,060**	**2,65,485**

(b) Terms/right attached to equity shares:

The Group has only one class of equity shares having a par value of Rs 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 is declared and paid in Indian rupees.

In the event of liquidation of the Group, the holders of equity shares will be entitled to receive remaining assets of the Group, 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 Group, shares held by its holding company, ultimate holding company and their subsidiaries/associates are as below:

(₹ lakhs)

Particulars	As at 31 March 2026		As at 31 March 2025	
	Number of shares	Amount	Number of shares	Amount
Sumitomo Mitsui Financial Group, the holding company and its nominees	2,65,48,54,060	2,65,485	2,65,48,54,060	2,65,485

Also, refer note no. 38

(d) Shareholders holding more than 5% of the shares in the Company

(₹ lakhs)

Particulars	As at 31 March 2026		As at 31 March 2025	
	Number of shares	Amount	Number of shares	Amount
Sumitomo Mitsui Financial Group	2,65,48,54,060	100.00%	2,65,48,54,060	100.00%

(e) Changes in Shareholding of promoters

There is no change in the shareholding pattern of promoters during the year ended 31 March 2026 and 31 March 2025.

Notes to Consolidated Financial Statements
for the year ended 31 March 2026

(f) The Group 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.

Note 25. Other Equity

(₹ lakhs)

Particulars	As at 31 March 2026	2025
General Reserve	96	96
Capital Reserve	3,453	3,453
Securities premium	5,27,898	5,27,898
Reserve Fund under Section 45- IC of the RBI Act, 1934	1,04,534	97,454
Reserve Fund under Section 29C(i) of the NHB Act, 1987	8,415	5,895
Surplus in the statement of profit and loss	2,03,258	1,62,763
Items of other comprehensive income		
Re-measurement of gain/(loss) on defined benefit plans	(2,535)	(1,996)
Effective portion of cash flow hedge	2,245	(9,263)
Total	**8,47,364**	**7,86,300**

Nature and purpose of reserves

(i) General Reserve

Pursuant to the provisions of Companies Act, 1956, the Group had transferred a portion of profit of the Group to general reserve before declaring dividend. However mandatory transfer to general reserve is not required under Companies Act, 2013.

(ii) 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.

(iii) Securities premium

Securities premium is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of the Companies Act, 2013.

(iv) Reserve Fund under Section 45 - IC of the RBI Act, 1934

The parent is required to create a fund which should 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 Reserve Bank of India from time to time and every such appropriation shall be reported to the Reserve Bank within 21 days from the date of such withdrawal.

(v) Reserve Fund under Section 29C(i) of the NHB Act, 1987

The subsidiary is required to create a fund which should 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 NHB from time to time and every such appropriation shall be reported to the NHB within 21 days from the date of such withdrawal.

(vi) Items of other comprehensive income

The components of other comprehensive income include remeasurement of gain/loss on defined benefit plans and derivatives designated at Cash flow hedge and Gain/(loss) on fair valuation of loans.

(vii) Retained Earnings & Surplus in the statement of profit and loss

Retained earnings are profit that the Group has earned to date, less any dividend or other distributions paid to the shareholders, net of utilisation as permitted under applicable law.

Notes to Consolidated Financial Statements

for the year ended 31 March 2026

Note 26. Interest Income

(₹ lakhs)

Particulars	Year ended 31 March 2026			Year ended 31 March 2025		
	On financial assets measured at amortised cost	On financial assets measured at fair value	Total	On financial assets measured at amortised cost	On financial assets measured at fair value	Total
On term loans	11,34,646	-	11,34,646	9,14,830	7,836	9,22,666
On deposits with banks	19,679	-	19,679	12,822	-	12,822
On investments	-	18,903	18,903	-	23,013	23,013
Total	**11,54,325**	**18,903**	**11,73,228**	**9,27,652**	**30,849**	**9,58,501**

Note 27. Dividend income

(₹ lakhs)

Particulars	Year ended 31 March 2026	2025
Dividend income	4	13
Total	**4**	**13**

Note 28. Fees and commission income

(₹ lakhs)

Particulars	Year ended 31 March 2026	2025
Income from commission service- Insurance	6,815	7,355
Income from loan related and other commission service	32,413	23,500
Total	**39,228**	**30,855**

(₹ lakhs)

Particulars	Year ended 31 March 2026	2025
Type of services or service		
Fees and commission income	39,228	30,855
Total revenue from contract with customers	**39,228**	**30,855**
Geographical markets		
India	39,228	30,855
Outside India	-	-
Total revenue from contract with customers	**39,228**	**30,855**
Timing of revenue recognition		
Services transferred at a point in time	39,228	30,855
Services transferred over time	-	-
Total revenue from contracts with customers	**39,228**	**30,855**

Disclosure as per Schedule VI B for insurance commission income earned during the year ended:

(₹ lakhs)

Particulars	Year ended 31 March 2026	2025
ICICI Prudential Life Insurance Company Limited	3,112	2,626
Kotak Life Insurance Company Limited	1,524	2,588
HDFC Life Insurance Company Limited	2,122	2,061
ICICI Lombard General Insurance Company Limited	13	30
Cholamandalam MS General Insurance Company Limited	1	19
CIGNA TTK Health Insurance Company Limited	11	23
TATA AIG General Insurance Company Limited	32	8
Total	**6,815**	**7,355**

Notes to Consolidated Financial Statements

for the year ended 31 March 2026

Note 29. Net gain on fair value changes

(₹ lakhs)

Particulars	Year ended 31 March 2026	Year ended 31 March 2025
Net gain on investments at fair value through profit or loss		
Realised Gain	7,471	8,956
Unrealised Loss	(123)	(64)
Total	**7,348**	**8,892**

Note 30. Other income

(₹ lakhs)

Particulars	Year ended 31 March 2026	Year ended 31 March 2025
Profit on derecognition of property plant and equipment (net)	154	53
Miscellaneous income	1,014	2,061
Total	**1,168**	**2,114**

Note 31. Finance costs

(₹ lakhs)

Particulars	Year ended 31 March 2026	Year ended 31 March 2025
On financial liabilities measured at amortised cost		
Borrowings	3,10,990	2,52,646
Debt securities	85,525	92,808
Subordinated debt	18,130	18,812
Interest Expense on lease rental liabilities	3,270	3,030
Bank charges and others	4,874	3,962
Total	**4,22,789**	**3,71,258**

Note 32. Impairment on financial instruments

(₹ lakhs)

Particulars	Year ended 31 March 2026	Year ended 31 March 2025
Bad debts and Write off (net of recovery)	2,15,263	1,98,138
Expected credit loss on portfolio loans (Refer note 48 and 53)	40,493	(20,394)
Impairment on investment	(100)	-
Impairment on trade receivables and other financial instruments	(45)	(21)
Total	**2,55,611**	**1,77,723**

Notes to Consolidated Financial Statements
for the year ended 31 March 2026

Note 33. Employee benefits expense

(₹ lakhs)

Particulars	Year ended 31 March 2026	Year ended 31 March 2025
Salaries, bonus and allowances	1,65,613	1,63,019
Contribution to provident and other funds	9,839	9,757
Share-based payment (Refer Note 41)	2,058	3,158
Staff welfare and training expenses*	9,982	3,551
Total	**1,87,492**	**1,79,485**

**Includes reversal of provision on code of Social Security (2020) amounting to ₹ 7,786 lakhs during the year ended 31 March 2025.*

Note 34. Depreciation and amortisation

(₹ lakhs)

Particulars	Year ended 31 March 2026	Year ended 31 March 2025
Depreciation on property, plant and equipment	10,883	8,849
Depreciation on Right of use assets	9,051	8,852
Amortisation of Intangible assets	3,855	3,539
Total	**23,789**	**21,240**

Note 35. Other expenses

(₹ lakhs)

Particulars	Year ended 31 March 2026	Year ended 31 March 2025
Printing and stationery	1,980	2,241
Rent	1,982	1,212
Rates and taxes	2,822	509
Insurance	564	546
Legal charges	4,704	3,413
Professional charges	51,288	42,502
Collection expenses	1,71,441	1,24,245
Courier charges	1,140	1,194
Repairs and maintenance		
Office premises	3,288	2,791
Others	1,172	1,103
Directors' sitting fees	171	117
Travelling expenses	9,615	10,148
Telecommunication expenses	2,821	2,358
Auditor's fees and expenses	275	389
Electricity charges	1,854	1,800
Security charges	1,387	1,146
Recruitment expenses	853	1,263
Miscellaneous expenses	15,257	6,403
Corporate social responsibility expenses as per section 135 (5) of Companies Act, 2013 (see Note 47)	1,605	1,251
Net loss on derecognition of Property, plant and equipments and intangible assets	100	34
Total	**2,74,319**	**2,04,665**
Audit Fee (including GST)		
Statutory Audit fee	210	191
Tax Audit fee	22	21
Other Service*	-	137
Out of pocket expenses	32	21
In other capacity		
Certification matter	11	19
	275	**389**

**Other services were on account of certification fees for international bond issue during the previous year ended 31 March 2025.*

Notes to Consolidated Financial Statements

for the year ended 31 March 2026

Note 36. Tax expense

(a) Amount recognised in the statement of profit and loss

(₹ lakhs)

Particulars	Year ended 31 March 2026	2025
Current tax for the year	26,198	16,605
Adjustment of tax relating to earlier periods	305	135
Current tax expense (A)	**26,503**	**16,740**
Deferred taxes for the year		
Increase in deferred tax assets (net)	(9,451)	(1,942)
(Decrease)/Increase in deferred tax liabilities (net)	83	1,431
Net deferred tax expense (B)	**(9,368)**	**(511)**
Total income tax expense (A+B)	**17,135**	**16,229**

(b) Amount recognised in Other comprehensive income

(₹ lakhs)

Particulars	Year ended 31 March 2026	2025
Items that will not be reclassified to profit or loss		
Actuarial loss on defined benefit obligations	(720)	(925)
Taxes relating to above	181	233
Items that will be reclassified to profit or loss		
Derivatives designated at Cash flow hedge	15,378	(7,878)
Tax relating to above	(3,870)	1,983
Fair Valuation of Loans held at FVOCI	-	(251)
Taxes relating to above	-	63
Total	**10,969**	**(6,775)**

(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 period ended 31 March 2026 and 2025 is, as follows:

(₹ lakhs)

Particulars	Year ended 31 March 2026	2025
Net profit before OCI as per Profit and Loss	**67,230**	**60,474**
Income tax @ Statutory Tax Rate of 25.168%	16,920	15,220
Tax effects of:		
Items due to reversal of deferred tax	-	23
Recognition of previous year tax	305	135
Impact of Consolidation Adjustments	(570)	448
Net expenses that are not deductible in determining taxable profit on account of CSR and others	480	403
Income tax expenses reported in Profit and Loss	**17,135**	**16,229**
Tax Rate Effective	**25.49%**	**26.84%**

Notes to Consolidated Financial Statements

for the year ended 31 March 2026

Significant components and movement in deferred tax assets and liabilities for the year ended 31 March 2026

(₹ lakhs)

Particulars	As at 31 March 2025	Recognised in Profit and loss	Recognised in OCI	As at 31 March 2026
Deferred tax liabilities on account of:				
EIR adjustment related to financial assets at amortized cost	3,788	717	-	4,505
Right to use asset	8,536	(849)		7,687
EIR adjustment related to financial liabilities at amortized cost	3,070	(419)	-	2,651
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
Derivatives designated at Cash flow hedge	-		755	755
Deferred Tax liability (A)	**16,403**	**83**	**755**	**17,241**
Deferred tax assets on account of:				
Impact of expenditure charged to profit and loss but allowed for tax purposes on payment basis	2,067	374	-	2,441
Timing difference between book depreciation and depreciation as per Income Tax Act, 1961	1,395	448	-	1,843
MTM on Investments	50	6	-	56
Provision for expected credit loss on financial assets	37,194	8,821	-	46,015
Provision for expenses disallowed as per Income-Tax Act, 1961	15,629	579	-	16,208
Lease liabilities	10,110	(777)	-	9,333
Derivatives designated at Cash flow hedge	3,115		(3,115)	-
Deferred tax asset (B)	**69,560**	**9,451**	**(3,115)**	**75,896**
Net Deferred tax assets (B-A)	**53,157**	**9,368**	**(3,870)**	**58,655**

Note :

1. *The Group 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 Group 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.*

Significant components and movement in deferred tax assets and liabilities for the year ended 31 March 2025

(₹ lakhs)

Particulars	As at 31 March 2024	Recognised in Profit and loss	Recognised in OCI	As at 31 March 2025
Deferred tax liabilities on account of:				
EIR adjustment related to financial assets at amortized cost	3,911	(123)	-	3,788
Right to use asset	8,077	459		8,536
EIR adjustment related to financial liabilities at amortized cost	2,414	656	-	3,070
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	570	439	-	1,009
Deferred Tax liability (A)	**14,972**	**1,431**	**-**	**16,403**
Deferred tax assets on account of:				
Impact of expenditure charged to profit and loss but allowed for tax purposes on payment basis	3,645	(1,578)	-	2,067

Notes to Consolidated Financial Statements
for the year ended 31 March 2026

(₹ lakhs)

Particulars	As at 31 March 2024	Recognised in Profit and loss	Recognised in OCI	As at 31 March 2025
Timing difference between book depreciation and Income Tax Act, 1961	1,388	7	-	1,395
MTM on Investments	58	(8)	-	50
Provision for expected credit loss on financial assets	42,326	(5,132)	-	37,194
Provision for expenses disallowed as per Income-Tax Act, 1961	7,752	7,877	-	15,629
Lease liabilities	9,334	776	-	10,110
Fair Valuation of Loans held at OCI	(63)		63	-
Derivatives designated at Cash flow hedge	1,132		1,983	3,115
Deferred tax asset (B)	**65,572**	**1,942**	**2,046**	**69,560**
Net Deferred tax assets (B-A)	**50,600**	**511**	**2,046**	**53,157**

Note 37. Earnings per share

(₹ lakhs)

Particulars	Year ended 31 March 2026	2025
Net Profit after tax attributable to Equity Holders (₹ lakhs)	50,095	44,245
Weighted Average number of Equity Shares for basic earnings per share	26,549	24,389
Weighted Average number of Equity Shares for diluted earnings per share	26,549	24,389
Earnings per Share		
Basic earning per share ₹	1.89	1.81
Diluted earning per share ₹	1.89	1.81
Nominal value of shares ₹	10	10

The Group has not issued any potential equity shares. Accordingly, diluted EPS is equal to basic EPS

Note 38. Related Party Disclosure

Nature of Relationship	Name of Related Party
Ultimate Holding Company	Sumitomo Mitsui Financial Group
Holding Company	Sumitomo Mitsui Financial Group
Fellow Subsidiary	Sumitomo Mitsui Financial Group
Associate of Holding Company	Yes Bank Limited (from September 18,2025)
Entity having Common Director	Perfios Software Solutions Private Limited
Key Management Personnel	Mr. Rajeev Kannan- Chairman & Non-Executive Director
	Mr. Shantanu Mitra- Chief Executive Officer and Managing Director (upto June 15,2025)
	Mr. Ravi Narayanan- Chief Executive Officer (from August 28,2025) & Managing Director (from September 22,2025)
	Mr. Keisho Iwamoto-Non-Executive (upto February 11,2026)
	Mr. Yoshitaka Ando-Non-Executive (w.e.f January 13,2025)
	Mr. Toshitake Funaki- Non- Executive (w.e.f. September 19,2025)
	Ms. Seema Bahuguna-Independent Director
	Mr. Diwakar Gupta- Independent Director
	Mr. Colathur Narayanan Ram-Independent Director
	Mr. Murali Ramakrishnan- Independent Director (from October 10,2025)
	Mr. R Balachander-Independent Director (upto October 9,2025)
	Ms. Dakshita Das-Independent Director (upto February 27,2026)
	Mr. Pankaj Malik-Chief Financial Officer
	Mr. Jitendra Maheshwari- Company Secretary (upto November 13, 2024)
	Ms. Akanksha Kandoi- Company Secretary (w.e.f November 14, 2024 and upto January 22,2026)

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Transactions during the period with related parties and outstanding balances

(₹ lakhs)

Name of Related Party	Particulars	Holding (as per ownership or control)		Key Management Personnel		Directors		Entity having Common Director		Fellow subsidiary		Associate of Holding Company		Total	
		FY26	FY25	FY26	FY25	FY26	FY25	FY26	FY25	FY26	FY25	FY26	FY25	FY26	FY25
Sumitomo Mitsui Financial Group	Equity shares issued during the year (including Share Premium)	-	4,30,000	-	-	-	-	-	-	-	-	-	-	-	4,30,000
	Reimbursement of expenses for secondee employees during the year	814	271	-	-	-	-	-	-	-	-	-	-	814	271
	Equity Share Capital (excluding Share Premium) as at	2,65,485	2,65,485	-	-	-	-	-	-	-	-	-	-	2,65,485	2,65,485
Sumitomo Mitsui Banking Corporation	Borrowing availed during the year	-	-	-	-	-	-	-	-	3,24,405	-	-	-	3,24,405	-
	Repayment of borrowing during the year	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Derivative contract to hedge foreign currency borrowing during the year(note 2)	-	-	-	-	-	-	-	-	3,24,405	-	-	-	3,24,405	-
	Fee paid on borrowing availed during the year	-	-	-	-	-	-	-	-	506	-	-	-	506	-
	Perpetual Debt availed during the year	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Deposits as at	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Placement of Deposits during the year	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Advances as at	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Interest paid during the year	-	-	-	-	-	-	-	-	50,912	40,325	-	-	50,912	40,325
	Interest expense during the year	-	-	-	-	-	-	-	-	52,015	40,094	-	-	52,015	40,094
	Sale of loan portfolio (Securitisation transaction) during the year	-	-	-	-	-	-	-	-	-	20,250	-	-	-	20,250
	Service Fees income towards Securitisation transaction during the year	-	-	-	-	-	-	-	-	24	16	-	-	24	16
	Borrowing and Perpetual Debt outstanding as at (note 3)	-	-	-	-	-	-	-	-	7,87,360	4,62,955	-	-	7,87,360	4,62,955
	Interest accrued but not due on Borrowing and Perpetual Debt	-	-	-	-	-	-	-	-	8,250	7,147	-	-	8,250	7,147
	Maximum borrowing balance during the year	-	-	-	-	-	-	-	-	7,87,360	4,62,955	-	-	7,87,360	4,62,955
	Foreign exchange/Derivative contracts outstanding as at (note 2)	-	-	-	-	-	-	-	-	72,844	16,040	-	-	72,844	16,040

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(₹ lakhs)

Name of Related Party	Particulars	Holding (as per ownership or control)		Key Management Personnel		Directors		Entity having Common Director		Fellow subsidiary		Associate of Holding Company		Total	
		FY26	FY25	FY26	FY25	FY26	FY25	FY26	FY25	FY26	FY25	FY26	FY25	FY26	FY25
Yes Bank	Sale of loan portfolio during the year	-	-	-	-	-	-	-	-	-	-	6,845	-	6,845	-
	Service Fees income towards Assignment transaction during the year	-	-	-	-	-	-	-	-	-	-	9	-	9	-
	Payable on account assignment transaction and others (net) as at	-	-	-	-	-	-	-	-	-	-	220	-	220	-
														-	-
Perfios Software Solutions Private Limited	Credit Agency Fees expense during the year*	-	-	-	-	-	-	381	85	-	-	-	-	381	85
	Credit Agency Fees outstanding as at	-	-	-	-	-	-	90	19	-	-	-	-	90	19
	Remuneration													-	-
Key Management Personnel	Short Term employee benefits: Salary, bonus & allowances	-	-	1,077	1,816	-	-	-	-	-	-	-	-	1,077	1,816
Key Management Personnel	Post-employment benefits	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Key Management Personnel	Share-based payments (on payment basis)	-	-	531	6,992	-	-	-	-	-	-	-	-	531	6,992
Directors	Director's sitting fees	-	-	-	-	101	67	-	-	-	-	-	-	101	67
Directors	Director's Commission	-	-	-	-	141	150	-	-	-	-	-	-	141	150

**Includes GST component which is expensed out*

Note 1: All the related party transactions that were entered into during the financial year were on arm's length basis and in ordinary course of business.

Note 2: Transactions during the period represent notional value and outstanding amount represents Mark to Market.

Note 3: Outstanding amount for ECB borrowing represents base amount excluding MTM impact. ECB Borrowing is secured and Perpetual Debt borrowing is unsecured, both of these are not a non-cash transaction (also refer note 19).

Notes to Consolidated Financial Statements

for the year ended 31 March 2026

Note 39. Capital Management

Equity share capital and other equity are considered for the purpose of the Group's capital management. The Group'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 Group 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 Group. The Group may take appropriate steps in order to maintain, or if necessary adjust, its capital structure. The Group's Capital adequacy ratio on consolidated financial statements as at 31 March 2026 is 17.55%.

The Group maintains its capital base to cover the risks inherent in the business and in meeting the capital adequacy requirements of the Reserve Bank of India (RBI). The adequacy of the company's capital is monitored using, among other measures, the regulations issued by the RBI. The Group has complied in full with all its externally imposed capital requirements during the reported period.

Note 40. Employment Benefit Plans

(A) Defined Contribution Plan

Eligible employees of the Group receive benefits under the Provident Fund which is a defined contribution plan wherein both the employee and the Group make monthly contributions equal to a specific percentage of covered employees' salary. These contributions are made to the Fund administered and managed by the Government of India and the Group has no further obligation beyond making its contribution. The Group's monthly contributions are charged to Statement of profit and loss in the period in which they are incurred.

The total expense of ₹ 7,990 lakhs (2025: ₹ 8,624 lakhs) towards provident fund and ESI contribution is included in note 33- Employee benefit expenses in the statement of Profit and loss.

(B) Defined Benefit Obligation

Gratuity is a post employment benefit and is a defined benefit plan. The gratuity plan is governed by the Payment of Gratuity Act, 1972 and new labour codes to the extent notified. The liability recognized in the Balance Sheet represents the present value of the defined benefit obligation at the Balance Sheet date, less the fair value of plan assets, together with adjustment for unrecognized actuarial gains or losses and past service cost. Independent actuaries calculate the defined benefit obligation annually using the Projected Unit Credit Method. Actuarial gains/losses are credited/ charged to the Statement of Other Comprehensive Income in the year in which such gains or losses arise.

The Group's gratuity scheme for permanent employees is administered through a trust managed by Bajaj Allianz. The funding requirements are based on the gratuity funds actuarial measurement framework set out in the funding policies of the plan. The funding is based on a separate actuarial valuation for funding purpose for which assumptions are same as set out below. Employees do not contribute to the plan.

(₹ lakhs)

Particulars	As at 31 March 2026	As at 31 March 2025
Actuarial assumptions		
Mortality table	Indian Assured Lives Mortality 2012-14 (Urban)	Indian Assured Lives Mortality 2012-14 (Urban)
Discount rate and expected rate of return on assets for SMFG India Credit Company Limited	6.89%	6.59%
Discount rate and expected rate of return on assets for SMFG India Home Finance Company Limited	6.77%	6.54%
Rate of increase in compensation	9.00%	9.00%
Employee Turnover for SMFG India Credit Company Limited		
Category 1 – For basic upto ₹ 1.2 lakhs		
Up to 4 years	71%	75%
5 years and above	3%	3%
Category 2 – For basic more than ₹ 1.2 lakhs		

Notes to Consolidated Financial Statements
for the year ended 31 March 2026

(₹ lakhs)

Particulars	As at 31 March 2026	2025
Up to 4 years	38%	55%
5 years and above	3%	3%
FTC:		
Up to 1 year	40%	NA
2 years and above	37%	NA
Employee Turnover for SMFG India Home Finance Company Limited		
Category 1 – For basic upto ₹ 1.2 lakhs		
Up to 4 years	95%	85%
5 years and above	1%	1%
Category 2 – For basic more than ₹ 1.2 lakhs		
Up to 4 years	50%	50%
5 years and above	1%	1%
Assets information:		
Insured Managed funds	12,401	8,584
Cash and Cash Equivalents	9	-
Changes in the present value of defined benefit obligation		
Present value of obligation at the beginning of the year	9,066	7,198
Interest expense	685	516
Current service cost	1,635	1,093
Past service cost	2,700	-
Benefit Paid Directly by the Employer	-	-
Benefit Paid From the Fund	(992)	(870)
Actuarial (Gains)/Losses on Obligations- Due to Change in Demographic Assumptions	(140)	(30)
Actuarial (Gains)/Losses on Obligations- Due to Change in Financial Assumptions	(541)	669
Actuarial (Gains)/Losses on Obligations- Due to Experience adjustments	722	490
Present Value of obligation at the end of the year	**13,135**	**9,066**
Changes in the Fair value of Plan Assets		
Fair value of plan assets at beginning of the year	8,585	6,633
Interest income	597	476
Contributions by the Employer	4,959	2,142
Benefit Paid from the Fund	(992)	(870)
Return on Plan Assets excluding interest income	(678)	204
Fair Value of Plan Assets at the end of the year	**12,471**	**8,585**
Assets and liabilities recognised in the balance sheet		
Present value of the defined benefit obligation at the end of the year	(13,135)	(9,066)
Fair Value of Plan Assets at the end of the Period	12,471	8,585
Funded Status (Surplus/ (Deficit))	(664)	(481)
Net (Liability) Recognized in the Balance Sheet	**(664)**	**(481)**

Notes to Consolidated Financial Statements

for the year ended 31 March 2026

(₹ lakhs)

Expenses recognised in the Statement of Profit and Loss	Year ended 31 March 2026	2025
Current Service Cost	1,635	1,093
Past Service Cost	2,700	-
Net interest (income)/ expense	88	40
Net gratuity expense recognised	**4,423**	**1,133**
Expenses recognised in the Statement of Other comprehensive income (OCI)		
Actuarial gain/ loss on post-employment benefit obligation	720	925
Total remeasurement cost / (credit) for the year recognised in OCI	**720**	**925**

(₹ lakhs)

Reconciliation of Net asset / (liability) recognised:	As at 31 March 2026	2025
Opening Net Liability	481	565
Expenses recognised at the end of the period	4,423	1,133
Amount recognised in other comprehensive income	720	925
Employer's Contribution	(4,960)	(228)
Benefits directly paid by Employer	-	(1,914)
Net Liability/(Asset) Recognized in the Balance Sheet	**664**	**481**

Sensitivity Analysis:

(₹ lakhs)

Particulars	As at 31 March 2026		As at 31 March 2025	
	Decrease	Increase	Decrease	Increase
Discount Rate (1% movement)	1,828	(1,534)	1,322	(1,104)
Future Salary Growth (1% movement)	(1,519)	1,772	(1,091)	1,277
Rate of Employee Turnover (1% movement)	380	(337)	301	(265)

The sensitivity analysis has 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 projected 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 projected 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 projected benefit obligation as recognised in the Balance Sheet.

There were no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

Notes to Consolidated Financial Statements
for the year ended 31 March 2026

Maturity analysis of projected benefit obligation

(₹ lakhs)

Position as at Year end	As at 31 March 2026	2025
1	292	189
2	328	211
3	357	251
4	512	283
5	448	340
Sum of Years 6 to 10	3,971	2,279
Sum of 11 Years and above	31,000	21,481

Expected contribution to fund in next year

(₹ lakhs)

Particulars	As at 31 March 2026	2025
Expected contribution to fund in next year	2,306	1,922

Weighted Average duration of the defined benefit obligation as at March 31, 2026 is 14 years. (March 31, 2025: 15 Years)

Risks associated with Defined Benefit Plan:

(i) Interest Rate Risk

A fall in the discount rate which is linked to the government securities 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.

(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

The plan has a concentration risk as all the assets are invested with the insurance company and a default may wipe out all the assets. However the probability of this is very low as insurance companies have to follow regulatory guidelines.

During the year, there were no plan amendments, curtailments and settlements.

Notes to Consolidated Financial Statements
for the year ended 31 March 2026

(C) Compensated absences

The Group has not funded its compensated absences liability and the same continues to remain unfunded as at March 31, 2026.

The estimate of future salary have been done on the basis of current salary suitably projected for the future taking into consideration general trend in inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.

Discount rate used related to the Par Yield rate on Government Securities (G-Sec) for the tenure of expected term of obligation

(₹ lakhs)

Particulars	As at 31 March 2026	As at 31 March 2025
Actuarial assumptions		
Mortality table	Indian Assured Lives Mortality 2012-14 (Urban)	Indian Assured Lives Mortality 2012-14 (Urban)
Discount rate and expected rate of return on assets for SMFG India Credit Company Limited	6.89%	6.59%
Discount rate and expected rate of return on assets for SMFG Home Finance Company Limited	6.77%	6.54%
Rate of increase in compensation	9.00%	9.00%
Employee turnover for SMFG India Credit Company Limited		
Category 1 – For basic upto ₹ 1.2 lakhs		
Up to 4 years	71%	75%
5 years and above	3%	3%
Category 2 – For basic more than ₹ 1.2 lakhs		
Up to 4 years	38%	55%
5 years and above	3%	3%
FTC:		
Up to 1 year	40%	NA
2 years and above	37%	NA
Employee turnover for SMFG India Home Finance Company Limited		
Category 1 – For basic upto ₹ 1.2 lakhs		
Up to 4 years	95%	85%
5 years and above	1%	1%
Category 2 – For basic more than ₹ 1.2 lakhs		
Up to 4 years	50%	50%
5 years and above	1%	1%
Funding status	**Unfunded**	**Unfunded**
Expenses recognised in the Statement of Profit and Loss	**3,430**	**2,060**
Projected obligation against compensated absences	**6,631**	**4,708**

(D) Also refer note 56 relating to impact of new labour code on Gratuity amounting to INR 2,699 lakhs and compensated absence of INR 1,337 lakhs disclosed as exceptional items in the statement of Profit and loss

Notes to Consolidated Financial Statements
for the year ended 31 March 2026

Note 41. Employee stock appreciation rights

The Group has cash-settled share based payments scheme, under which grants were made as per details provided below:

Particulars	Grant 10	Grant 11	Grant 11 M	Grant 11B	Grant 12	Grant 13	Grant 14	Grant 14A	Grant 14B	Grant 15
	01-Apr-20	01-Apr-21	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	₹ 1,184 Lakhs	₹ 746 Lakhs	₹ 1,023 Lakhs	₹ 923 Lakhs	₹ 2,172 Lakhs	₹ 3,000 Lakhs	₹ 3,025 Lakhs	₹ 5,400 Lakhs	₹ 1,350 Lakhs	₹ 2,920 Lakhs
Performance Condition	Achievement of certain targets	Achievement of certain targets	Achievement of certain targets	Upon completion of certain time period	Achievement of certain targets	Achievement of certain targets	Achievement of certain targets	Upon completion of certain time period	Achievement of certain targets	Achievement of certain targets
Graded Vesting (subject to achievement of performance condition given above)	Tranche I: 33% vesting on 1st September 2023	Tranche I: 33% vesting on 1st September 2024	Tranche I: 33% vesting on 1st September 2024	Tranche I: 33% vesting on 1st September 2024	Tranche I: 50% vesting on 1st September 2025	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 2024	Tranche II: 33% vesting on 1st September 2025	Tranche II: 33% vesting on 1st September 2025	Tranche II: 33% vesting on 1st September 2025	Tranche II: 50% vesting on 1st September 2026	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: 34% vesting on 1st September 2025	Tranche III: 34% vesting on 1st September 2026	Tranche III: 34% vesting on 1st September 2026	Tranche III: 34% vesting on 1st September 2026						
Vesting period (including performance period)	Tranche I: 3 years 5 months	Tranche I: 3 years 5 months	Tranche I: 3 years 5 months	Tranche I: 3 years 5 months	Tranche I: 3 years 5 months	Tranche I: 3 years 5 months	Tranche I: 3 years 5 months	Tranche I: 3 years 5 months	Tranche I: 3 years 5 months	Tranche I: 3 years 5 months
	Tranche II: 4 years 5 months	Tranche II: 4 years 5 months	Tranche II: 4 years 5 months	Tranche II: 4 years 5 months	Tranche II: 4 years 5 months	Tranche II: 4 years 5 months	Tranche II: 4 years 5 months	Tranche II: 4 years 5 months	Tranche II: 4 years 5 months	Tranche II: 4 years 5 months
	Tranche III: 5 years 5 months	Tranche III: 5 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 the last vesting.									
Method of Settlement	Cash Payout as per terms of the scheme									

Notes to Consolidated Financial Statements
for the year ended 31 March 2026

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 10	Grant 11	Grant 11 M	Grant 11B	Grant 12	Grant 13*	Grant 14	Grant 14A	Grant 14B	Grant 15
As at 31 March 2026	12.01	14.91	47.90	47.90	14.44	12.48	11.26	11.26	11.26	10.75
As at 31 March 2025	11.02	13.84	47.90	47.90	13.43	11.61	10.48	10.48	10.48	NA
As at 31 March 2024	10.42	13.18	47.90	47.90	12.82	11.09	NA	NA	NA	NA
As at 31 March 2023	9.19	11.83	47.90	47.90	11.57	NA	NA	NA	NA	NA
As at 31 March 2022	7.66	10.15	47.90	47.90	NA	NA	NA	NA	NA	NA
As at 31 March 2021	7.52	NA	NA	NA	NA	NA	NA	NA	NA	NA
Weighted Average Contractual Life (years)	-	0.36	0.42	0.42	0.29	-	1.92	1.92	1.92	2.92

**During the year ended March 31, 2026 the outstanding options under Grant 13 were cancelled on not meeting the performance conditions.*

Nature of Arrangement:

The Group 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 Group only has SARs the exercise price is not applicable.

Valuation Methodology:

The fair value of the SARs has been determined at each reporting date based on projected NBV derived using board-approved business plan and management estimates over the life of the grant(s) with a 100% probability of vesting, which is discounted using Govt. Security (G-Sec) rates. No shares are issued or allotted under this arrangement.

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
	No. of stock options	No. of stock options
Options outstanding as at the beginning of the year	11,48,71,927	8,04,02,074
Options granted during the year	2,82,70,000	7,68,43,557
Options forfeited on resignation of employees / Options cancelled during the year	(2,59,18,700)	(2,06,65,761)
Options exercised during the year	(86,27,509)	(2,17,07,943)
Options Outstanding as at the end of the year	10,85,95,718	11,48,71,927
Options vested and exercisable	14,24,487	4,48,074
Expense recognised (₹ in Lakhs)	2,058	3,158

Notes to Consolidated Financial Statements
for the year ended 31 March 2026

Note 42. Segment Information

The Group 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.

Note 43. Contingent Liability and commitments

The Group 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 Group does not expect the outcome of these proceedings to have a materially adverse effect on its financial results.

a) Contingent liabilities

(₹ lakhs)

Particulars	As at 31 March	
	2026	2025
Guarantees	18,666	23,584
Contingent liability for litigations pending against the Group	11,875	1,919

Guarantee issued to National Housing Bank by holding company on behalf of subsidiary company ₹ 30,000 Lakhs (31 March 2025: ₹ 30,000 Lakhs) against which amount liable by Holding company is ₹ 18,641 Lakhs as at 31 March 2026 (31 March 2025: ₹ 23,559 Lakhs). Pursuant to the terms, the Guarantee is unsecured and the Company liability on invocation is capped at the outstanding amount.

b) Capital and other commitments

The Group is obligated under various capital contracts. Capital contracts are work/purchase orders of a capital nature, which have been committed. Further, the commitments have fixed expiration dates and are contingent upon the borrower's ability to maintain specific credit standards.

(i) The estimated amount of contracts remaining to be executed on capital account and not provided for as at 31 March 2026 is ₹ 10,403 Lakhs (31 March 2025: ₹ 9,530 Lakhs).

(ii) Loans sanctioned not yet disbursed as at 31 March 2026 were ₹ 3,24,772 Lakhs (31 March 2025: ₹ 4,34,540 Lakhs).

c) Litigation

Litigations constitute the number of pending litigations filed by customers/vendors/ex-employees/others against the Group for service deficiency/title claims/monetary claims/back wages/reinstatement issues/others respectively which is in the course of business as usual. Except the aforementioned, the Group in its rightful entitlement initiates civil or criminal litigations for recovery of loan, enforcing security interest or for enforcing any of its right under applicable laws, contracts or otherwise. A provision is noted / created where an unfavourable outcome is deemed probable based on review of pending litigations with its legal counsel 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 Group's financial position, its operations and cash flows.

d) Tax contingencies

Various tax-related legal proceedings are pending against the Group 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 Group's and other cases and upon consultation with tax counsels, the management believes that it is more likely than not that the Group'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 Group.

Notes to Consolidated Financial Statements
for the year ended 31 March 2026

Note 44. Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

Form AOC-1

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

Part A : Subsidiaries

Name of the subsidiary	SMFG India Home Finance Company Ltd
The date since when subsidiary was acquired	12-Aug-10
Share Capital	37,116
Reserves and Surplus	1,31,890
Total Assets	12,04,866
Total Liabilities	10,35,860
Investments	19,578
Turnover	1,52,151
Profit before Taxation	16,944
Provision for taxation (net)	4,344
Profit after Taxation	12,600
Proposed dividend	-
% of shareholding	100%

Note 45. IND AS 116 - Leases

(i) Amounts recognised in Balance Sheet

(₹ lakhs)

Particulars	As at 31 March 2026	As at 31 March 2025
a) Right-of-use assets (net)	31,923	35,416
b) Lease liabilities	-	-
Current	8,114	8,005
Non-current	28,974	32,164
Total Lease liabilities	**37,088**	**40,169**
c) Additions to the Right-of-use assets	6,623	11,822

Statement showing movement of Lease Liabilities

(₹ lakhs)

Particulars	As at 31 March 2026	As at 31 March 2025
Opening Balance	40,169	37,085
Add: Additions during the year	6,623	11,573
Add: Interest on lease liabilities	3,270	3,030
Less: Deletion during the year (including lease payments)	12,974	11,519
Closing Balance	**37,088**	**40,169**

Notes to Consolidated Financial Statements
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(ii) Amount Recognised in profit and loss

(₹ lakhs)

Particulars	As at 31 March 2026	As at 31 March 2025
Depreciation charge for right-of-use assets (Refer Note 34)	9,051	8,852
Interest expenses (included in finance cost) (Refer Note 31)	3,270	3,030
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	154	146

iii) Maturity analysis of undiscounted lease liability

(₹ lakhs)

Particulars	As at 31 March 2026	As at 31 March 2025
Less than one year	11,396	11,161
One to five years	27,919	30,271
More than five years	7,557	8,809
Total liabilities	**46,872**	**50,241**

(iv) Cash flows

(₹ lakhs)

Particulars	As at 31 March 2026	As at 31 March 2025
The total cash outflow of leases	12,040	10,711

(v) Future cash outflows to which the lessee is potentially exposed that are not reflected in the measurement of lease liabilities and are as follows:

(a) Variable lease payments - This variability will typically arise from either inflation or market-based pricing adjustments. Currently, the Group do not have any lease which has variable lease payment terms based on inflation or market based pricing.

(b) Extension options and termination options - The table above represents the Group'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 Group does asset retiral obligations and accordingly have recognised them as part of ROU.

(d) The Group does not have any lease arrangements as at reporting date which is not yet commenced to which the Group is committed.

(vi) The Group currently does not have any sale and lease back transactions. The Group does not have any restrictions or covenants imposed by the lessor on its operating leases which restrict its businesses.

Notes to Consolidated Financial Statements

for the year ended 31 March 2026

Note 46. Micro and Small Enterprises

Based on the information received by the Group, some of the suppliers have confirmed to be registered under the Micro, Small and Medium Enterprises Development (MSMED) Act, 2006. Accordingly, the disclosure relating to amount unpaid as at the year ended together with interest paid/payable is disclosed below (Refer Note 16 : Trade Payables)

(₹ lakhs)

Particulars	As at 31 March 2026	As at 31 March 2025
The principal amount remaining unpaid to any supplier as at the end of each period	3,032	4,121
The interest due thereon remaining unpaid to any supplier as at the end of each period	43	-
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 period	-	-
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.	228	98
The amount of interest accrued and remaining unpaid at the end of each period.	316	108
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are 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.	-	-

Note 47. Corporate Social Responsibility's Expenses

Gross amount required to be spent by the Group is ₹ 1,671 lakhs for the year ended 31 March 2026 and ₹ 1,327 lakhs for 31 March 2025.

The details of amounts spent towards CSR are as under :

(₹ lakhs)

Particulars	As at 31 March 2026	Year ended 31 March 2025
i) Construction/acquisition of any asset	-	-
ii) On purpose other than (i) above	1,672	1,330
Amount spent during the year	1,672	1,330
Amount yet to be spent	-	-

The Group's CSR policy is both community and environment-based. Various programmes are planned in areas as diverse as health, education, livelihood generation, skill developments and rural development. The above expenditure includes ₹ 67 lakhs (31 March 2025: ₹79 lakhs) as salary, travel and other associated cost in respect of dedicated employees who have been exclusively engaged in CSR administrative activities which qualify as CSR expenditure under Section 135 of the Companies Act, 2013, the same is part of employee benefit expenses.

Pursuant to Guidance note on CSR issued by the ICAI, CSR spent during the year above statutory requirement has been shown under other non-financial assets

(a) Gross amount required to be spent by the Group during the 31 March 2026: ₹ 1,671 lacs

(b) Amount approved by the Board to be spent during the year 31 March 2026: ₹ 1,671 Lakhs

(c) Excess amount spent -

(₹ lakhs)

Opening Balance	Amount required to be spent during the year	Amount spent during the year	Closing Balance
1,650	1,671	1,420	1,399

(d) Details of related party transactions, e.g., contribution to a trust/ society / section 8 company controlled by the Group in relation to CSR expenditure as per Accounting Standard (AS)18, Related Party Disclosures : Nil

Notes to Consolidated Financial Statements
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Note 48.

Pursuant to directions issued by the Reserve Bank of India (RBI) to the Group vide their e-mail dated 12 February 2025 and 06 May 2025, the Group excluded the impact of credit enhancements under Default Loss Guarantee (DLG) arrangements from the computation of Expected Credit Loss (ECL) and accordingly, recognised an additional ECL provision of Rs. 11,520 lakhs as at 31 March 2025 and remaining Rs. 5,300 lakhs (post considering portfolio rundown) until 30 September 2025 current year, and complied with the said directive.

In the current year, the RBI through RBI (Non-Banking Financial Companies – Income Recognition, Asset Classification and Provisioning) Amendment Directions,2026 ("the amendment directions") dated 13 February 2026 permitted NBFC to consider the credit enhancements under DLG arrangements for purpose of ECL computation across all stages if those are integral to the contractual terms and not recognized separately, subject to compliance with Indian Accounting Standards('Ind AS'). Accordingly, as at 31 March 2026 the Group has recomputed ECL provision after considering the impact of the expected recoveries from credit enhancements under DLG arrangements in accordance with Ind AS 109, Financial Instruments.

This above accounting treatment has resulted in increase in profit before tax for the year ended 31 March 2026 by Rs. 14,116 lakhs with corresponding increase in loans on account of reduced ECL provision. Accordingly, the comparative financial information on ECL provision for the year ended 31 March 2025 is not strictly comparable to such extent.

Note 49. Additional disclosures required by Schedule III of the Act

(₹ lakhs)

Particulars	As at 31 March 2026							
	Net Assets (Total Assets minus Total Liabilities)		Share in Profit or Loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount ₹ Lakhs	As % of consolidated profit or loss	Amount ₹ Lakhs	As % of consolidated other comprehensive income	Amount ₹ Lakhs	As % of total comprehensive income	Amount ₹ Lakhs
Holding Company								
SMFG India Credit Company Limited	98%	10,87,986	71%	35,401	94%	10,350	75%	45,751
Subsidiary								
SMFG India Home Finance Company Limited	15%	1,69,006	25%	12,600	6%	619	22%	13,219
Consol Adjustment and elimination	-13%	(1,44,143)	4%	2,094	0%	-	3%	2,094
Total	**100%**	**11,12,849**	**100%**	**50,095**	**100%**	**10,969**	**100%**	**61,064**

(₹ lakhs)

Particulars	As at 31 March 2025							
	Net Assets (Total Assets minus Total Liabilities)		Share in Profit or Loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount ₹ Lakhs	As % of consolidated profit or loss	Amount ₹ Lakhs	As % of consolidated other comprehensive income	Amount ₹ Lakhs	As % of total comprehensive income	Amount ₹ Lakhs
Holding Company								
SMFG India Credit Company Limited	99%	10,42,235	78%	34,393	97%	(6,601)	74%	27,792
Subsidiary								
SMFG India Home Finance Company Limited	15%	1,55,787	27%	11,952	3%	(174)	31%	11,778
Consol Adjustment and elimination	-14%	(1,46,237)	-5%	(2,100)	0%	-	-6%	(2,100)
Total	**100%**	**10,51,785**	**100%**	**44,245**	**100%**	**(6,775)**	**100%**	**37,470**

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Note 50. Financial risk management

Risk management framework

The Group places emphasis on risk management practices to ensure an appropriate balance between risks and returns. The Board of Directors of the Company (BOD) along with the Management are primarily responsible for Risk Management of the Group. The Board has constituted the Risk Oversight Committee (ROC) to assist the Board for the same.

The ROC's key responsibilities include establishing, reviewing, and monitoring policies, processes and systems for these risks and fostering a risk-aware culture. Key pillars of risk management in the Group include risk identification, assessment, mitigation, monitoring, and reporting. The Group uses a comprehensive enterprise-level risk framework to identify risks with multi-layered controls. The "Three Lines of Defense" philosophy ensures comprehensive governance and supervision.

A clear understanding of the desired risk appetite is central to Group's risk management strategy. The BOD periodically approves the Risk Appetite Statement (RAS), covering various risks and defining risk acceptance boundaries. This framework guides the company's growth path, considering enterprise-wide risks for ongoing monitoring and timely actions. Approved metrics and thresholds are reviewed and revised periodically in response to business strategy, regulatory requirements, and external/internal environment changes.

The ROC controls and manages inherent enterprise-wide risks related to the Group's activities by the following risk categories:

Risk	Exposure arising from	Management
Credit Risk	Loans and counterparty risk on investments	ROC is actively involved in the following: ▸ Oversight over the implementation of Credit Policies of the Group. Robust credit policies and standards are updated regularly in line with business strategy, regulatory requirements and industry's best practices ▸ Reviewing and approving counterparty limits for the Group ▸ Review of the overall portfolio credit performance of the Group and establishing concentration limits ▸ Product level portfolio performance triggers and early delinquency benchmarks ▸ Model Management Framework for governance of various underwriting and lending models
Fraud Risk	Caused by fraudulent acts by employees, customers and /or service providers, third parties with an intention to defraud legitimate dues and / or cause loss to the Group	▸ Board approved policy laying out appropriate standards for prevention, detection, mitigation, deterrence and timely reporting of Frauds ▸ Fraud Risk Management Committee (FRMC), under the oversight of the Audit Committee of the Board (ACB) have been formed to oversee the effectiveness of fraud risk management framework and monitoring of incidences of frauds
Information Security Risk	Threats that exploit weaknesses in the organization's information systems caused due to unauthorized access, use, disruption, modification, or destruction of information.	▸ Information Security remains a key focus area for the company owing to the ever-evolving landscape. Board approved Policies, processes and supporting technology architecture have been instituted and the security posture is being strengthened on a continuous basis. ▸ An Information Security Committee (ISC), under the oversight of the IT Strategy Committee (ITSC) has been formed for managing cyber/ information security. ▸ Independent Information Technology Governance and Information Security Governance functions are in place to ensure strategic alignment with business objectives and regulatory requirements while managing risks and resources effectively.
Operational Risk	Inadequate or failed processes, systems, or people, or due to external events.	▸ Operational Risks (including those arising from Outsourcing) are managed by a combination of specific Board approved policies, processes, functional level Risk Control Self-Assessments (RCSA), and monitoring of Key Risk Indicators (KRIs) ▸ Management level committees such as Operational Risk Management Committee (ORMC) and Outsourcing Committee (OC) are in place for risk oversight

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Risk	Exposure arising from	Management
Liquidity Risk	Financial liabilities and financials asset	▸ Liquidity risk is managed by the Asset Liability Committee (ALCO), based on the Group's Liquidity Policy approved by BOD. ▸ ALCO 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 scenarios. ROC has an oversight on ALCO.
Market Risk-Foreign Exchange	Recognized financial assets and financial liabilities not denominated in functional currency	▸ 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. ▸ The Group has a Board approved policy to lay down the process for identification, mitigation, monitoring and escalation of any foreign exchange or interest rate risk that the Group may face. Both short-term and long-term foreign exchange exposures are hedged in conjunction with extant regulations.
Market Risk-Interest Rate	Investments in units of mutual funds, bonds, government securities, certificate of deposits, commercial paper.	▸ Defined boundaries are in place on interest rate risk exposure for the Group. Governance and monitoring policies are also in place for interest rate risk management.

The above risks are discussed in more detail below:

Credit Risk

Loans :

Exposures to customers' outstanding at the end of each reporting period are reviewed by the Group to determine incurred and expected credit losses. The Group creates provision on loans on a progressive basis from the time that a loan is booked. Historical trends of collections from counterparties on a timely basis reflects low level of credit risk.

Trade receivables:

Exposures to counterparty outstanding at the end of each reporting period are reviewed by the Group to determine incurred and expected credit losses. Historical trends of collection from counterparties on timely basis reflects low level of credit risk. Group creates provision on trade receivables wherever balance due over 90 days.

Counterparty Risk on investment:

The Group 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. Funds are invested after considering parameters like safety, liquidity and post-tax returns etc. Exposure is spread across a relatively large number of counterparties. The Group avoids concentration of credit risk by spreading them over several counterparties with good credit rating profile and sound financial position. The Group's exposure and credit ratings of its counterparties are monitored on an ongoing basis. The Group has a low credit risk in respect of its exposure with financial institutions and other financial assets

Write off policy:

The Group has laid down explicit policies on loan write-offs to deal with assets, which are impaired due to the customer's inability to repay the loan beyond a timeline, based on realization experience of the Group with respect to customers of specific products

Enterprise Risk:

Operational Risk, Fraud Risk and Information Security Risk:

Effective management of operational risks including fraud risks and information security risks through proactive identification, evaluation, measurement, monitoring and mitigation helps to ensure addressing uncertainty, containing losses and facilitates continual improvement. The following are the main pillars of risk management:

- Robust Board approved Policies and standards updated regularly in line with industry best practices and regulatory requirements
- Operational Risk Management Governance including oversight on Outsourcing and Business Continuity

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- Internal Financial Controls Standards and Fraud Control Standards
- Independent Information Technology Governance and Information Security Governance functions to ensure strategic alignment with business objectives and regulatory requirements while managing risks and resources effectively.
- Independent Compliance function to ensure regulatory change management and ongoing compliance to extant regulations
- Independent Internal Audit function to assess the adequacy and effectiveness of internal controls, risk management practices, policies, processes and systems

Liquidity Risk:

Liquidity risk is the risk that the Group, 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 Group 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 Group's liquidity risk exposure. The Group maintains a reliable management information system designed to provide the senior management with timely and forward-looking information on the liquidity position of the Group. In terms of actions, the Group's liquidity risk management policy is guided by the following principles:

- Diversification across instruments (bank loan, commercial papers, debentures, ECB, portfolio sale etc.), lenders (banks, mutual funds, insurance companies, pension funds, foreign portfolio investors) and geographies (on shore and off shore).
- Matching of asset and liability tenor.
- Maintenance of adequate liquidity buffer as per internal policy.
- Investment of such liquid funds in pre-approved instruments and with sound counterparties.

The Group manages liquidity risk by maintaining sufficient cash and cash equivalents and by committed lines. It undertakes liquidity gap analysis, monitoring concentration limits (tenor, counterparty and instrument type) and liquidity ratios on an ongoing basis. Single lender limit, single financial instrument or category limit and negative gap mismatches are monitored monthly to ensure these are within the policy limits.

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 Group is exposed to market risk primarily related to currency risk and interest rate risk.

Foreign Currency Risk:

Foreign currency risk for the Group arises largely on account of foreign currency borrowings. The Group holds derivative financial instruments to hedge foreign currency risk. The Group's policy is to fully hedge its foreign currency borrowings at the time of drawdown and remain so until repayment. The Counterparty for these contracts are banks.

The Group has undertaken ECB borrowings in multiple currencies such as USD, JPY, EURO, AED etc. The Group is risk averse both in the short term as well as in the long term. It seeks to protect its cash flows by removing any variability related to currency fluctuations. Both short term and long-term exposures are completely hedged in conjunction with extant regulations. The tenors and amounts involved in the transactions correlate to the tenors and values of the underlying exposures. The floating interest rate ECB exposures is converted into Fixed rate and currency risk on borrowing is managed by entering Cross Currency Swaps.

Interest Rate Risk:

Interest rate risk is the vulnerability of a group's financial condition to adverse movements in market interest rates. It corresponds to the potential effects of interest rate changes on the group's profitability, in particular net interest income and its net value.

Exposure to this risk primarily results from timing spread in the repricing of both on and off-balance sheet assets and liabilities as they mature (fixed rate instruments) or contractually reprice (floating rate instruments).

This risk is managed by establishing boundaries on interest rate risk exposure and monitoring policies for interest rate risk management. BOD sets boundaries/ limits within such levels of tolerance and approves the policies that govern risk management under both business as usual and stressed conditions. ALCO monitors Balance-sheet planning from a risk-return perspective, including product pricing, definition of the desired maturity profile and mix of incremental assets and liabilities.

A suitable funding and interest rate risk management plan is prepared using projected balance sheet and cash-flows. Execution of on and off balance sheet transactions may be done to optimize interest rate gapping positions. Repricing Gap and Earnings at Risk metrics are employed for measurement of interest rate risks.

In addition to the above, the Group also undertakes an annual Internal Capital Adequacy Assessment Process and Stress Testing to ensure the stability and soundness of the Group's operations in diverse stress scenarios. These tests help to ascertain the level of buffers to be maintained over the minimum regulatory capital required.

All these risk management practices have contributed towards ensuring the continued maintenance of the highest level of credit rating (AAA).

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Exposure to credit risk

The carrying amount of financial assets represents the maximum amount of credit exposure. The maximum exposure to credit risk is as per the table below, it being total of carrying amount of all financials assets except cash in hand and investment in government securities.

(₹ lakhs)

	As at 31 March	
Particulars	2026	2025
Maximum exposure to credit risk	69,46,944	60,10,438

Analysis of inputs to the Expected credit loss 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 Group in accordance with the contract and the cash flows which the Group 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 Group if the holder of the loan commitment draws down the loan; and
- the cash flows that the Group expects to receive if the loan is drawn down.

The Group 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 Personal Loans, Business Loan, Commercial Vehicle Loan, Loan against property and Group 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 Group 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 at least on an annual basis. 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 12 month ECL is part of LTECL that represent the ECLs from default events on a financial asset that is possible within the 12 months after the reporting date.

Definition of Default

As per the Group'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 and categorises based on DPD.. The Group considers a financial instrument defaulted and therefore Stage 3 (credit-impaired) for ECL calculations in all cases when the borrower becomes 90 days past due on its contractual payments. As a part of qualitative assessment, of whether the customer is in default, the Group also considers a variety of instances that may indicate unlikeliness to pay. In such instances, the Group treats the customer at default and therefore assesses such loans as Stage 3 for ECL calculations, following are such instances:

- If the customer has requested restructuring in repayment terms, such restructured, rescheduled or renegotiated accounts (other than One Time Restructuring)
- A Stage 3 customer having other loans which are in Stage 1 or Stage 2
- cases where Group suspects fraud and legal proceedings are initiated.

The Group continuously monitors all financial instruments subject to ECLs. In order to determine whether loans or portfolio loans are subject to 12mECL or LTECL, the Group assesses whether there has been a significant increase in credit risk since initial recognition. The Group considers an exposure to have significantly increased in credit risk since initial recognition when contractual payments are more than 30 days past due. The Group also applies a qualitative method

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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.

The **Probability of Default (PD)** is an estimate of the likelihood of default over a given time horizon.

Exposures are subject to ongoing monitoring, which may indicate that a significant increase in credit risk has occurred on an exposure. The monitoring typically involves use of the following data for Retail exposures:

(a) Overdue status including write off

(b) Fraudulent customer

(c) Days past due along with external macro-economic outlook

(d) Historical performance of loans and related collection trends

(e) Restructured Customer

Days past due is a primary input for the determination of the PD for exposures.

The Group collects performance and default information about its credit risk exposures analysed by Product and geography. The Group 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 the 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 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 (including recovery through contractual arrangements with counterparties estimated based on past recovery trends). 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 Group collects a list of all the defaulters and tracked from the first time they become non-performing assets ("More than 90 Days Past Due"). The Group calculates the LGD based on the present value of month on month recovery post default for Stage 1 and 2 and assesses the present value of the actual and potential recoveries for Stage 3 accounts. In case of insufficient historical data, management uses extrapolation method for the anticipation of LGD.

EL Adjustment Factor is factor used to adjust the ECL computation to eliminate the biases 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 Group arrives at forward looking PD estimates through incorporation of forward-looking macro-economic factors. The various macro-economic factors considered are GDP (%) and its components, Private consumption (%),Consumer prices (% change pa; av), Average real wages (% change pa), Real personal disposable income (% change pa), Lending interest rate (%), Labour costs, Labour productivity growth (%), Recorded unemployment (%) , Agriculture (% real change pa),Government consumption (% of GDP),Industrial production (% change pa),Manufacturing (% real change pa),Services (% real change pa). Product-wise selection of macro-economic factors is done basis the 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.

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.

Credit Quality

The Group has classified portfolio loans as financial assets at amortized cost and has assessed it at the collective pool level. The flow rate methodology has been used to create the PD term structure which incorporates both 12 months (Stage 1 Loans) and lifetime PD (Stage 2 and stage 3 Loans). This captures a historical default experience across a particular portfolio by tracking the periodic slippages. The historical slippage experience/default rate is then used to build the PD term structure.

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 rate of interest. Accordingly, the Group analyses exposure to credit risk based on historical experience across its products. The Group categorizes its loans into Stage 1, Stage 2 and Stage 3 based on delinquency buckets and NPA and restructured status.

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Reconciliation of ECL balances in given below :

(₹ in lakhs)

Particulars	As at March 2026				As at March 2025			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
ECL allowance - opening balance	**62,322**	**36,806**	**48,653**	**1,47,781**	**83,168**	**31,709**	**53,298**	**1,68,175**
New assets originated or purchased	82,082	4	655	82,741	52,710	65	611	53,386
Assets derecognised or repaid	(20,435)	(2,790)	(6,095)	(29,320)	(15,672)	(2,588)	(4,857)	(23,117)
Net transfers to/from Stage 1	24,240	(12,477)	(11,763)	-	23,575	(13,153)	(10,422)	-
Net transfers to/from Stage 2	(64,483)	66,214	(1,731)	-	(66,724)	72,554	(5,830)	-
Net transfers to/from Stage 3	(874)	(1,50,047)	1,50,921	-	(1,258)	(1,13,322)	1,14,580	-
Remeasurement of ECL	1,811	92,098	1,00,365	1,94,274	(13,133)	64,467	77,009	1,28,343
Amounts written off	(143)	(1,941)	(2,11,203)	(2,13,287)	(344)	(2,926)	(1,75,736)	(1,79,006)
ECL Overlay (Refer Note: 53)	6,086	-	-	6,086	-	-	-	-
ECL allowance - closing balance	**90,606**	**27,867**	**69,802**	**1,88,275**	**62,322**	**36,806**	**48,653**	**1,47,781**

Reconciliation of Loans is given below:

(₹ in lakhs)

Particulars	As at March 2026				As at March 2025			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Opening balance of term loans	**51,22,996**	**1,25,968**	**98,007**	**53,46,971**	**40,94,367**	**96,366**	**1,03,525**	**42,94,258**
New assets originated or purchased	52,83,811	18	936	**52,84,765**	41,00,722	455	1,116	**41,02,293**
Assets derecognised/repaid	(40,84,922)	(29,673)	(49,398)	**(41,63,993)**	(27,16,025)	(38,505)	(27,827)	**(27,82,357)**
Net transfers to/from Stage 1	1,02,280	(71,945)	(30,335)	**-**	85,716	(61,654)	(24,062)	**-**
Net transfers to/from Stage 2	(4,93,513)	4,97,436	(3,923)	**-**	(4,18,665)	4,30,500	(11,835)	**-**
Net transfers to/from Stage 3	(14,877)	(4,07,851)	4,22,728	**-**	(16,291)	(2,94,066)	3,10,357	**-**
Amounts written off	(3,087)	(4,793)	(2,94,888)	**(3,02,768)**	(6,828)	(7,128)	(2,53,267)	**(2,67,223)**
Closing balance of term loans	**59,12,688**	**1,09,160**	**1,43,127**	**61,64,975**	**51,22,996**	**1,25,968**	**98,007**	**53,46,971**
Interest accrued and other amortised cost	87,697	5,325	7,998	**1,01,020**	77,333	6,701	5,555	**89,589**
Gross value of term loans	**60,00,385**	**1,14,485**	**1,51,125**	**62,65,995**	**52,00,329**	**1,32,669**	**1,03,562**	**54,36,560**

Impairment Loss allowance movement

(₹ lakhs)

Particulars	Year ended 31 March 2026		Year ended 31 March 2025	
	Trade Receivables	Security Deposit	Trade receivable	Security Deposits
Opening Balance	123	-	123	-
Add: Additions during the year	-	55	-	-
Less: Deletion during the year	(100)	-	-	-
Closing Balance	**23**	**55**	**123**	**-**

Cash and Cash equivalents

The Group holds cash and cash equivalents and bank balance other than cash and cash equivalents of ₹ 3,02,999 lakhs at 31 March 2026 (31 March 2025: ₹ 3,84,530). The cash and cash equivalents are held with bank and financial institution counterparties with sound credit ratings.

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Write off policy

The Group has laid down explicit policies on loan write-offs to deal with assets which are impaired due to the customer's inability to repay the loan beyond a timeline, based on realisation experience of the Group with respect to customers of specific products.

Collateral management and associated risks

The Group holds collateral like Vehicle, residential, commercial land and building against certain of its secured portfolio loans such as Commercial Vehicle Loans, Loan against Properties, Developer funding and Loan against shares.

The Group has a collateral management system to address the risks associated with 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 of assets due to unforeseen circumstances.

The Collections team follows up with the customers through field visits as well as through telecommunication for payment of over dues. Collections team is also responsible for initiating legal action including repossession and selling of collaterals. For other collaterals, the Group liquidates the assets and recovers the amount due against the loan. Negotiations with customers with respect to the settlement of loans are also carried out by the authorized personnel from Collections team. Any surplus funds realized from sale of collateral security over total dues payable by customers, 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.

(₹ in lakhs)

As at 31 March 2026	Exposure	Vehicle	Land and building	Securities	Total Collateral	Net Exposure	Associated ECLs#
Financial Assets							
Cash and Cash equivalent	3,02,999	-	-	-	-	3,02,999	-
Loans (gross)*	62,65,995	3,60,492	72,94,125	2,99,227	79,53,844	32,32,243	1,88,275
Derivative Financial Instrument	1,34,730	-	-	-	-	1,34,730	-
Trade receivables (gross)	2,289	-	-	-	-	2,289	23
Investments	3,51,961	-	-	-	-	3,51,961	-
Other financial asset (gross)	40,569	-	-	-	-	40,569	55
Total Financial Asset	**70,98,543**	**3,60,492**	**72,94,125**	**2,99,227**	**79,53,844**	**40,64,791**	**1,88,353**

**Net exposure of Loans (gross) represents unsecured term loan. Net exposure to secured loan book is Nil.*

#Associated ECL represents impairment loss on financial instruments.

(₹ in lakhs)

As at 31 March 2025	Exposure	Vehicle	Land and building	Securities	Total Collateral	Net Exposure	Associated ECLs#
Financial Assets							
Cash and Cash equivalent	3,84,530	-	-	-	-	3,84,530	-
Loans (gross)*	54,36,560	1,57,609	66,02,669	2,44,906	70,05,184	26,71,603	1,47,781
Derivative Financial Instrument	17,840	-	-	-	-	17,840	-
Trade receivables (gross)	3,186	-	-	-	-	3,186	123
Investments (gross)	3,20,748	-	-	-	-	3,20,748	100
Other financial asset	32,022	-	-	-	-	32,022	-
Total Financial Asset	**61,94,886**	**1,57,609**	**66,02,669**	**2,44,906**	**70,05,184**	**34,29,929**	**1,48,004**

**Net exposure of Loans (gross) represents unsecured term loan. Net exposure to secured loan book is Nil.*

#Associated ECL represents impairment loss on financial instruments.

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The value of the collateral for residential and commercial mortgage loans is based on the collateral value at origination and for loan against share the value of collateral are as per latest market price on reporting date . For credit-impaired loans the value of collateral is based on the most recent appraisals. Collateral value for Vehicles for credit–impaired loans are values arrived basis grid model of vehicles which consider model of vehicles, age, make, manufacturer etc.

The below tables provide an analysis of the current fair values of collateral held and credit enhancements for Stage 3 assets. Dependent on the level of collateral, some Stage 3 exposures may not have individual ECLs when the expected value of the collateral is greater than the LGD, even if the future value of collateral is forecast using multiple economic scenarios. However, the Stage 3 ECL can be higher than net exposure when the future value of collateral, measured using multiple economic scenarios, is expected to decline.

The fair value of collateral and credit enhancements held under the base case scenario

(₹ in lakhs)

Term Loans	Exposure	Commercial Vehicle	Land and building	Total Collateral	Net Exposure*	Associated ECLs#
As at 31 March 2026	1,51,124	21,901	2,81,576	3,03,477	41,870	69,802
As at 31 March 2025	1,03,561	8,486	2,12,728	2,21,214	34,347	48,653

**Net exposure of stage 3 (gross) represents unsecured loans. Net exposure to secured loan book is Nil.*

#Associated ECL represents impairment loss on total stage 3 term loans

Liquidity Risk

Liquidity risk is the risk that the Group, 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 Group 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 Group's liquidity risk exposure.

The Group maintains a reliable management information system designed to provide the senior management with timely and forward-looking information on the liquidity position of the Group. In terms of actions, the Group'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 Group 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 Group 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 Group maintains flexibility in funding by maintaining availability under committed credit lines to meet obligations when due.

Notes to Consolidated Financial Statements

for the year ended 31 March 2026

Analysis of financial liabilities by remaining contractual maturities

The tables below analyse the Group'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. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant

(₹ in lakhs)

As at 31 March 2026	Carrying value	Within 1 year	1 to 5 years	After 5 years	Total
Financial liabilities					
Derivative financial instruments	497	-	497	-	**497**
Payable	1,47,732	1,47,732	-	-	**1,47,732**
Borrowings other than debt securities*	43,90,464	16,52,272	31,04,326	83,933	**48,40,531**
Debt Securities#	12,63,249	4,53,126	8,12,075	2,58,000	**15,23,201**
Lease liabilities	37,088	11,396	27,919	7,557	**46,872**
Other financial liabilities (excluding lease liabilities)	91,296	74,491	23,336	-	**97,827**

(₹ in lakhs)

As at 31 March 2025	Carrying value	Within 1 year	1 to 5 years	After 5 years	Total
Financial liabilities					
Derivative financial instruments	4,742	-	4,742	-	**4,742**
Trade payables	1,28,960	1,28,960	-	-	**1,28,960**
Borrowings other than debt securities*	35,37,696	14,72,955	24,89,938	1,06,548	**40,69,441**
Debt Securities#	13,54,178	4,83,349	9,39,262	2,05,566	**16,28,177**
Lease liabilities	40,169	11,161	30,271	8,809	**50,241**
Other financial liabilities (excluding lease liabilities)	60,266	40,975	27,165	-	**68,140**

**The interest payments on variable interest rate loans in the table above reflect interest rates at the reporting date and these amounts may change as market interest rates change.*

#Debt Securities includes subordinated liabilities

The Group'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 Group 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 Group 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	5,81,000	4,56,030
Expiring beyond one year	1,97,720	-

The bank overdraft facilities may be drawn at any time and may be terminated by the bank without notice. Subject to maintenance of satisfactory credit ratings, the bank loan facilities may be drawn at any time in ₹ and have an average maturity of 1 year (31 March 2025 : 1 year).

Hedge Policy

The Group's hedging policy only allows for effective hedging relationships to be considered as hedges as per the relevant Ind AS 109.

The Group has undertaken ECB borrowings in multiple currencies such as USD, JPY, Euro, AED etc. The Group is risk averse both in the short term as well as in the long term. It seeks to protect its cash flows by removing any variability related to currency fluctuations. Both short term and long-term exposures are completely hedged in conjunction with extant regulations. The tenors and amounts involved in the transactions correlate to the tenors and values of the underlying exposures. The floating interest rate ECB exposures is converted into Fixed rate and currency risk on borrowing is managed by entering Cross Currency Swaps.

Notes to Consolidated Financial Statements

for the year ended 31 March 2026

When the hedging instrument is a Cross Currency Swap /Interest rate Swap contract, the Group establishes a hedge ratio where the notional on the CCIRS/IRS 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 Group 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 Group'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 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 Group arise majorly on account of foreign currency borrowings. The Group holds derivative financial instruments such as Cross currency interest rate swap and forward contracts to mitigate risk of changes in exchange rate in foreign currency and floating interest rate. When a derivative is entered in to for the purpose of being as hedge, the Group negotiates the terms of those derivatives to match with the terms of the hedge exposure. The Group'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. The Counterparty for these contracts is generally a bank.

Foreign Currency exposure

(₹ lakhs)

Particulars	As at 31 March 2026				As at 31 March 2025		
	USD	EUR	JPY	AED	USD	EUR	JPY
a. Long term borrowings (Hedge item)	7,68,368	81,363	3,69,903	43,775	6,15,946	81,363	45,498
b. Highly Probable borrowings			-	-	43,375	-	-
c. Notional Value of Derivative (Hedge instrument)	(7,68,368)	(81,363)	(3,69,903)	(43,775)	(6,59,321)	(81,363)	(45,498)
Net exposure to foreign currency risk (a+b-c)	-	-	-	-	-	-	-

Other Comprehensive Income movement

(₹ lakhs)

Particulars	As at 31 March 2026					As at 31 March 2025		
	USD	EUR	JPY	AED	INR	USD	EUR	JPY
Opening Balance	**10,054**	**1,804**	**520**	**-**	**-**	**4,500**	**-**	**-**
Change in fair value of hedging instrument recognised in other comprehensive income (OCI)	(9,573)	(1,326)	(3,430)	432	(1,482)	5,554	1,804	520
Reclassified from OCI to profit or loss			-	-	-	-	-	-
Closing balance	**481**	**478**	**(2,910)**	**432**	**(1,482)**	**10,054**	**1,804**	**520**

a. The numbers provided are on gross basis (Excl. the tax impact).

b. The amounts reported in the OCI table represent debit charge.

The following table details the Group'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.

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for the year ended 31 March 2026

(₹ lakhs)

Particulars	As at 31 March 2026		As at 31 March 2025	
	Decrease	Increase	Decrease	Increase
USD/INR	7,684	(7,684)	6,584	(6,584)
EUR/INR	814	(814)	814	(814)
JPY/INR	3,699	(3,699)	455	(455)
AED/INR	438	(438)	-	-

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 whether caused by factors specific to an individual investment, its issuer and market.

To manage its price risk arising from investments, the Group has invested in the mutual fund after considering the risk and return profile of the mutual funds i.e. the debt profile of the mutual fund indicates that the debt has been given to creditworthy banks and other institutional parties and equity investment is made after considering the performance of the stock.

The Group's exposure to price risk arises from investments in unlisted equity securities, debt securities (Commercial Paper, Certificate of deposit and Government Securities), 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	2025
Exposure to price risk	3,51,961	3,20,648

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	2025
Impact on profit before tax for 5% increase in prices	(6,192)	(973)
Impact on profit before tax for 5% decrease in prices	6,192	973

Interest rate risk

The interest rate risk is the vulnerability of the Group's financial condition to adverse movements in market interest rates. It corresponds to the potential effects of interest rate changes on the Group'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 Group and the governance and monitoring policies for interest rate risk management.

The exposure of the Group's borrowing to interest rate changes at the end of the reporting period are as follows:

(₹ lakhs)

Particulars	As at 31 March 2026	2025
Fixed rate borrowings		
Debt Securities*	11,63,617	11,77,925
Borrowing other than Debt Securities	46,991	34,876
Commercial Papers	1,62,500	80,500
External Commercial borrowings	13,94,642	7,68,288

Notes to Consolidated Financial Statements
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(₹ lakhs)

Particulars	As at 31 March 2026	As at 31 March 2025
Variable rate borrowings	28,36,713	27,78,362
Total borrowings	**56,04,463**	**48,39,951**
Adjustments for Interest accrued and Ind AS#	49,250	51,923
Total borrowings	**56,53,713**	**48,91,874**

**Debt Securities includes Subordinated Liabilities. Debt Securities (Series 116) and ECBs are floating rate borrowings, however considered as fixed rate borrowings basis hedge contracts.*

#Adjustment for Interest accrued and Ind AS are not effected by change 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.
- 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.

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	(28,367)	(27,784)
Impact on profit before tax of 100 bps decrease in interest rate	28,367	27,784

Financial Instrument

a. Classification and Fair Values of Financial Assets and Liabilities

The following table shows the carrying amounts and fair values of financial assets and financial liabilities as at reporting date :

(₹ lakhs)

Particulars	As at 31 March 2026			As at 31 March 2025		
	FVOCI	FVTPL	Amortised cost	FVOCI	FVTPL	Amortised cost
Financial assets:						
Cash and cash equivalent	-	-	1,25,646	-	-	2,49,558
Bank balances other than cash and cash equivalent	-	-	1,77,353	-	-	1,34,972
Derivative financial instruments	1,34,730	-	-	17,840	-	-
Trade Receivables	-	-	2,266	-	-	3,186
Loans	-	-	60,77,720	-	-	52,88,779
Investments	-	3,51,961	-	-	3,20,648	-
Other financial assets	-	-	40,513	-	-	32,022
Total financial assets	**1,34,730**	**3,51,961**	**64,23,498**	**17,840**	**3,20,648**	**57,08,517**
Financial liabilities:						
Derivative financial instruments	497	-	-	4,742	-	-
Trade payables	-	-	1,47,732	-	-	1,28,960
Debt securities	-	-	10,52,863	-	-	11,38,705
Subordinated liabilities	-	-	2,10,386	-	-	2,15,473

Notes to Consolidated Financial Statements
for the year ended 31 March 2026

(₹ lakhs)

Particulars	As at 31 March 2026			As at 31 March 2025		
	FVOCI	FVTPL	Amortised cost	FVOCI	FVTPL	Amortised cost
Borrowings (Other than Debt Securities)	-	-	43,90,464	-	-	35,37,696
Other financial liabilities	-	-	1,28,384	-	-	1,00,435
Total financial liabilities	**497**	**-**	**59,29,829**	**4,742**	**-**	**51,21,269**

Fair value of cash and cash equivalents, bank balances other than cash and cash equivalent, trade receivables, loans to customers, other financial assets, trade payables and other financial liabilities approximate their carrying amounts largely due to short term maturities of these instruments.

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 Group has classified its financial instruments into the three levels prescribed under Ind AS 107. An explanation of each level follows underneath the table.

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)

Particulars	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	1,49,506	1,81,618	2,02,455	1,39,025	-	5
Total	**1,49,506**	**1,81,618**	**2,02,455**	**1,39,025**	**-**	**5**

Notes to Consolidated Financial Statements
for the year ended 31 March 2026

b) Financial assets and liabilities measured at amortized cost at each reporting date

(₹ lakhs)

Particulars	Carrying Value	As at 31 March 2026		
		Fair Value		
		Level 1	level 2	level 3
Financial assets measured at amortised cost				
Loans*	60,77,720	-	-	61,67,915
Other financial assets	40,513	-	-	40,764
Total	**61,18,233**	**-**	**-**	**62,08,679**
Financial liabilities measured at amortised cost				
Debt securities	10,52,863	-	-	10,82,459
Subordinated liabilities	2,10,386	-	-	2,16,483
Borrowings	43,90,464	-	-	43,92,168
Lease liabilities	37,088	-	-	2,58,359
Total	**56,90,801**	**-**	**-**	**59,49,469**

(₹ lakhs)

Particulars	Carrying Value	As at 31 March 2025		
		Fair Value		
		Level 1	level 2	level 3
Financial assets measured at amortised cost				
Loans*	52,88,779	-	-	54,11,901
Other financial assets	32,022	-	-	32,029
Total	**53,20,801**	**-**	**-**	**54,43,930**
Financial liabilities measured at amortised cost				
Debt securities	11,38,705	-	-	11,75,137
Subordinated liabilities	2,15,473	-	-	2,21,560
Borrowing other than debt securities	35,37,696	-	-	35,40,604
Lease liabilities	40,169	-	-	2,08,580
Total	**49,32,043**	**-**	**-**	**51,45,881**

**Loans are net of Impairment allowance.*

The Group has not disclosed fair values for Cash and cash equivalents, bank balances, trade receivables because their carrying amounts are a reasonable approximation of fair value.

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c) Financial assets and liabilities measured at FVOCI at each reporting date

(₹ lakhs)

Particulars	Carrying Value	As at 31 March 2026 Fair Value		
		Level 1	Level 2	Level 3
Financial assets measured at FVOCI				
Derivative financial instruments	1,34,730	-	1,34,730	-
Total	**1,34,730**	**-**	**1,34,730**	**-**
Financial liabilities measured at FVOCI				
Derivative financial instruments	497	-	497	-
Total	**497**	**-**	**497**	**-**

(₹ lakhs)

Particulars	Carrying Value	As at 31 March 2025 Fair Value		
		Level 1	Level 2	Level 3
Financial assets measured at FVOCI				
Derivative financial instruments	17,840	-	17,840	-
Total	17,840	-	17,840	-
Financial liabilities measured at FVOCI				
Derivative financial instruments	4,742	-	4,742	-
Total	**4,742**	**-**	**4,742**	**-**

Level 3 fair values

The significant unobservable inputs used in the fair value measurement of the fair value hierarchy together with a quantitative sensitivity analysis as at 31 March 2026 and 31 March 2025 are as shown below:

Description of significant unobservable inputs to valuation:

Type	Valuation technique	Significant unobservable inputs	Discounting rate	Sensitivity of the input to the fair value
Investments in unquoted shares	Discounted cash flow approach: The valuation model considers the present value of expected receipts, discounted using a incremental borrowing rate	Average cost of borrowings	31 March 2026: Not applicable 31 March 2025: 8.28%	1% change upwards and downwards

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Reconciliation of Level 3 Fair Value Measurements:

(₹ lakhs)

Particulars	Investments in unquoted shares
Balance as at 1 April 2024	**5**
Add: Purchased during the year	-
Add: Change in value of investment in equity shares	-
Less: Provision for impairment	-
Balance as at 31 March 2025	**5**
Add: Purchased during the year	-
Add: Change in value of investment in equity shares	-
Less: Proceeds from redemption of investment in equity shares	5
Less: Provision for impairment	-
Balance as at 31 March 2026	**-**

(₹ lakhs)

Sensitivity analysis	As at 31st March 2026	As at 31st March 2025
Fair value - unquoted equity instruments	**-**	**-**
Significant unobservable inputs		
- increase by 100 bps	-	0
- decrease by 100 bps	-	-

Fair value of financials assets and financial liabilities at amortized cost (i.e., Loans to customers, Other financial assets, Debt securities, Borrowing other than debt securities) and Lease rentals liabilities 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	Average loan boarding rate for the respective product for recent six months as at reporting date
Other financial assets, Debt securities, Borrowing other than debt securities and lease rental liabilities	The average 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). After initial recognition, the Group 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.

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The Group measures financial instruments, such as investments, derivative financial instruments, etc. at fair value.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure fair value, maximising 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. (Level 1)
Units of mutual funds	Net Asset Value (NAV) declared by the mutual fund at which units are issued or redeemed (Level 1)
Certificate of Deposits	For valuation, the Group uses FBIL-CD benchmark and based on that benchmark the Group interpolates and calculates CD prices corresponding to their residual maturities (Level 2)
Commercial Paper	For valuation, the Group uses CP benchmark and based on that benchmark the Group interpolates and calculates CP prices corresponding to their residual maturities (Level 2)
Equity shares	Prices are determined based on price to book value available in the market domain (Level 3)
Derivative financial instruments	Discounted cash flow based on the present value of future cash flows anticipated based on forward exchange rates and forward curves (Level 2)

Note 51. 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	1,25,646	-	1,25,646	2,49,558	-	2,49,558
Bank balances other than cash and cash equivalents	1,77,353	-	1,77,353	1,34,658	314	1,34,972
Derivative financial instruments	1,926	1,32,804	1,34,730	-	17,840	17,840
Trade receivables	2,266	-	2,266	3,186	-	3,186
Loans	24,98,513	35,79,207	60,77,720	20,80,703	32,08,076	52,88,779
Investments	3,51,961	-	3,51,961	3,20,643	5	3,20,648
Other financial assets	12,839	27,674	40,513	7,069	24,953	32,022
Non-Financial assets						
Current tax assets (net)	-	9,944	9,944	-	9,410	9,410
Deferred tax asset (net)	-	58,655	58,655	-	53,157	53,157
Property, plant and equipment	-	23,213	23,213	-	26,900	26,900
Intangible assets under development	-	2,560	2,560	-	448	448
Other intangible assets	-	12,063	12,063	-	10,958	10,958
Right of use assets	-	31,923	31,923	-	35,416	35,416
Other non-financial assets	30,766	13,295	44,061	25,734	11,268	37,002
Total Assets	**32,01,270**	**38,91,338**	**70,92,608**	**28,21,551**	**33,98,745**	**62,20,296**
Financial liabilities						
Derivative financial instruments	-	497	497	-	4,742	4,742
Payables	1,47,583	149	1,47,732	1,28,906	54	1,28,960
Debt Securities	3,91,303	6,61,560	10,52,863	3,99,007	7,39,698	11,38,705
Borrowings (Other than Debt Securities)	14,00,695	29,89,769	43,90,464	12,42,644	22,95,052	35,37,696
Subordinated liabilities	10,977	1,99,409	2,10,386	29,111	1,86,362	2,15,473
Other financial liabilities	82,598	45,786	1,28,384	50,096	50,339	1,00,435

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for the year ended 31 March 2026

(₹ 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
Non-Financial liabilities						
Current tax liabilities (net)	7,415	-	7,415	5,842	-	5,842
Provisions	2,555	16,094	18,649	1,477	12,362	13,839
Other non-financial liabilities	10,317	13,052	23,369	10,356	12,463	22,819
Equity						
Equity share capital	-	2,65,485	2,65,485	-	2,65,485	2,65,485
Other equity	-	8,47,364	8,47,364	-	7,86,300	7,86,300
Total liabilities	**20,53,443**	**50,39,165**	**70,92,608**	**18,67,439**	**43,52,857**	**62,20,296**

Note 52. Additional Regulatory Information required by Schedule III to the Companies Act, 2013

a. **Details of Benami Property held:** There are no proceedings which have been initiated or pending against the Group for holding any Benami property under the Benami Transactions (Prohibition) Act, 1988 and rules made thereunder.

b. **Additional information where borrowings are from banks or financial institutions:**

(i) The revised quarterly returns and statements of current assets filed by the Group with banks or financial institutions are in agreement with the books of accounts;

(ii) The Group has used the borrowings from banks and financial institutions for the specific purpose for which it was taken at the balance sheet date except temporary deployment of funds in liquid assets pending utilization for specific purposes for which the funds are borrowed.

c. **Wilful Defaulter:** The Group has not been declared as Wilful Defaulter by any Bank or Financial Institution or other Lender for the year ended 31 March 2026 and 31 March 2025.

d. **Relationship with Struck off Companies**

(₹ lakhs)

Name of the struck off Company	Nature of transactions with struck off company	As at 31 March 26	As at 31 March 25	Relationship with the struck off Company
Rudras Power Systems Private Limited	Loans	4	4	Not Applicable
Mech Boilers Private Limited	Loans	17	17	Not Applicable
Paradise Electricals Private Limited	Loans	-	47	Not Applicable
Toolmatic India Private Limited	Loans	36	38	Not Applicable
Mindspace Consultancy Services Pvt Ltd	Payment	1	-	Not Applicable
Grace Relocations Pvt Ltd	Payment	0	-	Not Applicable
Alphaone services Pvt Ltd	Payment	2	-	Not Applicable
Alphaone services Pvt Ltd	Payable	0	-	Not Applicable
Sreenidhi Valuation Research & Analytics Pvt Ltd	Payment	0	-	Not Applicable
Mangalam Infraspace Pvt Ltd	Payment	2	-	Not Applicable

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.

Notes to Consolidated Financial Statements

for the year ended 31 March 2026

f. **Compliance with number of layers of companies:** The Group has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017.

g. **Compliance with approved Scheme(s) of Arrangements:** The Group has not entered in any such arrangements during the year

h. **Utilisation of Borrowed funds and share premium:**

The Group, as part of its normal business, grants loans, makes investment, provides guarantees to and accept borrowings from its customers, other entities and persons. These transactions are part of normal business activity, which is conducted ensuring adherence to all regulatory requirements.

Other than the transactions described above, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Group to or in any other persons or entities, including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in party identified by or on behalf of the Group (Ultimate Beneficiaries). The Group has also not received any fund from any parties (Funding Party) with the understanding that the Group shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

i. **Undisclosed Income:** The Group does not have any transactions not recorded in the books of accounts that has been surrendered or disclosed as income for the year ended 31 March 2026 and 31 March 2025.

j. **Details of Crypto Currency or Virtual Currency:** The Group has not traded or invested in Crypto currency or Virtual Currency for the year ended 31 March 2026 and 31 March 2025.

k. There was no amount due and outstanding to be credited to Investor Education and Protection Fund as at 31 March 2026 and 31 March 2025.

Note 53.

During the current year, management has assessed that the model-driven expected credit loss (ECL) estimates, while compliant with the requirements of Ind AS 109 and supported by internal validation frameworks, may not fully capture the potential impact of heightened geopolitical uncertainties in the operating environment. These uncertainties primarily affect the Group unsecured retail lending portfolio, including exposures to individuals and MSMEs (including microfinance), which are inherently sensitive to adverse movements in borrower cashflows, inflationary trends, and broader macroeconomic stress conditions. Accordingly, management has considered it prudent to maintain an additional ECL overlay of ₹6,086 lakhs. This overlay is dynamic in nature and will be periodically reassessed based on evolving macroeconomic developments and portfolio performance. Any utilisation or recalibration of the overlay will be undertaken upon the crystallisation of adverse macroeconomic events or observable stress in the identified loan portfolios.

Note 54.

Figure for the previous year have been regrouped and/or reclassified whenever considered necessary, the impacts are not material to the financial statement.

Note 55.

As per the requirements of Rule 3(1) of the Companies (Accounts) Rules 2014, "Rules", the Group uses only such accounting software for maintaining its books of account that have a feature of recording audit trail of each and every transaction creating an edit log of each change made in the books of account along with the date when such changes were made within such accounting software. This feature of recording audit trail has operated throughout the year and was not tampered with during the year. The Group has implemented a framework to identify relevant applications from the overall IT universe as "Books of account" as per the Companies Act 2013. The Group's books of accounts maintained in the electronic mode comply with the requirements of the Companies Act 2013, read with relevant rules and notifications. Audit trail has been preserved by the Group as per statutory requirements for record retention.

Notes to Consolidated Financial Statements
for the year ended 31 March 2026

Note 56.

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 Group has re-evaluated the potential impact on employee benefit obligations based on the revised definition of 'wages' under the New Labour Codes using currently available information and consistent with the guidance issued by the Institute of Chartered Accountants of India (ICAI). Based on management assessment and actuarial valuation, the Group has recognized a provision amounting to INR 4,036 lakhs (net of tax INR 3,020 lakhs) and disclosed the same under 'Exceptional Items' in the financial statements for the year ended March 31, 2026.

The Government of India has through recent notifications dated May 8, 2026 notified central rules pertaining to the aforesaid New Labour Codes. Since labour is a subject in the Concurrent List under the Constitution of India, implementation, and operationalisation of certain aspects of the New Labour Codes remain subject to issuance/adoption of corresponding state-specific rules, notifications and regulatory clarifications. Accordingly, the Group continues to evaluate the implications thereof and the financial impact, if any, will be accounted for as and when the same becomes reasonably measurable and ascertainable.

Note 57. Events after reporting date

There have been no other events after the reporting date that require adjustment in these financial statements. Post March 31 2026, the Holding Company has allotted 10,53,92,156 equity shares of face value ₹ 10 each at a premium of ₹ 92 per share on right basis amounting to ₹ 1,07,500 lakhs on April 24, 2026 to its existing shareholder, Sumitomo Mitsui Financial Group (SMFG).

As per our report of even date attached.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm Registration No:001076N/N500013

Manish Gujral
Partner
Membership No:105117

Place: Mumbai
Date: 22 May 2026

For **G.D. Apte & Co.**
Chartered Accountants
Firm Registration No:100515W

S.B. Rashinkar
Partner
Membership No:103483

Place: Mumbai
Date: 22 May 2026

For and on behalf of the Board of Directors of
SMFG India Credit Company Limited

Rajeev Kannan
Chairman
DIN: 01973006

Place: Mumbai
Date: 22 May 2026

Ravi Narayanan
CEO & Managing Director
DIN : 08528459

Place: Mumbai
Date: 22 May 2026

Pankaj Malik
Chief Financial Officer

Place: Mumbai
Date: 22 May 2026

Sagar Tawre
Company Secretary

Place: Mumbai
Date: 22 May 2026

Independent Auditor's Report

To the Members of
SMFG India Credit Company Limited

Report on the Audit of the Standalone Financial Statements

Opinion

1. We have audited the accompanying standalone financial statements of SMFG India Credit Company Limited ('the Company'), which comprise the Standalone Balance Sheet as at 31 March 2026, the Standalone Statement of Profit and Loss (including Other Comprehensive Income), the Standalone Statement of Cash Flow and the Standalone Statement of Changes in Equity for the year then ended, and notes to the standalone financial statements, including material accounting policy information and other explanatory information.

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

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('the ICAI') together with the ethical requirements that are relevant to our audit of the standalone 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.

Key Audit Matters

4. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

5. We have determined the matters described below to be the key audit matters to be communicated in our report.

Key audit matters	How our audit addressed the key audit matters
Impairment of loan assets	
(Refer note 1(C)(2) for material accounting policies and note 6, 32 and 52 for financial disclosures in the accompanying standalone financial statements)	
As at 31 March 2026, the Company has reported gross loan assets of ₹ 51,59,204 lakhs (31 March 25:₹ 44,38,931lakhs) against which an impairment loss of ₹ 1,71,065 lakhs (31 March 25: ₹ 1,33,907 lakhs) has been recorded. The Company recognized impairment provision on loan assets based on the Expected Credit Loss ('ECL') approach laid down under 'Ind AS 109 – Financial Instruments'. The Company has applied a three-stage approach based on changes in credit quality of loan assets which is primarily determined based on number of days past due for each loan asset apart from other factors considered by the management for ascertaining significant increase in credit risk. The Company measures 12-month ECL for Stage 1 loan assets and at lifetime ECL for Stage 2 and Stage 3 loan assets. The estimation of ECL on loan assets is complex and involves significant management judgement and estimates. The key areas where greater levels of management judgement are identified and therefore increased levels of audit focus in the Company's estimation of ECL are:	Our audit focused on assessing the appropriateness of management's judgment and estimates used in determination of impairment allowance on loan assets, through procedures that included, but were not limited to, the following: ▸ Obtained an understanding of the modelling techniques adopted by the Company including the key inputs and assumptions. Since modelling assumptions and parameters are based on historical data, we assessed whether historical experience was representative of current circumstances; ▸ Assessed the Company's accounting policies for estimation of ECL on loans for compliance as per Ind AS 109; ▸ Reviewed the policy approved by the Board of Directors for ECL allowance and related approach including the assessment of credit quality; ▸ Evaluated the design and tested the operating effectiveness of key internal financial controls around completeness and accuracy of the key inputs and assumptions considered for calculation, recording, monitoring of the expected credit loss;

Key audit matters	How our audit addressed the key audit matters
• Data inputs – The application of ECL model requires several data inputs from internal and external sources. This increases the risk of completeness and accuracy of the data that has been used to create assumptions in the model. • Model estimations – The models used to estimate ECL, 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 model and as a result are considered to be an area involving significant management judgement and estimate. • Economic scenarios – Ind AS 109 requires the Company to measure ECL on an unbiased forward-looking basis reflecting a range of future economic conditions/ assumptions. Significant management judgement is applied in determining the economic scenarios used and the probability weights applied to them. • Management overlays, The basis of providing for management overlays are periodically monitored by the Company which is significantly dependent on the performance of the portfolio. Determining ECL on the financial assets also requires compliance with key disclosure requirements as prescribed under the standards and by the Reserve Bank of India ('the RBI'), to explain the key judgements and assumptions made by the management in the measurement. Further, as described in note 56 to the accompanying standalone financial statements, pursuant to RBI (Non-Banking Financial Companies – Income Recognition, Asset Classification and Provisioning) Amendment Directions the Company has considered the credit enhancement arising from DLG arrangements which are integral to the contractual terms in the computation of ECL as per Ind AS 109 which was excluded in ECL computation for the previous year ended 31 March 2025 following RBI's instructions This matter has also been considered as fundamental to the users' understanding of the standalone financial statements. In view of the significance of above matter to the standalone financial statements, complex nature of assumptions and judgements exercised by the management in determining ECL for loan assets which form major portion of the Company's total assets, it required significant auditor's attention. Accordingly, we have identified this as a key audit matter for current year audit.	• On sample basis performed test of details over calculation of ECL, in relation to the completeness and accuracy of the data; • Tested classification of loan assets into stage 1, 2 and 3 categories, on sample basis, to verify that these were allocated to the appropriate stage; • Involved auditor's experts for testing the ECL model of the Company and performed the following procedures: – Evaluated the appropriateness of the Company's determination of significant increase in credit risk in accordance with the applicable accounting standard and the basis for classification of exposures into various stages; – Assessed the reasonableness of critical assumptions and input data used in the estimation of expected credit loss model for specific key credit risk parameters, such as the movement logic between stages, EAD, PD or LGD including forward-looking macro-economic factors; and – Evaluated whether the methodology applied by the Company is compliant with the requirements of the relevant accounting standards and confirmed that the calculations are performed in accordance with the approved methodology, including mathematical accuracy of the workings. • Evaluated the management's judgements and basis of estimates in relation to provision for overlay and assessed its reasonableness; • Assessed the appropriateness and adequacy of the related presentation and disclosure made in the accompanying Standalone Financial Statements in accordance with the applicable accounting standards and related RBI circulars and guidelines; • On sample basis inspected the co-lending arrangements to ensure that DLG benefits were integral to the contractual terms of the co-lending arrangements and were a part of DLG adjustments in ECL computation. Further, we have verified underlying data used by management in assessing DLG adjustments to Gross ECL. • Obtained written representations from management and those charged with governance in relation to appropriateness of such ECL methodology reasonableness of judgements and assumptions used.
Information Technology ('IT') Systems and Controls for financial reporting process:	
The Company is highly dependent on its complex IT architecture comprising hardware, software, multiple applications, automated interfaces and controls in systems for recording, storing and reporting financial transactions. A number of independent and inter-dependent IT systems are used by the Company for processing and recording the large volume of transactions on daily basis as part of its operations, which impacts key financial accounting and reporting items such as loan assets, impairment allowance on loan assets and interest income amongst others.	We involved auditor's IT specialists to perform procedures which included, but were not limited to the following: • Obtained an understanding of the Company's IT related control environment, IT applications and databases. Furthermore, we conducted a risk assessment and identified IT applications, databases that are relevant for the Company's financial reporting;

Key audit matters	How our audit addressed the key audit matters
There exists a risk that, gaps in the IT control environment could result in the financial accounting and reporting records being materially misstated. The controls implemented by the Company in its IT environment determine the integrity, accuracy, completeness, and the validity of the data that is processed by the applications and is ultimately used for financial reporting. These controls contribute to mitigating risk of potential misstatements caused by fraud or errors. The Company has separate software applications for management of its loan portfolio from origination to servicing and closure and for the routine accounting. Transfer of data from/to these software are critical for accurate compilation of financial information. Our audit approach relies on automated controls and therefore, procedures are designed to test controls over in scope IT systems, segregation of duties, interface and system application controls over key financial accounting and reporting systems. We have identified certain Key IT System and IT enabled applications ('in-scope' IT System) which have an impact on Company's financial reporting process and related control testing as a key audit matter because of high level of automation, the complexity of IT environment and its pervasive impact on financial records and financial reporting process of Company.	▸ For the IT systems relevant to financial reporting, we have tested design and operative effectiveness of key IT general controls over such scoped-in IT systems that are critical to financial reporting. This included evaluation of entity's controls to ensure segregation of duties and access rights being provisioned / modified based on duly approved requests, access for exit cases being revoked in a timely manner and access of all users being re-certified during the period of audit. Further, controls related to program change were evaluated to verify whether the changes were approved, tested in an environment that was segregated from production and moved to production by appropriate users; ▸ Evaluated the design and tested the operating effectiveness of key automated controls within the scoped in IT systems. This included testing the integrity of system interfaces, report logic for system generated reports, other application layer controls identified during our audit and testing of key automated controls relevant to our audit mainly for loans, interest income and impairment of loan asset for evaluating completeness and accuracy; ▸ Where deficiency were identified, tested compensating controls or performed alternate procedures, where necessary; and ▸ Obtained written representations from management and those charged with governance on whether IT general controls and automated IT controls are designed and were operating effectively during the year.

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

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

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

   In connection with our audit of the standalone financial statements, our responsibility is to read the other information identified above, when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

   When we read the Director's Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance under SA 720 'The Auditor's responsibilities Relating to Other Information'.

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

7. The accompanying standalone financial statements have been approved by the Company's Board of Directors. The Company's Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation and presentation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS specified under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015 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 and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

8. In preparing the standalone 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.

9. The Board of Directors is also responsible for overseeing the Company's financial reporting process.

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

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

11. As part of an audit in accordance with Standards on Auditing, specified under section 143(10) of the Act we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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

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

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

    - Conclude on the appropriateness of Board of Directors' 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 standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern; and

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

12. 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.

13. 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.

14. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period 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

15. As required by section 197(16) of the Act, based on our audit, we report that the Company has paid remuneration to its directors during the year in accordance with the provisions of and limits laid down under section 197 read with Schedule V to the Act.

16. As required by the Companies (Auditor's Report) Order, 2020 ('the Order') issued by the Central Government of India in terms of section 143(11) of the Act we give in the Annexure I, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

17. Further to our comments in Annexure I, as required by section 143(3) of the Act based on our audit, 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 purpose of our audit of the accompanying standalone financial statements;

    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 standalone financial statements dealt with by this report are in agreement with the books of account;

    d) In our opinion, the aforesaid standalone financial statements comply with Ind AS specified under section 133 of the Act;

    e) On the basis of the written representations received from the directors and 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 standalone financial statements of the Company as on 31 March 2026 and the operating effectiveness of such controls, refer to our separate report in Annexure II wherein we have expressed an unmodified opinion; and

    g) 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, as detailed in note 42 to the accompanying standalone financial statements, has disclosed the impact of pending litigations on its financial position as at 31 March 2026;

        ii. the Company, as detailed in note 4 and 42 to the accompanying standalone financial statements, has made provision as at 31 March 2026, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts;

        iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended 31 March 2026;

        iv. a. The management has represented that, to the best of its knowledge and belief, as disclosed in note 54(h) to the accompanying standalone financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or securities premium or any other sources or kind of funds) by the Company to or in any person(s) or entity(ies), including foreign entities ('the 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 ('the Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf the Ultimate Beneficiaries;

b. The management has represented that, to the best of its knowledge and belief, as disclosed in note 54(h) to the accompanying standalone financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ('the Funding Parties'), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

c. Based on such audit procedures performed as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the management representations under sub-clauses (a) and (b) above contain any material misstatement.

v. The Company has not declared or paid any dividend during the year ended 31 March 2026.

vi. As stated in note 58 to the accompanying standalone financial statements and based on our examination which included test checks, the Company, in respect of financial year commencing on 1 April 2025, has used accounting software for maintaining its books of account which have a feature of recording audit trail (edit log) facility and the same have been 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.

Furthermore, the audit trail has been preserved by the Company as per statutory requirements for record retention.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm Registration No:001076N/N500013

Manish Gujral
Partner
Membership No:105117

UDIN: 26105117OITXOH7075

Place: Mumbai
Date: 22 May 2026

For **M/s. G.D. Apte & Co.**
Chartered Accountants
Firm Registration No:100515W

S.B. Rashinkar
Partner
Membership No:103483

UDIN: 26103483EXMKGN5679

Place: Mumbai
Date: 22 May 2026

Annexure I referred to in paragraph 16 of the Independent Auditor's Report of even date to the members of SMFG India Credit Company Limited on the standalone financial statements for the year ended 31 March 2026

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

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

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

(b) The Company has a regular programme of physical verification of its property, plant and equipment and relevant details of right-of-use assets under which the assets are physically verified in a phased manner over a period of 3 years, which in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. In accordance with this programme, certain property, plant and equipment and relevant details of right-of-use assets were verified during the year and no material discrepancies were noticed on such verification.

(c) The title deeds of all the immovable properties held by the Company (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee), as disclosed note 11 in the standalone financial statements, are held in the name of the Company.

(d) The Company has not revalued its property, plant and equipment including right-of-use assets or intangible assets during the year.

(e) No proceedings have been initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 (as amended) and rules made thereunder.

(ii) (a) The Company does not hold any inventory. Accordingly, reporting under clause 3(ii)(a) of the Order is not applicable to the Company.

(b) As disclosed in note 54(b)(i) to the accompanying standalone financial statements, the Company has been sanctioned a working capital limit in excess of Rs. 5 crores by banks and financial institutions based on the security of current assets. The quarterly returns and statements, in respect of the working capital limits have been filed by the Company with such banks or financial institutions and such returns or statements are materially in agreement with the books of account of the Company for the respective periods, which were not subject to review/audit.

(iii) (a) The Company is a Non-Banking Finance Company ('NBFC') and its principal business is to give loans. Accordingly, reporting under clause 3(iii)(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 investments made, guarantees provided and terms and conditions of the grant of all loans and advances in the nature of loans and guarantees provided are, prima facie, not prejudicial to the interest of the Company. The Company has not given any security for loans availed by any other party.

(c) The Company is an NBFC, registered under provisions of the Reserve Bank of India Act, 1934 and rules made thereunder and is regulated by various regulations, circulars and norms issued by the Reserve Bank of India including Reserve Bank of India (Non-Banking Financial Companies–Income Recognition, Asset Classification and Provisioning) Directions, 2025. In respect of loans and advances in the nature of loans granted by the Company, we report that the schedule of repayment of principal and payment of interest has been stipulated and the repayments/ receipts of principal and interest are regular except for instances as below:

(₹ In lakhs)

Particulars – Days Past Due	Aggregate amount outstanding for overdue loans as at 31 March 2026	No. of Cases
SMA 0 (upto 30 days)	1,58,496	88,134
SMA 1 (31-60 days)	57,248	43,495
SMA 2 (61- 90 days)	28,431	29,362
More than 90 days	1,26,884	55,530

Having regard to the nature of business of the Company and volume of the transactions, it is impractical to furnish the item-wise listing for the above-mentioned cases of delay in repayment of principal and interest.

(d) According to the information and explanations given to us, the total amount which is overdue for 90 days or more in respect of loans and advances in the nature of loans given in the course of the business operations of the Company aggregates to ₹ 1,26,884 lakhs as at 31 March 2026 in respect of 55,530 number of loans. Further, reasonable steps as per the policies and procedures of the Company have been taken for recovery of such principal and interest amounts overdue.

(e) The Company is an NBFC and its principal business is to give loans. Accordingly, reporting under clause 3(iii)(e) of the Order is not applicable to the Company.

(f) The Company has not granted any loans or advances in the nature of loans, which are repayable on demand or without specifying any terms or period of repayment.

(iv) In our opinion, and according to the information and explanations given to us, the Company has complied with the provisions of sections 185 and 186 of the Act in respect of loans and investments made and guarantees and security provided by it, as applicable.

(v) In our opinion, and according to the information and explanations given to us, the Company has not accepted any deposits or there are no amounts which have been deemed to be deposits within the meaning of sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, reporting under clause 3(v) of the Order is not applicable to the Company.

(vi) The Central Government has not specified maintenance of cost records under sub-section (1) of section 148 of the Act, in respect of Company's services/ business activities. Accordingly, reporting under clause 3(vi) of the Order is not applicable.

(vii) (a) In our opinion and according to the information and explanations given to us, the Company is generally regular in depositing undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, with the appropriate authorities. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they became payable.

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

(₹ in lakhs)

Nature of the Statute	Nature of the Dues	Amount (₹ in lakhs)	Amount paid under protest (₹ in lakhs)	Period to which the amount relates	Forum where dispute is pending
Chapter V of Finance Act, 1994	Service Tax	336	25	2007-11	Customs, Excise and Service Tax Appellate Tribunal (Appeal)
Chapter V of Finance Act, 1994	Service Tax	952	71	2015-18	Customs, Excise and Service Tax Appellate Tribunal (Appeal)
Chapter V of Finance Act, 1994	Service Tax	44	44	2015-18	Customs, Excise and Service Tax Appellate Tribunal (Appeal)
The Maharashtra Goods and Services Tax Act, 2017	Goods and Service Tax	8	1	2017-18	First Appellate Authority
The Rajasthan Goods and Services Tax Act, 2017	Goods & Service Tax	27	3	2017-20	First Appellate Authority
The Karnataka Goods and Services Tax Act, 2017	Goods & Service Tax	7	1	2020-21	First Appellate Authority
The Tamil Nadu Goods and Services Tax Act, 2017	Goods & Service Tax	276	28	2021-22	First Appellate Authority
Income Tax Act,1961	Income Tax	3,220	2,297	2020-21	First Appellate Authority

(viii) According to the information and explanations given to us, we report that no transactions were surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961) which have not been previously recorded in the books of accounts.

(ix) (a) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of its loans or borrowings or in the payment of interest thereon to any lender.

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

(c) In our opinion and according to the information and explanations given to us, money raised by way of term loans were applied for the purposes for which these were obtained, though idle/surplus funds which were not required for immediate utilisation have been invested in readily realisable liquid investments.

(d) In our opinion and according to the information and explanations given to us, and on an overall examination of the standalone financial statements of the Company, funds raised by the Company on short term basis have, prima facie, not been utilised for long term purposes.

(e) In our opinion and according to the information and explanations given to us and on an overall examination of the standalone financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiary.

(f) In our opinion and according to the information and explanations given to us, the Company has not raised any loans during the year on the pledge of securities held in its subsidiary.

(x) (a) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments), during the year. Accordingly, reporting under clause 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 of the Company, the Company has not made any preferential allotment or private placement of shares or (fully, partially or optionally) convertible debentures during the year. Accordingly, reporting under clause 3(x)(b) of the Order is not applicable to the Company.

(xi) (a) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or no material fraud on the Company has been noticed or reported during the period covered by our audit.

(b) According to the information and explanations given to us including the representation made to us by the management of the Company, no report under sub-section 12 of section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014, with the Central Government for the period covered by our audit.

(c) According to the information and explanations given to us, the Company has received whistle blower complaints during the year, which have been considered by us while determining the nature, timing and extent of audit procedures.

(xii) The Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it. Accordingly, reporting under clause 3(xii) of the Order is not applicable to the Company.

(xiii) In our opinion and according to the information and explanations given to us, all transactions entered into by the Company with the related parties are in compliance with sections 177 and 188 of the Act, where applicable. Further, the details of such related party transactions have been disclosed in the standalone financial statements, as required under Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified in Companies (Indian Accounting Standards) Rules 2015 as prescribed under section 133 of the Act.

(xiv) (a) In our opinion and according to the information and explanations given to us, the Company has an internal audit system which is commensurate with the size and nature of its business as required under the provisions of section 138 of the Act.

(b) We have considered the reports issued by the Internal Auditors of the Company till date for the period under audit.

(xv) According to the information and explanation given to us, the Company has not entered into any non-cash transactions with its directors or persons connected with its directors and accordingly, reporting under clause 3(xv) of the Order with respect to compliance with the provisions of section 192 of the Act are not applicable to the Company.

(xvi) (a) The Company is required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and such registration has been obtained by the Company.

(b) In our opinion and according to the information and explanations given to us, the Company has conducted Non-Banking Financial activities during the year under a valid Certificate of Registration (CoR) from the RBI as per the Reserve Bank of India Act, 1934.

(c) In our opinion and according to the information and explanations given to us, the Company is not a Core Investment Company (CIC) as defined in the regulations made by the RBI. Accordingly, reporting under clause 3(xvi)(c) of the Order is not applicable to the Company.

(d) Based on the information and explanations given to us and as represented by the management of the Company, the Group (as defined in Core Investment Companies (Reserve Bank) Directions, 2016) does not have any CIC.

(xvii) The Company has not incurred any cash losses in the current financial year as well as the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors during the year. Accordingly, reporting under clause 3(xviii) of the Order is not applicable to the Company.

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

(xx) (a) In our opinion and according to the information and explanations given to us, there are no unspent amounts towards Corporate Social Responsibility pertaining to other than ongoing projects as at end of the current financial year. Accordingly, reporting under clause 3(xx)(a) of the Order is not applicable to the Company.

(b) In our opinion and according to the information and explanations given to us, there are no unspent amounts towards Corporate Social Responsibility pertaining to any ongoing project as at end of the current financial year. Accordingly, reporting under clause 3(xx)(b) of the Order is not applicable to the Company.

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

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm Registration No:001076N/N500013

Manish Gujral
Partner
Membership No:105117

UDIN: 26105117OITXOH7075

Place: Mumbai
Date: 22 May 2026

For **M/s. G.D. Apte & Co.**
Chartered Accountants
Firm Registration No:100515W

S.B. Rashinkar
Partner
Membership No:103483

UDIN: 26103483EXMKGN5679

Place: Mumbai
Date: 22 May 2026

Annexure II referred to in Paragraph 17(f) of the Independent Auditor's Report of even date to the members of SMFG India Credit Company Limited on the standalone financial statements for the year ended 31 March 2026

Independent Auditor's Report on the internal financial controls with reference to the standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')

1. In conjunction with our audit of the standalone financial statements of **SMFG India Credit Company Limited** ('the Company') as at and for the year ended **31 March 2026**, we have audited the internal financial controls with reference to standalone financial statements of the Company as at that date.

Responsibilities of Management and Those Charged with Governance for Internal Financial Controls

2. The Company's Board of Directors is responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('the ICAI') (hereinafter referred to as '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 the Company's 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 for the Audit of the Internal Financial Controls with Reference to Standalone Financial Statements

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

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

5. 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 standalone financial statements.

Meaning of Internal Financial Controls with Reference to Standalone Financial Statements

6. A company's internal financial controls with reference to standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to standalone 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 standalone financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with 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 standalone financial statements.

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

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

Opinion

8. In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to standalone financial statements and such controls were operating effectively as at 31 March 2026, based on the internal financial controls with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm Registration No:001076N/N500013

Manish Gujral
Partner
Membership No:105117

UDIN: 26105117OITXOH7075

Place: Mumbai
Date: 22 May 2026

For **M/s. G.D. Apte & Co.**
Chartered Accountants
Firm Registration No:100515W

S.B. Rashinkar
Partner
Membership No:103483

UDIN: 26103483EXMKGN5679

Place: Mumbai
Date: 22 May 2026

Standalone 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	77,975	1,89,662
Bank balances other than cash and cash equivalents	3	1,71,548	1,34,172
Derivative financial instruments	4	1,26,168	17,723
Trade receivables	5	2,103	3,012
Loans	6	49,88,139	43,05,024
Investments	7	4,73,914	4,21,137
Other financial assets	8	28,589	23,536
		58,68,436	**50,94,266**
Non-financial assets			
Current tax assets (net)	9	9,382	9,410
Deferred tax asset (net)	10	53,917	48,434
Property, plant and equipment	11	21,000	24,261
Intangible assets under development	12	2,533	448
Other intangible assets	13	11,344	10,188
Right of use assets	14	27,364	29,136
Other non-financial assets	15	40,989	34,375
		1,66,529	**1,56,252**
Total Assets		**60,34,965**	**52,50,518**
LIABILITIES AND EQUITY			
Liabilities			
Financial liabilities			
Derivative financial instruments	4	497	3,481
Payables	16		
a) Trade payables			
i) total outstanding dues to micro enterprises and small enterprises		312	2,386
ii) total outstanding dues to creditors other than micro enterprises and small enterprises		1,19,380	1,09,332
b) Other payables			
i) total outstanding dues to micro enterprises and small enterprises		2,530	1,620
ii) total outstanding dues to creditors other than micro enterprises and small enterprises		17,860	10,847
Debt securities	17	7,50,447	9,00,551
Borrowings (Other than Debt Securities)	18	37,19,460	28,74,459
Subordinated liabilities	19	1,79,853	1,90,116
Other financial liabilities	20	1,11,028	76,964
		49,01,367	**41,69,756**
Non-financial liabilities			
Current tax liabilities (net)	21	7,415	5,830
Provisions	22	16,502	12,529
Other non-financial liabilities	23	21,695	20,168
		45,612	**38,527**
Equity			
Equity share capital	24	2,65,485	2,65,485
Other equity	25	8,22,501	7,76,750
		10,87,986	**10,42,235**
Total Liabilities and Equity		**60,34,965**	**52,50,518**

Refer accompanying notes which form an integral part of the standalone financial statements 1- 77

As per our report of even date attached.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm Registration No:001076N/N500013

Manish Gujral
Partner
Membership No:105117

Place: Mumbai
Date: 22 May 2026

For **M/s G.D. Apte & Co.**
Chartered Accountants
Firm Registration No:100515W

S.B. Rashinkar
Partner
Membership No:103483

Place: Mumbai
Date: 22 May 2026

For and on behalf of the Board of Directors of
SMFG India Credit Company Limited

Rajeev Kannan
Chairman
DIN: 01973006

Place: Mumbai
Date: 22 May 2026

Ravi Narayanan
CEO & Managing Director
DIN : 08528459

Place: Mumbai
Date: 22 May 2026

Pankaj Malik
Chief Financial Officer

Place: Mumbai
Date: 22 May 2026

Sagar Tawre
Company Secretary

Place: Mumbai
Date: 22 May 2026

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

(₹ lakhs)

Particulars	Note	Year ended 31 March 2026	2025
Revenue from operations			
Interest income	26	10,32,580	8,41,610
Dividend income	27	4	13
Fees and commission income	28	34,427	26,415
Gain on derecognition of financial instruments		6,581	7,904
Net gain on fair value changes	29	6,522	8,492
Total revenue from operations		**10,80,114**	**8,84,434**
Other income	30	1,299	2,491
Total Income		**10,81,413**	**8,86,925**
Finance costs	31	3,43,386	3,03,033
Impairment on financial instruments	32	2,46,497	1,74,269
Employee benefits expense	33	1,60,543	1,52,804
Depreciation and amortisation expenses	34	21,330	18,741
Other expenses	35	2,57,678	1,91,501
Total expenses		**10,29,434**	**8,40,348**
Profit before tax and exceptional item		**51,979**	**46,577**
Exceptional items	76	3,728	-
Profit before tax		**48,251**	**46,577**
Tax expense	36(a)		
Current tax including tax relating to earlier years		21,957	13,509
Deferred tax expense/(credit)		(9,107)	(1,325)
Total tax expense		**12,850**	**12,184**
Net profit after tax		**35,401**	**34,393**
Other comprehensive income / (loss)	36(b)		
Items that will not be reclassified to profit or loss			
Re-measurement of gain / (loss) on defined benefit plans		(568)	(869)
Tax relating to above		143	219
Items that will be reclassified to profit or loss			
Gain / (loss) on Loans held at FVOCI		-	(251)
Tax relating to above		-	63
Gain / (loss) on Derivatives designated at Cash flow hedge		14,399	(7,701)
Tax relating to above		(3,624)	1,938
Other comprehensive income/(loss)		**10,350**	**(6,601)**
Total comprehensive income for the year		**45,751**	**27,792**
Earnings per equity share:	37		
Basic earnings per share (in ₹)		1.33	1.41
Diluted earnings per share (in ₹)		1.33	1.41
Face value per share (in ₹)		10.00	10.00

Refer accompanying notes which form an integral part of the standalone financial statements 1- 77

As per our report of even date attached.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm Registration No:001076N/N500013

Manish Gujral
Partner
Membership No:105117

Place: Mumbai
Date: 22 May 2026

For **M/s G.D. Apte & Co.**
Chartered Accountants
Firm Registration No:100515W

S.B. Rashinkar
Partner
Membership No:103483

Place: Mumbai
Date: 22 May 2026

For and on behalf of the Board of Directors of
SMFG India Credit Company Limited

Rajeev Kannan
Chairman
DIN: 01973006

Place: Mumbai
Date: 22 May 2026

Ravi Narayanan
CEO & Managing Director
DIN : 08528459

Place: Mumbai
Date: 22 May 2026

Pankaj Malik
Chief Financial Officer

Place: Mumbai
Date: 22 May 2026

Sagar Tawre
Company Secretary

Place: Mumbai
Date: 22 May 2026

Standalone Statement of Cash Flow

for the year ended 31 March 2026

(₹ lakhs)

Particulars	Year ended 31 March 2026	Year ended 31 March 2025
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	**48,251**	**46,577**
Adjustments for :		
Financial asset measured at amortised cost	(13,586)	328
Financial liabilities measured at amortised cost	4,072	3,154
Depreciation, amortisation and impairment	21,330	18,741
Interest income on fixed deposits and investments	(4,339)	(2,951)
Profit on sale of property, plant and equipment	(154)	(48)
Net gain on financial assets at FVTPL	(6,522)	(8,492)
Impairment on financial instruments	2,46,497	1,74,269
Write off of property, plant and equipment and intangible assets	95	33
Fair valuation of cash settled stock appreciation rights	1,335	2,427
Gain on derecognition of financial instruments	(6,581)	(7,904)
Dividend received from investments	(4)	(13)
Operating profit before working capital changes	**2,90,394**	**2,26,121**
Adjustments:		
(Increase) / Decrease in loans	(9,16,026)	(10,66,012)
(Increase) / Decrease in financial and non financial assets	(28,235)	(32,517)
(Increase) / Decrease in trade receivables	908	359
Increase / (Decrease) in financial and non-financial liabilities	49,064	(15,601)
Cash used in from operating activities	**(6,03,895)**	**(8,87,650)**
Income tax paid (net)	(20,201)	(19,005)
Net cash used in operating activities (A)	**(6,24,096)**	**(9,06,655)**
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment and intangibles (including intangibles under development)	(11,843)	(23,084)
Proceeds from the sale of property, plant and equipment and intangibles	485	467
Investment in a subsidiary	-	(45,000)
Purchase of investments	(45,79,039)	(51,22,586)
Sale / maturity of investments (including interest received)	45,48,106	50,89,258
Fixed deposit placed	(1,86,448)	(1,36,235)
Fixed deposit matured (including interest received)	1,61,036	34,815
Dividend received from investments	4	13
Net cash used in investing activities (B)	**(67,699)**	**(2,02,352)**

Standalone Statement of Cash Flow

for the year ended 31 March 2026

(₹ lakhs)

Particulars	Year ended 31 March 2026	Year ended 31 March 2025
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issuance of share capital (including share premium)	-	4,30,000
Proceeds from borrowings from banks and financial institutions	23,39,284	21,73,172
Repayment of borrowings from banks and financial institutions	(17,46,081)	(14,55,121)
Payment of ancillary borrowing costs	(2,813)	(4,230)
Repayment of lease liability	(10,282)	(9,063)
Net cash generated from financing activities (C)	**5,80,108**	**11,34,758**
Net (decrease) / increase in cash and cash equivalents D = (A+B+C)	**(1,11,687)**	**25,751**
Cash and cash equivalents as at the beginning of the year (E)	1,89,662	1,63,911
Closing balance of cash and cash equivalents (D+E)	**77,975**	**1,89,662**
Components of cash and cash equivalents:		
Cash on hand	1,924	2,645
Cheques and drafts on hand	1,295	526
Balances with banks		
- in current accounts	60,806	75,628
- in fixed deposit with maturity less than 3 months	13,950	1,10,863
Cash and cash equivalents	**77,975**	**1,89,662**

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 accompanying notes which form an integral part of the standalone financial statements.

As per our report of even date attached.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm Registration No:001076N/N500013

Manish Gujral
Partner
Membership No:105117

Place: Mumbai
Date: 22 May 2026

For **M/s G.D. Apte & Co.**
Chartered Accountants
Firm Registration No:100515W

S.B. Rashinkar
Partner
Membership No:103483

Place: Mumbai
Date: 22 May 2026

For and on behalf of the Board of Directors of
SMFG India Credit Company Limited

Rajeev Kannan
Chairman
DIN: 01973006

Place: Mumbai
Date: 22 May 2026

Ravi Narayanan
CEO & Managing Director
DIN : 08528459

Place: Mumbai
Date: 22 May 2026

Pankaj Malik
Chief Financial Officer

Place: Mumbai
Date: 22 May 2026

Sagar Tawre
Company Secretary

Place: Mumbai
Date: 22 May 2026

Standalone Statement of Changes in Equity

as at 31 March 2026

A. Equity share capital

(₹ lakhs)

Particulars	Number of shares	Amount (₹ lakhs)
Equity share of ₹ 10 each fully paid up as at 31 March 2024	**2,24,67,17,350**	**2,24,672**
Changes during the year	40,81,36,710	40,813
Equity share of ₹ 10 each fully paid up as at 31 March 2025	**2,65,48,54,060**	**2,65,485**
Changes during the year	-	-
Equity share of ₹ 10 each fully paid up as at 31 March 2026	**2,65,48,54,060**	**2,65,485**

B. Other equity

(₹ lakhs)

Particulars	Reserves and Surplus						Items of Other Comprehensive Income		Total
	General reserve	Capital reserve	Securities premium	Reserve Fund under Section 45 - IC of the RBI Act, 1934	Retained Earnings	Re-measurement of gain / (loss) on defined benefit plans	Effective portion of cash flow hedge	Gain/(loss) on fair valuation of loans	
Opening balance as at 31 March 2024	**96**	**3,443**	**1,38,722**	**90,575**	**1,31,325**	**(1,210)**	**(3,367)**	**188**	**3,59,772**
Securities Premium on shares issued	-	-	3,89,186	-	-	-	-	-	3,89,186
Transferred from retained earnings to reserve fund	-	-	-	6,879	(6,879)	-	-	-	-
Profit for the year	-	-	-	-	34,393	-	-	-	34,393
Other comprehensive income/(loss) for the year	-	-	-	-	-	(650)	(5,763)	(188)	(6,601)
Closing balance as at 31 March 2025	**96**	**3,443**	**5,27,908**	**97,454**	**1,58,839**	**(1,860)**	**(9,130)**	**-**	**7,76,750**
Securities Premium on shares issued	-	-	-	-	-	-	-	-	-
Transferred from retained earnings to reserve fund	-	-	-	7,080	(7,080)	-	-	-	-
Profit for the year	-	-	-	-	35,401	-	-	-	35,401
Other comprehensive income/(loss) for the year	-	-	-	-	-	(425)	10,775	-	10,350
Closing balance as at 31 March 2026	**96**	**3,443**	**5,27,908**	**1,04,534**	**1,87,160**	**(2,285)**	**1,645**	**-**	**8,22,501**

Refer accompanying notes which form an integral part of the standalone financial statements. 1 - 77

As per our report of even date attached.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm Registration No:001076N/N500013

Manish Gujral
Partner
Membership No:105117

Place: Mumbai
Date: 22 May 2026

For **M/s G.D. Apte & Co.**
Chartered Accountants
Firm Registration No:100515W

S.B. Rashinkar
Partner
Membership No:103483

Place: Mumbai
Date: 22 May 2026

For and on behalf of the Board of Directors of
SMFG India Credit Company Limited

Rajeev Kannan
Chairman
DIN: 01973006

Place: Mumbai
Date: 22 May 2026

Ravi Narayanan
CEO & Managing Director
DIN : 08528459

Place: Mumbai
Date: 22 May 2026

Pankaj Malik
Chief Financial Officer

Place: Mumbai
Date: 22 May 2026

Sagar Tawre
Company Secretary

Place: Mumbai
Date: 22 May 2026

Notes to Standalone Financial Statements

for the year ended 31 March 2026

Summary of material accounting policies and other explanatory information to the Standalone Financial Statements as at and for the year ended 31 March 2026

Note 1. General Information:

(A) Company Information

SMFG India Credit Company Limited ('the Company'/'the entity') (CIN: U65191TN1994PLC079235) is a public limited company domiciled in India and incorporated under the provisions of Companies Act, 1956. As at 31 March 2026, Sumitomo Mitsui Financial Group (SMFG), the holding Company owned 100% of the Company's equity share capital.

The Company is a non-banking financial company ('NBFC') registered as Non Deposit taking NBFC vide Registration no B-07-00791 dated May 25, 2023 with the Reserve Bank of India ('RBI') The registered address of the Company is Commerzone IT Park, Tower B, 1st Floor, No. 111, Mount Poonamallee Road, Porur, Chennai-600116.

The Company provides loans to small and medium enterprises for working capital and growth, loans for commercial vehicles, loans against shares, two-wheelers, home improvement loans, loans against property, personal loans, working capital loans for urban salaried and self-employed, loans for rural livelihood advancement and financing of various rural micro enterprises.

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 standalone IND AS financial statements (hereinafter referred to as standalone 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, the Reserve Bank of India (Non-Banking Financial Companies - Financial Statements: Presentation and Disclosures) Directions, 2025 dated November 28, 2025 (updated in April 01, 2026) and other circular and notifications issued by RBI as applicable to NBFC and other accounting principles generally accepted in India. The standalone financial statements were approved for issue by the Company's Board of Directors on 22 May 2026.

(ii) Presentation of standalone 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 53.

(iii) Functional and presentation currency

Indian rupee 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 standalone financial statements have been prepared on a historical cost basis, except for certain financial assets/ financial liabilities (including derivative financial instrument) which are measured at fair value through profit and loss or fair value through other comprehensive income.

(v) Use of estimates and judgments

The preparation of standalone financial statements in conformity with Ind AS requires management to make estimates, assumptions and exercise judgments in applying the accounting policies that affect the reported amount of assets, liabilities and disclosure of contingent liabilities at the date of standalone 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 judgments, assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment during the year ended 31 March 2026 is included in the following notes of the policy:

Note 1.C.2 – Financial Instruments: Fair values, risk management and impairment of financials instruments;

Note 1.C.9 – Taxes: recognition of deferred tax asset;

Note 1.C.11 – estimates of useful lives and the residual value of property, plant and equipment and intangible assets;

Notes to Standalone Financial Statements

for the year ended 31 March 2026

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 judgment 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. The management regularly reviews significant unobservable inputs and valuation adjustments.

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 financials instruments

Note 37 (B) and 37 (C) - Gratuity and compensated absences

Note 48 - Financial risk management

Note 40 – Employee Stock Appreciation Rights

(C) Material accounting policies

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 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 asset 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 recognised at contractual interest rate of financial instruments.

Notes to Standalone Financial Statements
for the year ended 31 March 2026

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 financials 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 realization basis. 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. The 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 terms of the contract.

2. Financial instruments

Recognition and initial measurement

Financial assets and liabilities are recognised 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.

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 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.

Notes to Standalone Financial Statements
for the year ended 31 March 2026

A financial asset is classified and measured at FVOCI if both of the following conditions are met:

- 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; 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 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 since this best reflects the way the Company's business is managed and information is provided to management. If cash flows after initial recognition are realised in a way that is different from the Company's original expectations, the Company does not change the classification of the remaining financial assets held in that business model, but incorporates such information when assessing newly originated or newly purchased financial assets going forward. Further, 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 reassess its business models each reporting period to determine whether the business models have 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 consists of 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 feature; 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.

A prepayment feature is consistent with the solely 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 amount at par, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus interest accrued (but unpaid) and 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.

Notes to Standalone Financial Statements
for the year ended 31 March 2026

Subsequent measurement and gains and losses

Classification	Accounting treatment
Financial assets at FVTPL	These assets are subsequently measured at fair value at each reporting date. 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, if any. Interest income, foreign exchange gains and losses and impairment and 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 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 de-recognition, cumulative gain or loss previously recognised in OCI is reclassified from the equity to 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 at FVTPL. Interest expense, foreign exchange gains and losses and gain or loss on de-recognition is 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 de-recognition of financial assets described below.

Original classification	Revised classification	Accounting treatment
Amortised cost	FVTPL	Fair value is measured at reclassification date. Difference between previous amortised 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	FVTOCI	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.
FVTOCI	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	FVTOCI	Fair value at reclassification date becomes its new carrying amount. No other adjustment is required.
FVTOCI	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 Standalone Financial Statements

for the year ended 31 March 2026

Derecognition, 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 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 , 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

Notes to Standalone Financial Statements

for the year ended 31 March 2026

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.

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. Subsequent recoveries of amount previously written off are credited to the statement of profit and loss.

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 a collective basis for portfolios of loans that share similar economic risk characteristics. This expected credit loss is computed based on provision matrix which takes into account historical credit loss experience and adjusted for forward looking information.

A more detailed description of the methodology used for ECL is covered in the 'credit risk' section of note no. 52.

Presentation of allowance for expected credit losses in the standalone 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 for as income/ expense in the statement of profit and loss.

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 secured and unsecured 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.

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 cross currency swaps and interest rate swaps.

Initial recognition and subsequent measurement

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently

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remeasured to their fair value at each reporting 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 and the nature of the risk being hedged. Hedge effectiveness is determined at the inception of the hedge relationship and at the end of each 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 floating interest rate) or a highly probable forecast transaction that can 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 reserve 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 cash on hand, call deposits and other short term highly liquid securities with an original 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 consists 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.

Notes to Standalone Financial Statements
for the year ended 31 March 2026

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.

Short-term lease:

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 cost

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.

7. Foreign Currency

The Company's financial statements are presented in Indian Rupees (INR) which is also the Company's functional currency. Transactions in foreign currencies are initially recorded by the Company at their respective functional currency spot rates on the date the transaction first qualifies for recognition. Income and expenses in foreign currencies are 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 on 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 till the end of the financial year which are unpaid as at financial year end. 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 is 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.

Notes to Standalone Financial Statements

for the year ended 31 March 2026

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 assets 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.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset deferred tax assets and liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

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

Recognition and measurement

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.

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.

PPEs not ready for the intended use on the date of the Balance Sheet are disclosed as “capital work-in-progress.”

Intangible assets are initially measured at cost. Subsequently, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses, if any.

Intangible assets not ready for the intended use on the date of Balance Sheet are disclosed as “Intangible assets under development”

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 recognised in the Statement of Profit and Loss as incurred.

Notes to Standalone Financial Statements

for the year ended 31 March 2026

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.

Asset category*	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	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/upto the date on which asset is ready to use /disposed of except individual 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 upto 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 are amortized using the straight line method over a period of five years commencing from the date on which such asset is first installed.

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 (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 to assess 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. The employees of the Company are entitled to compensated absences which are accumulating in nature.

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

Notes to Standalone Financial Statements

for the year ended 31 March 2026

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

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.

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. Re-measurement gains or losses are recognised as profit or loss as part of Other Comprehensive Income 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 40 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.

Notes to Standalone Financial Statements
for the year ended 31 March 2026

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.

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, 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 receivable

These amounts represent receivable for goods and services provided by the Company. Trade receivables are presented as financial assets. They are measured at amortised cost, using the effective interest method, less any impairment loss. An allowance for impairment of trade receivables 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 guarantee provided is recognised in the financial statements at fair value of the commission to be received. In case of guarantee provided without consideration on behalf of subsidiary, the fair value of commission receivable over the life of the guarantee is recognised as deemed investment in the subsidiary. The fair value of commission is recognised as income in the Statement of Profit and Loss on a straight-line basis over the life of the guarantee.

Expected Credit losses on Financial Guarantees is assessed and provided at each reporting date based on the probability of default (PD) by the subsidiary.

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

22. New standards and amendments

Recent accounting pronouncements

The Ministry of Corporate Affairs notified new standards or amendment to existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. The Company applied following amendments for the first-time during the current year which are effective from 1 April 2025:

Lack of exchangeability – Amendments to Ind AS 21

MCA via notification dated 7 May 2025, announced amendments to Ind AS 21, The Effects of Changes in Foreign Exchange Rates, to specify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking. The amendments also require disclosure of information that enables users of its financial statements to understand how the currency not being exchangeable into the other currency affects, or is expected to affect, the entity's financial performance, financial position and cash flows.

Notes to Standalone Financial Statements
for the year ended 31 March 2026

Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants - Amendments to Ind AS 1

MCA via notification dated 13 August 2025 announced amendments to Ind AS 1, Presentation of Financial Statements, which elaborate on guidance set out in Ind AS 1 by clarifying that the right to defer settlement of a liability for at least 12 months after the reporting period;

a) must have substance, and

b) must exist at the end of the reporting period;

- stating that management's expectations around whether the settlement of a liability would be deferred or not, does not impact the classification of the liability into current or non-current;
- including requirements for liabilities that can be settled using an entity's own instruments; and
- stating that covenants of loan arrangements will not affect classification of a liability as current or non-current at the reporting date if the entity must only comply with the covenants after the reporting date. However, if the entity must comply with a covenant either before or at the reporting date, this will affect the classification as current or non-current even if the covenant is only tested for compliance after the reporting date.

In addition, an entity is required to make certain disclosures when a liability arising from a loan agreement is classified as non-current and the entity's right to defer settlement is contingent on compliance with future covenants within twelve months.

Supplier Finance Arrangements - Amendments to Ind AS 7 and Ind AS 107

MCA via notification dated 13 August 2025 announced amendments to Ind AS 7, Statement of Cash Flows and Ind AS 107, Financial Instruments: Disclosures which introduced disclosure requirements with the objective to enable users of financial statements to assess how supplier finance arrangements affect an entity's liabilities, cashflows and exposure to liquidity risk.

International Tax Reform - Pillar Two Model Rules - Amendments to Ind AS 12

MCA via notification dated 13 August 2025 announced amendments to Ind AS 12, Income Taxes, which includes:

- a temporary exception to the recognition and disclosure of deferred taxes arising from the implementation of the Pillar Two model rules; and
- additional disclosure requirements targeted at a reporting entity's exposure to income taxes in periods in which the Pillar Two Model legislation is enacted or substantively enacted but not yet in effect.

The Company has reviewed the new pronouncements and based on its evaluation has determined that these amendments do not have any impact on the financial statements.

New standards and amendments to existing Standards which are issued but are not yet effective and have not been early adopted by the Company.

Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants - Amendments to Ind AS 1

Paragraph 74 of Ind AS 1 currently effective for the year ended 31 March 2026 requires the entity not to classify the liability as current, if there is a breach of a material covenant of a long-term loan arrangement on or before the end of the reporting period with the effect that the liability becomes payable on demand on the reporting date, however, the lender agreed, after the reporting period and before the approval of the financial statements for issue, not to demand payment as a consequence of the breach.

MCA vide notification dated 13 August 2025, has introduced amendment under Paragraph 74 of Ind AS 1 which requires the entity to classify the liability as current under the afore mentioned situation because, at the end of the reporting period, it does not have the right to defer its settlement for at least twelve months after that date. Such amendment has been made effective for annual reporting periods beginning on or after 01 April 2026 retrospectively in accordance with Ind AS 8.

This amendment is not expected to have a material impact on the Company's financial statements.

Notes to Standalone Financial Statements
for the year ended 31 March 2026

Note 2. Cash and cash equivalents

(₹ lakhs)

Particulars	As at 31 March 2026	As at 31 March 2025
Cash on hand	1,924	2,645
Balances with banks		
- in current accounts	60,806	75,628
- in fixed deposit with original maturity less than 3 months	13,950	1,10,863
Cheques and drafts on hand	1,295	526
Total	**77,975**	**1,89,662**

Note 3. Bank balances other than cash and cash equivalents

(₹ lakhs)

Particulars	As at 31 March 2026	As at 31 March 2025
Deposits with original maturity of more than 3 months*	1,71,548	1,34,172
Total	**1,71,548**	**1,34,172**

**Includes deposit with bank kept as lien or guarantee as detailed below:*

1) *Deposit amounting to ₹ 5,177 lakhs (31 March 2025:₹ 3,589 lakhs) pertains to deposits towards securitisation deal.*

2) *Deposit amounting to ₹ 734 lakhs (31 March 2025: ₹ 688 lakhs) pertains to lien marked for Constituent Subsidiary General Ledger (CSGL) account.*

3) *Deposit amounting to ₹ 56 lakhs (31 March 2025: ₹ 53 lakhs) pertains to Bank Guarantee provided to UIDAI to obtain KYC User Agency to implement eKYC solutions.*

4) *Deposit amounting to ₹ 37 lakhs(31 March 2025:₹ 35 lakhs) pertains to collateral deposits with banks for Aadhaar authentication.*

5) *Deposit amounting to ₹ 30 lakhs (31 March 2025:₹ 54 lakhs) pertains to bank guarantee provided to MCGM for Waste Management Plan, lien marked against service charges, Recovery Expense Fund (REF) with NSE in the interest of investors and others.*

Note 4. Derivative Financial instruments

(₹ lakhs)

Particulars	Maturity Date	As at 31 March 2026: Notional amount	As at 31 March 2026: Fair value assets	As at 31 March 2026: Fair value liabilities	For the year ended 31 March 2026: (Gains) or losses on hedged item	For the year ended 31 March 2026: (Gains) or losses on hedging instrument	For the year ended 31 March 2026: Hedging (gains) or losses recognised in other comprehensive income	For the year ended 31 March 2026: Hedge ineffectiveness recognised in statement of profit and loss
(a) Currency Derivative - Cross currency swap								
USD	August 29, 2027 May 19, 2028 September 26, 2027 February 10, 2028 February 10, 2029 March 27, 2028 March 27, 2029 January 9, 2028 April 9, 2028 July 9, 2028 September 26, 2028 August 5, 2028	7,25,068	1,01,084	-	78,425	(87,018)	(8,593)	-

Notes to Standalone Financial Statements

for the year ended 31 March 2026

(₹ lakhs)

Particulars	Maturity Date	As at 31 March 2026			For the year ended 31 March 2026			
		Notional amount	Fair value assets	Fair value liabilities	(Gains) or losses on hedged item	(Gains) or losses on hedging instrument	Hedging (gains) or losses recognised in other comprehensive income	Hedge ineffectiveness recognised in statement of profit and loss
EUR	July 2, 2027	81,363	17,344	-	15,384	(16,710)	(1,326)	-
JPY	February 10, 2027 March 27, 2027 June 20, 2028 June 30, 2028 January 5, 2029	3,69,903	6,258	71	3,215	(6,645)	(3,430)	-
AED	August 5, 2028	43,775	-	426	6	426	432	-
Sub total (a)		**12,20,109**	**1,24,686**	**497**	**97,030**	**(1,09,947)**	**(12,917)**	**-**
(b) Interest Derivative - Interest Rate Swap								
INR	November 10, 2028	90,000	1,482	-	-	(1,482)	(1,482)	-
Sub total (b)		**90,000**	**1,482**	**-**	**-**	**(1,482)**	**(1,482)**	**-**
Total Derivative financial instruments (a+b)		**13,10,109**	**1,26,168**	**497**	**97,030**	**(1,11,429)**	**(14,399)**	**-**

(₹ lakhs)

Particulars	Maturity Date	As at 31 March 2025			For the year ended 31 March 2025			
		Notional amount	Fair value assets	Fair value liabilities	(Gains) or losses on hedged item	(Gains) or losses on hedging instrument	Hedging (gains) or losses recognised in other comprehensive income	Hedge ineffectiveness recognised in statement of profit and loss
(a) Currency Derivative - Cross currency swap								
USD	August 29, 2027 May 19, 2028 September 26, 2027 February 10, 2028 February 10, 2029 March 27, 2028 March 27, 2029	5,72,246	17,088	3,023	9,873	(4,496)	5,377	-
EUR	July 2, 2027.	81,363	635	-	2,439	(635)	1,804	-
JPY	February 10, 2027 March 27, 2027	45,498	-	458	62	458	520	-
Sub total (a)		**6,99,107**	**17,723**	**3,481**	**12,374**	**(4,673)**	**7,701**	**-**
(b) Interest Derivative - Interest Rate Swap								-
INR		-	-	-	-	-	-	-
Sub total (b)		**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total Derivative financial instruments (a+b)		**6,99,107**	**17,723**	**3,481**	**12,374**	**(4,673)**	**7,701**	**-**

Notes :

1. *All financial derivate instruments are held for cashflow hedging as part of risk management strategy, these derivative instruments are designated at Fair value through OCI. There are no fair value hedges and undesignated derivatives.*
2. *Qualitative Disclosure:-*

   The Company has a risk management policy to enter into derivatives to manage the risk associated with foreign currency fluctuation and change in interest rate. Following are 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 put in place a reporting and monitoring mechanism for the risk associated with the derivative transaction.*

   c) *The Company has a hedging policy in place, which mandates a hedge relationship to be 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 (Refer Note 52).*

Notes to Standalone Financial Statements

for the year ended 31 March 2026

Note 5. Trade receivables

(₹ lakhs)

Particulars	As at 31 March 2026	As at 31 March 2025
Unsecured Receivables (considered good and Credit Impaired)	2,126	3,135
Less: Provision for impairment (Refer Note 52)	(23)	(123)
Total	**2,103**	**3,012**

There is no due from any related party, directors or other officers of the Company or any firm or private company in which any director is a partner, a director or a member.

(A) Trade Receivables ageing schedule as on 31 March 2026

(₹ lakhs)

Particulars	Unbilled Dues	Outstanding for following periods from transaction date: 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	-	2,103	-	-	-	-	2,103
(ii) Undisputed Trade Receivables — which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables — credit impaired	-	-	-	-	19	4	23
(iv) Disputed Trade Receivables — considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables —which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables — credit impaired	-	-	-	-	-	-	-

(B) Trade Receivables ageing schedule as on 31 March 2025

(₹ lakhs)

Particulars	Unbilled Dues	Outstanding for following periods from transaction date: 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	-	3,012	-	-	-	-	3,012
(ii) Undisputed Trade Receivables — which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables — credit impaired	-	-	-	64	56	3	123
(iv) Disputed Trade Receivables — considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables —which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables —credit impaired	-	-	-	-	-	-	-

Notes to Standalone Financial Statements
for the year ended 31 March 2026

Note 6. Loans

(₹ lakhs)

Particulars	As at 31 March 2026				As at 31 March 2025			
	At Amortised cost	At Fair Value Through P&L	At Fair Value Through Other Comprehensive Income	Total	At Amortised cost	At Fair Value Through P&L	At Fair Value Through Other Comprehensive Income	Total
LOANS GIVEN								
(i) Term loan*	51,59,204	-	-	51,59,204	44,38,931	-	-	44,38,931
Gross loans	**51,59,204**	**-**	**-**	**51,59,204**	**44,38,931**	**-**	**-**	**44,38,931**
Less- Impairment allowance	(1,71,065)	-	-	(1,71,065)	(1,33,907)	-	-	(1,33,907)
Net loans	**49,88,139**	**-**	**-**	**49,88,139**	**43,05,024**	**-**	**-**	**43,05,024**
(i) Secured by tangible assets, shares and securities	16,55,708	-	-	16,55,708	13,20,106	-	-	13,20,106
(ii) Covered by Government guarantees	2,71,253	-	-	2,71,253	4,47,222	-	-	4,47,222
(iii) Unsecured	32,32,243	-	-	32,32,243	26,71,603	-	-	26,71,603
Gross loans	**51,59,204**	**-**	**-**	**51,59,204**	**44,38,931**	**-**	**-**	**44,38,931**
Less: Impairment loss allowance	(1,71,065)	-	-	(1,71,065)	(1,33,907)	-	-	(1,33,907)
Net loans	**49,88,139**	**-**	**-**	**49,88,139**	**43,05,024**	**-**	**-**	**43,05,024**

All the loans are disbursed in India and there are no loans given to the public sector.

Note 7. Investments

(₹ lakhs)

Particulars	As at 31 March 2026	As at 31 March 2025
Measured at fair value through profit and loss (FVTPL)		
Quoted: Commercial Paper	48,695	-
Unquoted: Equity instruments	-	105
Less: Impairment loss allowance on Equity Instruments (Refer Note 52)	-	(100)
Quoted: Government securities and T-bills	1,29,929	1,40,577
Quoted: Certificate of deposits	1,53,760	1,39,025
Investment in subsidiary measured at deemed cost		
371,163,169 (31 March 2025: 371,163,169) equity shares of Rs. 10 each fully paid-up in SMFG India Home Finance Company Limited	1,41,530	1,41,530
Total	**4,73,914**	**4,21,137**
Investments within India	**4,73,914**	**4,21,137**
Investments outside India	**-**	**-**

Notes to Standalone Financial Statements
for the year ended 31 March 2026

Note 8. Other financial assets

(₹ lakhs)

Particulars	As at 31 March 2026	As at 31 March 2025
Security deposits	5,050	3,932
Less- Impairment allowance (Refer Note 52)	(55)	-
Interest accrued on investments	3,516	1,666
Interest strip asset on assignment	17,065	14,471
Receivable from a related party	1,598	1,453
Others	1,415	2,014
Total	**28,589**	**23,536**

Note 9. Current tax assets (net)

(₹ lakhs)

Particulars	As at 31 March 2026	As at 31 March 2025
Advance tax and TDS Receivable (net of provision)	9,382	9,410
Total	**9,382**	**9,410**

Note 10. Deferred tax assets (net)

(₹ lakhs)

Particulars	As at 31 March 2026	As at 31 March 2025
Deferred tax asset arising on account of :		
Impact of expenditure charged to profit and loss but allowed for tax purposes on payment basis	1,793	1,553
Timing difference between book depreciation and depreciation as per Income Tax Act, 1961	1,619	1,259
MTM on Investments	56	44
Provision for expected credit loss on financial assets	41,923	33,702
Provision for expenses disallowed as per Income-Tax Act, 1961	15,604	15,101
Lease liabilities	7,983	8,332
Derivatives designated at Cash flow hedge	(553)	3,071
Total deferred tax assets (A)	**68,425**	**63,062**
Deferred tax liability arising on account of :		
Fair valuation of investment in subsidiary	995	995
EIR adjustment related to financial assets at amortized cost	4,707	4,081
Right to use asset	6,586	7,009
EIR adjustments related to financial liabilities at amortized cost	2,220	2,543
Total deferred tax liabilities (B)	**14,508**	**14,628**
Deferred tax assets (net) (A-B)	**53,917**	**48,434**

Notes to Standalone Financial Statements
for the year ended 31 March 2026

Note 11. Property, plant and equipment

(₹ lakhs)

Particulars	Office Equipments	Furniture & Fixtures	Computers & Accessories	Leasehold Improvements	Vehicles	Land*	Leased assets-Computer	Total
Gross block								
Balance as at 31 March 2024	**4,296**	**5,311**	**15,232**	**5,496**	**2,943**	**6**	**28**	**33,312**
Additions	2,999	1,606	6,767	4,468	1,898	-	-	17,738
Deletions	(1,021)	(488)	(932)	(419)	(628)	-	-	(3,488)
Balance as at 31 March 2025	**6,274**	**6,429**	**21,067**	**9,545**	**4,213**	**6**	**28**	**47,562**
Additions	1,064	757	3,698	496	974	-	-	6,989
Deletions	(302)	(296)	(2,750)	(217)	(773)	-	(26)	(4,364)
Balance as at 31 March 2026	**7,036**	**6,890**	**22,015**	**9,824**	**4,414**	**6**	**2**	**50,187**
Accumulated depreciation								
Balance as at 31 March 2024	**3,030**	**3,102**	**9,092**	**2,103**	**1,078**	**-**	**28**	**18,433**
Depreciation charge	854	777	3,858	1,555	894	-	-	7,938
Deletions	(996)	(426)	(905)	(375)	(368)	-	-	(3,070)
Balance as at 31 March 2025	**2,888**	**3,453**	**12,045**	**3,283**	**1,604**	**-**	**28**	**23,301**
Depreciation charge	1,260	1,023	4,686	1,862	1,043	-	-	9,874
Deletions	(295)	(269)	(2,745)	(204)	(449)	-	(26)	(3,988)
Balance as at 31 March 2026	**3,853**	**4,207**	**13,986**	**4,941**	**2,198**	**-**	**2**	**29,187**
Net block								
Balance as at 31 March 2025	**3,386**	**2,976**	**9,022**	**6,262**	**2,609**	**6**	**-**	**24,261**
Balance as at 31 March 2026	**3,183**	**2,683**	**8,029**	**4,883**	**2,216**	**6**	**-**	**21,000**

**Pledged as security against secured non-convertible debenture*

a) *As per management assessment, there is no probable scenario in which the recoverable amount of asset will decrease below the carrying amount of asset. Consequently no impairment required.*

b) *The title deed of immovable property is held in the name of the Company .*

c) *The Company has not revalued its Property, Plant and Equipment during the year ended 31 March 2026 and 31 March 2025.*

Note 12. Intangible assets under development

(₹ lakhs)

Particulars	As at 31 March 2026	As at 31 March 2025
Opening	**448**	**300**
Additions	6,939	5,434
Deletions	(4,854)	(5,286)
Closing	**2,533**	**448**

Notes to Standalone Financial Statements
for the year ended 31 March 2026

(₹ lakhs)

Intangible assets under development	As at 31 March 2026					As at 31 March 2025				
	Amount in Intangible assets under development for a period of				Total	Amount in Intangible assets under development 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	2,414	119	-	-	**2,533**	448	-	-	-	**448**
Projects temporarily suspended	-	-	-	-	-	-	-	-	-	-

There are no items which are overdue or has exceeded its cost compared to its original plan

There are no impairment losses on Intangible assets under Development recognised during the current period and previous period

There are no internally generated intangible assets under development.

Note 13. Other Intangible assets

(₹ lakhs)

Particulars	Computer Software	Total
Gross block		
Balance as at 31 March 2024	**21,122**	**21,122**
Additions	5,286	5,286
Deletions	(299)	(299)
Balance as at 31 March 2025	**26,109**	**26,109**
Additions	4,854	4,854
Deletions	(642)	(642)
Balance as at 31 March 2026	**30,321**	**30,321**
Amortisation		
Balance as at 31 March 2024	**12,843**	**12,843**
Amortisation	3,376	3,376
Deletions	(298)	(298)
Balance as at 31 March 2025	**15,921**	**15,921**
Amortisation	3,647	3,647
Deletions	(591)	(591)
Balance as at 31 March 2026	**18,977**	**18,977**
Net block		
Balance as at 31 March 2025	**10,188**	**10,188**
Balance as at 31 March 2026	**11,344**	**11,344**

Notes to Standalone Financial Statements
for the year ended 31 March 2026

Note 14. Right of use assets

(₹ lakhs)

Particulars	Right of use assets (Lease Premise)	Total
Gross block		
Balance as at 31 March 2024	**50,685**	**50,685**
Additions	9,917	9,917
Deletions	(723)	(723)
Balance as at 31 March 2025	**59,879**	**59,879**
Additions	6,329	6,329
Deletions	(367)	(367)
Balance as at 31 March 2026	**65,841**	**65,841**
Depreciation		
Balance as at 31 March 2024	**23,316**	**23,316**
Depreciation	7,427	7,427
Deletions	-	-
Balance as at 31 March 2025	**30,743**	**30,743**
Depreciation	7,809	7,809
Deletions	(75)	(75)
Balance as at 31 March 2026	**38,477**	**38,477**
Net block		
Balance as at 31 March 2025	**29,136**	**29,136**
Balance as at 31 March 2026	**27,364**	**27,364**

Note 15. Other non-financial assets

(₹ lakhs)

Particulars	As at 31 March	
	2026	**2025**
Balance with Government Authorities	9,092	3,787
Prepayments	15,589	15,874
Capital advances	227	466
Advances to employees	183	269
Advance CSR Expenditure	1,399	1,650
Others*	14,499	12,329
Total	**40,989**	**34,375**

**Others include unamortised service cost paid to digital partners*

Note 16. Payables

(₹ lakhs)

Particulars	As at 31 March	
	2026	**2025**
a) Trade Payables		
Total outstanding dues of micro and small enterprises*	312	2,386
Total outstanding dues other than micro and small enterprises	1,19,380	1,09,332
b) Other Payables		
Total outstanding dues of micro and small enterprises*	2,530	1,620
Total outstanding dues other than micro and small enterprises	17,860	10,847
Total	**1,40,082**	**1,24,185**

** Refer Note 46*

Notes to Standalone Financial Statements
for the year ended 31 March 2026

(A) Trade Payable ageing schedule as on 31 March 2026

(₹ lakhs)

Particulars	Unbilled dues	Outstanding for following periods from transaction date				
		Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed dues- MSME	273	39	-	-	-	312
(ii) Undisputed dues- Others	1,09,366	10,009	5	-	-	1,19,380
(iii) Disputed dues – MSME	-	-	-	-	-	-
(iv) Disputed dues- Others	-	-	-	-	-	-
Total	**1,09,638**	**10,049**	**5**	**-**	**-**	**1,19,692**

(B) Other Payable ageing schedule as on 31 March 2026

(₹ lakhs)

Particulars	Unbilled dues	Outstanding for following periods from transaction date				
		Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed dues- MSME	1,978	525	12	14	1	2,530
(ii) Undisputed dues- Others	14,432	3,311	100	16	1	17,860
(iii) Disputed dues – MSME	-	-	-	-	-	-
(iv) Disputed dues- Others	-	-	-	-	-	-
Total	**16,410**	**3,836**	**112**	**30**	**2**	**20,391**

(C) Trade Payable ageing schedule as on 31 March 2025

(₹ lakhs)

Particulars	Unbilled dues	Outstanding for following periods from transaction date				
		Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed dues-MSME	2,125	251	10	-	-	2,386
(ii) Undisputed dues- Others	1,03,754	5,571	2	5	-	1,09,332
(iii) Disputed dues – MSME	-	-	-	-	-	-
(iv) Disputed dues- Others	-	-	-	-	-	-
Total	**1,05,879**	**5,823**	**12**	**5**	**-**	**1,11,718**

(D) Other Payable ageing schedule as on 31 March 2025

(₹ lakhs)

Particulars	Unbilled dues	Outstanding for following periods from transaction date				
		Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed dues-MSME	1,409	209	2	-	-	1,620
(ii) Undisputed dues- Others	9,018	1,793	32	3	1	10,847
(iii) Disputed dues – MSME	-	-	-	-	-	-
(iv)Disputed dues- Others	-	-	-	-	-	-
Total	**10,428**	**2,002**	**34**	**3**	**1**	**12,467**

Notes to Standalone Financial Statements

for the year ended 31 March 2026

Note 17. Debt securities

(₹ lakhs)

Particulars	As at 31 March 2026	As at 31 March 2025
At amortised cost		
Non-convertible debentures (Secured)*	7,50,447	9,00,551
Total	**7,50,447**	**9,00,551**
Debt Securities within India	**7,50,447**	**9,00,551**
Debt Securities outside India	**-**	**-**

**All Secured NCDs issued by the Company are primarily secured 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, additionally few Secured NCDs are secured by first pari-passu charge on the Company's immovable property at Chennai as mentioned in respective information memorandum.*

The funds raised by the Company during the year by the issue of Secured Non-convertible Debentures were utilised for the purpose intended, i.e. towards lending, financing, to refinance the existing indebtedness of the Company or for long-term working capital, in compliance with applicable laws and regulation from time to time, funds from series 111 were parked temporarily in investments and liquid funds to the extent unutilised for the specified purposes of the issue. Further no Non convertible debentures is guaranteed by directors and / or any other related party.

Note 18. Borrowings (Other than Debt Securities)

(₹ lakhs)

Particulars	As at 31 March 2026	As at 31 March 2025
At amortised cost		
Loan from banks (Secured)		
Term loans	19,51,372	17,79,283
External Commercial Borrowings (from related party)	8,05,037	4,31,524
External Commercial Borrowings (from non related party)	5,01,955	2,98,626
Working Capital Demand Loan	2,65,000	2,77,289
Other Loans		
Commercial papers (Unsecured)	1,59,220	72,373
Borrowing through PTCs (Secured)	36,876	15,364
Total	**37,19,460**	**28,74,459**
Borrowings within India	**24,12,468**	**21,44,309**
Borrowings outside India	**13,06,992**	**7,30,150**

Loan from banks are secured by first pari passu charge over all loan receivables.Further no Term loans, External commercial borrowings, Commercial Paper and any other borrowings is guaranteed by directors and / or any other related party.

Notes to Standalone Financial Statements
for the year ended 31 March 2026

Note 19. Subordinated liabilities

(₹ lakhs)

Particulars	As at 31 March 2026	As at 31 March 2025
At amortised cost		
Non-convertible Subordinated debentures (Unsecured)	1,18,534	1,28,800
Non-convertible Perpetual debentures (Unsecured) (from related party)	61,319	61,316
Total	**1,79,853**	**1,90,116**
Subordinated liabilities within India	**1,18,534**	**1,28,800**
Subordinated liabilities outside India	**61,319**	**61,316**

No Non-convertible Subordinated debentures and Perpetual debentures is guaranteed by directors and / or any other related party.

Net reconciliation of Borrowings and Debt securities

(₹ lakhs)

Particulars	As at 31 March 2026	As at 31 March 2025
Borrowings	37,19,460	28,74,459
Debt securities (including subordinated liabilities)	9,30,300	10,90,667
Less: Cash and cash equivalents	(77,975)	(1,89,662)
Net Debt	**45,71,786**	**37,75,464**

(₹ lakhs)

Particulars	Borrowings	Debt securities (including subordinated liabilities)
Balance as at 31 March 2024	**23,74,365**	**8,47,856**
Cash flows (net)	4,90,919	2,27,132
Exchange rate difference	12,374	-
Others*	(3,199)	15,679
Balance as at 31 March 2025	**28,74,459**	**10,90,667**
Cash flows (net)	7,44,642	(1,51,439)
Exchange rate difference	97,029	-
Others*	3,330	(8,928)
Balance as at 31 March 2026	**37,19,460**	**9,30,300**

**Others includes the effect of accrued but not due interest on borrowing, other unamortised incidental cost related to borrowings etc.*

Notes to Standalone Financial Statements

for the year ended 31 March 2026

(A) Details of terms of contractual principal redemption/repayment in respect of debt securities and subordinated liabilities

Non-convertible debenture as at 31 March 2026

Original maturity of loan	Rate of interest	Due within 1 years	Due 1 to 2 Years*	Due 2 to 3 Years	More than 3 Years	Total
		₹ lakhs	₹ lakhs	₹ lakhs	₹ lakhs	₹ lakhs
Issued at par and redeemable at par						
1- 2 years	07%- 08%	-	1,980	-	-	1,980
2-3 years	07%- 08%	-	-	90,000	-	90,000
	08%- 09%	52,500	10,000		-	62,500
3-4 years	07%- 08%	-	-	69,000	-	69,000
	08%- 09%	25,000	-	-	-	25,000
More than 4 years	07%- 08%	72,625	35,625	35,625	69,125	2,13,000
	08%- 09%	16,619	16,618	18,000	17,500	68,737
Issued at discount and redeemable at par						
More than 4 years	08%- 09%	-	-	-	5,000	5,000
Issued at premium and redeemable at par						
1- 2 year	08%- 09%	97,500	-	-	-	97,500
2-3 years	08%- 09%	-	87,500	-	-	87,500
More than 4 years	08%- 09%	-	-	-	6,000	6,000
Subtotal		**2,64,244**	**1,51,723**	**2,12,625**	**97,625**	**7,26,217**
Adjustments for Interest accrued and Ind AS						24,230
Total						**7,50,447**

includes NCD having call option. Call option date considered for above bucketing

Subordinated Debts as at 31 March 2026

Original maturity of loan	Rate of interest	Due within 1 years	Due 1 to 2 Years	Due 2 to 3 Years	More than 3 Years	Total
		₹ lakhs	₹ lakhs	₹ lakhs	₹ lakhs	₹ lakhs
Issued at par and redeemable at par						
More than 4 years	07%- 08%	-	-	-	35,000	35,000
	08%- 09%	-	-	-	20,000	20,000
	09%- 11%	2,100	-	7,500	15,000	24,600
Issued at discount and redeemable at par						
More than 4 years	08%- 09%	-	-	-	15,000	15,000
	09%- 11%	-	-	19,500	-	19,500
Subtotal		**2,100**	**-**	**27,000**	**85,000**	**1,14,100**
Adjustments for Interest accrued and Ind AS						4,434
Total						**1,18,534**

Notes to Standalone Financial Statements
for the year ended 31 March 2026

Perpetual debentures as at 31 March 2026

Original maturity of loan	Rate of interest	Due within 1 years ₹ lakhs	Due 1 to 2 Years ₹ lakhs	Due 2 to 3 Years ₹ lakhs	More than 3 Years* ₹ lakhs	Total ₹ lakhs
Issued at par and redeemable at par						
More than 4 years	08%- 09%	-	-	-	60,000	60,000
Subtotal		**-**	**-**	**-**	**60,000**	**60,000**
Adjustments for Interest accrued and Ind AS						1,319
Total						**61,319**

includes perpetual debenture having call option. Call option date considered for above bucketing

Non-convertible debenture as at 31 March 2025

Original maturity of loan	Rate of interest	Due within 1 years ₹ lakhs	Due 1 to 2 Years ₹ lakhs	Due 2 to 3 Years ₹ lakhs	More than 3 Years ₹ lakhs	Total ₹ lakhs
Issued at par and redeemable at par						
1- 2 years	08%- 09%	70,000	-	-	-	70,000
2-3 years	08%- 09%	30,000	52,500	10,000	-	92,500
3-4 years	07%- 08%	1,18,500	-	-	-	1,18,500
	08%- 09%	35,300	25,000	-	-	60,300
More than 4 years	07%- 08%	-	35,625	35,625	94,750	1,66,000
	08%- 09%	53,619	53,618	16,618	35,500	1,59,355
	09%- 11%	5,000	-	-	-	5,000
Issued at discount and redeemable at par						
More than 4 years	08%- 09%	-	-	-	5,000	5,000
Issued at premium and redeemable at par						
1- 2 year	08%- 09%	-	97,500	-	-	97,500
2-3 years	08%- 09%	-	-	87,500	-	87,500
More than 4 years	08%- 09%	-	-	-	6,000	6,000
Subtotal		**3,12,419**	**2,64,243**	**1,49,743**	**1,41,250**	**8,67,655**
Adjustments for Interest accrued and Ind AS						32,896
Total						**9,00,551**

Subordinated Debts as at 31 March 2025

Original maturity of loan	Rate of interest	Due within 1 years ₹ lakhs	Due 1 to 2 Years ₹ lakhs	Due 2 to 3 Years ₹ lakhs	More than 3 Years ₹ lakhs	Total ₹ lakhs
Issued at par and redeemable at par						
More than 4 years	07%- 08%	-	-	-	35,000	35,000
	08%- 09%	2,500	-	-	10,000	12,500
	09%- 11%	17,500	2,100	-	22,500	42,100
Issued at discount and redeemable at par						
More than 4 years	08%- 09%	-	-	-	15,000	15,000
	09%- 11%	-	-	-	19,500	19,500
Subtotal		**20,000**	**2,100**	**-**	**1,02,000**	**1,24,100**
Adjustments for Interest accrued and Ind AS						4,700
Total						**1,28,800**

Notes to Standalone Financial Statements

for the year ended 31 March 2026

Perpetual debentures as at 31 March 2025

Original maturity of loan	Rate of interest	Due within 1 years	Due 1 to 2 Years	Due 2 to 3 Years	More than 3 Years*	Total
		₹ lakhs	₹ lakhs	₹ lakhs	₹ lakhs	₹ lakhs
Issued at par and redeemable at par						
More than 4 years	08%- 09%	-	-	-	60,000	60,000
Subtotal		**-**	**-**	**-**	**60,000**	**60,000**
Adjustments for Interest accrued and Ind AS						1,316
Total						**61,316**

**includes perpetual debenture having call option. Call option date considered for above bucketing*

(B) Details of terms of contractual principal redemption/repayment in respect of borrowings

Term Loans as at 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 instalments	₹ lakhs	No. of instalments	₹ lakhs	No. of instalments	₹ lakhs	No. of instalments	₹ lakhs	₹ lakhs
Monthly repayment schedule										
1-2 years	05%- 07%	39	36,538	15	12,500	-	-	-	-	49,038
	07%- 08%	3	3,462	-	-	-	-	-	-	3,462
2-3 years	05%- 07%	12	10,000	12	10,000	-	-	-	-	20,000
Quarterly repayment schedule										
1-2 years	05%- 07%	25	24,552	6	3,929	-	-	-	-	28,481
	07%- 08%	3	66,000	-	-	-	-	-	-	66,000
2-3 years	05%- 07%	11	8,000	9	6,042	1	333	-	-	14,375
	07%- 08%	4	11,429	2	5,714	-	-	-	-	17,143
3-4 years	05%- 07%	24	12,324	24	12,324	20	8,203	-	-	32,851
	07%- 08%	24	73,333	24	73,333	16	38,750	-	-	1,85,416
More than 4 years	05%- 07%	18	20,590	18	21,548	15	19,595	15	21,999	83,732
	07%- 08%	84	1,39,072	81	1,37,114	61	1,00,007	69	1,12,551	4,88,744
	08%- 09%	12	7,960	5	4,276	-	-	-	-	12,236
Half yearly repayment schedule										
2-3 years	05%- 07%	2	1,667	1	833	-	-	-	-	2,500
More than 4 years	05%- 07%	16	98,767	14	84,769	5	15,990	-	-	1,99,526
	07%- 08%	43	1,64,500	26	1,18,149	18	76,446	27	1,21,772	4,80,867
	08%- 09%	29	79,236	25	66,389	19	52,278	12	29,556	2,27,459

Notes to Standalone Financial Statements

for the year ended 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 instalments	₹ lakhs	No. of instalments	₹ lakhs	No. of instalments	₹ lakhs	No. of instalments	₹ lakhs	₹ lakhs
Yearly repayment schedule										
3-4 years	05%- 07%	1	6,666	1	6,667	-	-	-	-	13,333
	07%- 08%	1	6,666	1	6,667	1	6,667	-	-	20,000
More than 4 years	05%- 07%	1	1,300	1	1,300	1	1,300	-	-	3,900
Subtotal		**352**	**7,72,062**	**265**	**5,71,554**	**157**	**3,19,569**	**123**	**2,85,878**	**19,49,063**
Adjustments for Interest accrued and Ind AS										2,309
Total										**19,51,372**

External Commercial Borrowings as at 31 March 2026

Original maturity of loan	Fixed / Floating rate of interest	Due within 1 year		Due 1 to 2 Years		Due 2 to 3 Years		More than 3 Years		Total
		No of instalments	Amount in lakhs	No of instalments	Amount in lakhs	No of instalments	Amount in lakhs	No. of instalments	In Lakhs	In Lakhs
Bullet repayment schedule										
1-2 years	07%- 08% / TONAR plus spread 0.65%	1	34,067	-	-	-	-	-	-	34,067
1-2 years	07%- 08% / TONAR plus spread 0.65%	1	13,627	-	-	-	-	-	-	13,627
2-3 years	07%- 08% / SOFR plus spread 1.20%	-	-	1	71,126	-	-	-	-	71,126
2-3 years	07%- 08% / SOFR plus spread 0.85%	-	-	1	35,563	-	-	-	-	35,563
2-3 years	08%- 09% / EUBOR plus spread 1.28%	-	-	1	99,185	-	-	-	-	99,185
3-4 years	07%- 08% / SOFR plus spread 0.85%	-	-	1	14,225	-	-	-	-	14,225
3-4 years	07%- 08% / TONAR plus spread 0.48%	-	-	-	-	1	84,919	-	-	84,919
3-4 years	07%- 08% / EIBOR plus spread 0.65%	-	-	-	-	1	47,423	-	-	47,423
3-4 years	07%- 08% / SOFR plus spread 1.15%	-	-	-	-	1	71,126	-	-	71,126
3-4 years	05%- 07% / TONAR plus spread 0.48%	-	-	-	-	1	1,54,651	-	-	1,54,651

Notes to Standalone Financial Statements

for the year ended 31 March 2026

Original maturity of loan	Fixed / Floating rate of interest	Due within 1 year		Due 1 to 2 Years		Due 2 to 3 Years		More than 3 Years		Total
		No of instalments	Amount in lakhs	No of instalments	Amount in lakhs	No of instalments	Amount in lakhs	No. of instalments	In Lakhs	In Lakhs
3-4 years	07%- 08% / TONAR plus spread 0.48%	-	-	-	-	1	85,917	-	-	85,917
3-4 years	07%- 08% / SOFR plus spread 1.15%	-	-	1	14,225	2	33,192	-	-	47,417
More than 4 years	07%- 08% / SOFR plus spread 1.00%	-	-	-	-	1	47,418	-	-	47,418
More than 4 years	07%- 08% / SOFR plus spread 1.00%	-	-	-	-	1	18,967	-	-	18,967
More than 4 years	08%- 09% / SOFR plus spread 1.22%	-	-	1	3,31,923	-	-	-	-	3,31,923
More than 4 years	08%- 09% / SOFR plus spread 1.20%	-	-	-	-	1	1,42,253	-	-	1,42,253
Subtotal		**2**	**47,694**	**6**	**5,66,248**	**10**	**6,85,866**	**-**	**-**	**12,99,807**
Adjustments for Interest accrued and Ind AS										7,185
Total										**13,06,992**

Working Capital Demand Loan as at 31 March 2026

Original maturity of loan	Rate of Interest	Due within 1 years		Due 1 to 2 Years		Due 2 to 3 Years		More than 3 Years		Total
		No. of instalments	₹ lakhs	No. of instalments	₹ lakhs	No. of instalments	₹ lakhs	No. of instalments	₹ lakhs	₹ lakhs
Less than 1 years	05%- 07%	7	2,65,000	-	-	-	-	-	-	2,65,000
Total		**7**	**2,65,000**	**-**	**-**	**-**	**-**	**-**	**-**	**2,65,000**

Commercial Paper as at 31 March 2026

Original maturity of loan	Rate of Interest	Due within 1 years		Due 1 to 2 Years		Due 2 to 3 Years		More than 3 Years		Total
		No. of instalments	₹ lakhs	No. of instalments	₹ lakhs	No. of instalments	₹ lakhs	No. of instalments	₹ lakhs	₹ lakhs
Less than 1 years	05%- 07%	6	1,37,500	-	-	-	-	-	-	1,37,500
	07%- 08%	1	25,000	-	-	-	-	-	-	25,000
Subtotal		**7**	**1,62,500**	**-**	**-**	**-**	**-**	**-**	**-**	**1,62,500**
Adjustments for Interest accrued and Ind AS										(3,280)
Total										**1,59,220**

Notes to Standalone Financial Statements

for the year ended 31 March 2026

PTC as at 31 March 2026

Original maturity of loan	Rate of Interest	Due within 1 years		Due 1 to 2 Years		Due 2 to 3 Years		More than 3 Years		Total
		No. of instalments	₹ lakhs	No. of instalments	₹ lakhs	No. of instalments	₹ lakhs	No. of instalments	₹ lakhs	₹ lakhs
Monthly repayment schedule										
3-4 years	08%- 09%	24	2,289	20	544	6	24	-	-	2,857
More than 4 years	07%- 08%	36	7,449	36	7,277	36	5,053	154	14,150	33,929
Subtotal		**60**	**9,738**	**56**	**7,821**	**42**	**5,077**	**154**	**14,150**	**36,786**
Adjustments for Interest accrued and Ind AS										90
Total										**36,876**

Term Loans as at 31 March 2025

Original maturity of loan	Rate of Interest	Due within 1 years		Due 1 to 2 Years		Due 2 to 3 Years		More than 3 Years		Total
		No. of instalments	₹ lakhs	No. of instalments	₹ lakhs	No. of instalments	₹ lakhs	No. of instalments	₹ lakhs	₹ lakhs
Monthly repayment schedule										
1-2 years	05%- 07%	24	37,500	9	7,500	-	-	-	-	45,000
	07%- 08%	24	36,152	6	9,038	-	-	-	-	45,190
	08%- 09%	12	13,848	3	3,462	-	-	-	-	17,310
2-3 years	07%- 08%	24	32,500	-	-	-	-	-	-	32,500
Quarterly repayment schedule										
1-2 years	07%- 08%	30	61,290	9	13,839	-	-	-	-	75,129
	08%- 09%	4	84,000	3	66,000	-	-	-	-	1,50,000
2-3 years	07%- 08%	4	14,282	-	-	-	-	-	-	14,282
	08%- 09%	6	6,232	8	14,929	3	6,589	-	-	27,750
3-4 years	09%- 11%	3	7,500	-	-	-	-	-	-	7,500
More than 4 years	08%- 09%	35	58,802	36	61,898	33	59,930	23	59,574	2,40,204
	09%- 11%	12	7,960	12	7,960	5	4,276	-	-	20,196
	07%- 08%	16	34,766	16	34,766	14	34,400	9	19,038	1,22,970
Half yearly repayment schedule										
2-3 years	07%- 08%	2	1,666	2	1,667	1	833	-	-	4,166
More than 4 years	07%- 08%	8	44,800	8	44,800	8	43,952	5	15,990	1,49,542
	08%- 09%	53	1,77,851	56	2,05,582	35	1,21,481	35	97,833	6,02,747
	09%- 11%	10	29,715	14	51,373	8	39,750	-	-	1,20,838
Yearly repayment schedule										
3-4 years	05%- 07%	1	10,000	-	-	-	-	-	-	10,000
	07%- 08%	1	6,666	1	6,667	1	6,667	-	-	20,000
More than 4 years	07%- 08%	1	1,300	1	1,300	1	1,300	1	1,300	5,200

Notes to Standalone Financial Statements

for the year ended 31 March 2026

Original maturity of loan	Rate of Interest	Due within 1 years		Due 1 to 2 Years		Due 2 to 3 Years		More than 3 Years		Total
		No. of instalments	₹ lakhs	No. of instalments	₹ lakhs	No. of instalments	₹ lakhs	No. of instalments	₹ lakhs	₹ lakhs
Bullet repayment schedule										
Less than 1 years	07%- 08%	1	20,000	-	-	-	-	-	-	20,000
	08%- 09%	2	47,500	-	-	-	-	-	-	47,500
Subtotal		**273**	**7,34,330**	**184**	**5,30,781**	**109**	**3,19,178**	**73**	**1,93,735**	**17,78,024**
Adjustments for Interest accrued and Ind AS										1,259
Total										**17,79,283**

External Commercial Borrowings as at 31 March 2025

Original maturity of loan	Fixed / Floating rate of interest	Due within 1 year		Due 1 to 2 Years		Due 2 to 3 Years		More than 3 Years		Total
		No of instalments	Amount in lakhs	No of instalments	Amount in lakhs	No of instalments	Amount in lakhs	No. of instalments	In Lakhs	In Lakhs
Bullet repayment schedule										
1-2 years	07%- 08% / TONAR plus spread 0.65%	-	-	1	32,543	-	-	-	-	32,543
1-2 years	07%- 08% / TONAR plus spread 0.65%	-	-	1	13,017	-	-	-	-	13,017
2-3 years	07%- 08% / SOFR plus spread 1.20%	-	-	-	-	1	64,106	-	-	64,106
2-3 years	07%- 08% / SOFR plus spread 0.85%	-	-	-	-	1	32,053	-	-	32,053
2-3 years	08%- 09% / EUBOR plus spread 1.28%	-	-	-	-	1	83,802	-	-	83,802
3-4 years	07%- 08% / SOFR plus spread 0.85%	-	-	-	-	1	12,821	-	-	12,821
More than 4 years	07%- 08% / SOFR plus spread 1.00%	-	-	-	-	-	-	1	42,738	42,738
More than 4 years	07%- 08% / SOFR plus spread 1.00%	-	-	-	-	-	-	1	17,095	17,095
More than 4 years	08%- 09% / SOFR plus spread 1.22%	-	-	-	-	1	2,99,163	-	-	2,99,163
More than 4 years	08%- 09% / SOFR plus spread 1.20%	-	-	-	-	-	-	1	1,28,212	1,28,212
Subtotal		**-**	**-**	**2**	**45,560**	**5**	**4,91,945**	**3**	**1,88,045**	**7,25,550**
Adjustments for Interest accrued and Ind AS										4,600
Total										**7,30,150**

Notes to Standalone Financial Statements
for the year ended 31 March 2026

Working Capital Demand Loan as at 31 March 2025

Original maturity of loan	Rate of Interest	Due within 1 years		Due 1 to 2 Years		Due 2 to 3 Years		More than 3 Years		Total
		No. of instalments	₹ lakhs	No. of instalments	₹ lakhs	No. of instalments	₹ lakhs	No. of instalments	₹ lakhs	₹ lakhs
Less than 1 years	07%- 08%	5	1,25,000	-	-	-	-	-	-	1,25,000
	08%- 09%	5	1,50,000	-	-	-	-	-	-	1,50,000
	09%- 11%	1	2,289	-	-	-	-	-	-	2,289
Total		**11**	**2,77,289**	**-**	**-**	**-**	**-**	**-**	**-**	**2,77,289**

PTC as at 31 March 2025

Original maturity of loan	Rate of Interest	Due within 1 years		Due 1 to 2 Years		Due 2 to 3 Years		More than 3 Years		Total
		No. of instalments	₹ lakhs	No. of instalments	₹ lakhs	No. of instalments	₹ lakhs	No. of instalments	₹ lakhs	₹ lakhs
Monthly repayment schedule										
3-4 years	08%- 09%	35	6,073	24	2,941	20	695	6	30	9,739
More than 4 years	08%- 09%	12	1,909	12	2,046	12	1,360	14	272	5,587
Subtotal		**47**	**7,982**	**36**	**4,987**	**32**	**2,055**	**20**	**302**	**15,326**
Adjustments for Interest accrued and Ind AS										38
Total										**15,364**

Commercial Paper as at 31 March 2025

Original maturity of loan	Rate of Interest	Due within 1 years		Due 1 to 2 Years		Due 2 to 3 Years		More than 3 Years		Total
		No. of instalments	₹ lakhs	No. of instalments	₹ lakhs	No. of instalments	₹ lakhs	No. of instalments	₹ lakhs	₹ lakhs
Less than 1 years	07%- 08%	4	75,500	-	-	-	-	-	-	75,500
Subtotal		**4**	**75,500**	**-**	**-**	**-**	**-**	**-**	**-**	**75,500**
Adjustments for Interest accrued and Ind AS										(3,127)
Total										**72,373**

(C) Particulars of Secured Redeemable Non-convertible Debentures:

(₹ lakhs)

Particulars	Face Value	Quantity	Date of Redemption / Call Option	As at 31 March 2026	As at 31 March 2025
7.30% Series-93	10	3,500	May 2, 2025	-	35,000
7.95% Series-95	10	350	June 30, 2025	-	3,500
7.80% Series-94	10	3,000	July 2, 2025	-	30,000
FRB (linked to Repo rate plus fixed spread 2%) Series 96	10	2,500	July 21, 2025	-	25,000
7.90% Series-97	10	5,000	July 28, 2025	-	50,000
8.31% Series-103-II	1	20,000	July 29, 2025	-	20,000
9.20% Series-73	10	500	August 8, 2025	-	5,000

Notes to Standalone Financial Statements
for the year ended 31 March 2026

(₹ lakhs)

Particulars	Face Value	Quantity	Date of Redemption / Call Option	As at 31 March 2026	As at 31 March 2025
8.30% Series-106	1	50,000	September 15, 2025	-	50,000
8.89% MLD-Series-3	10	1,030	December 16, 2025	-	10,300
8.45% Series-102-I	1	30,000	March 10, 2026	-	30,000
8.45% Series-102-II	1	25,000	April 10, 2026	25,000	25,000
8.28% Series-109 Option II	1	82,500	August 5, 2026	82,500	82,500
8.15% Series-110 Option II	1	15,000	September 24, 2026	15,000	15,000
FRB (linked to 6M MIBOR-OIS plus Floating spread 2.22%) Series 91	5/10	7,400	November 17, 2026	37,000	74,000
8.277% Series-107	1	52,500	March 12, 2027	52,500	52,500
8.3% Series-109 Option I	1	87,500	June 30, 2027	87,500	87,500
7.30% Series-113*	1	1,980	June 26, 2028 / June 27, 2027	1,980	-
8.15% Series-110 Option I	1	10,000	September 24, 2027	10,000	10,000
8.05% Series-85	3.1/4.6	10,802	January 22, 2028	33,237	49,855
7.30% Series-114	1	69,000	July 10, 2028	69,000	-
7.40% Series-116	1	90,000	November 10, 2028	90,000	-
8.37% Series-104	1	5,500	January 31, 2029	5,500	5,500
8.30% Series-105	1	12,500	March 5, 2029	12,500	12,500
8.304% Series-108	1	5,000	June 8, 2029	5,000	5,000
8.304% Series-108 Reissue	1	6,000	June 8, 2029	6,000	6,000
7.8% Series-111	1	1,42,500	December 16, 2029	1,42,500	1,42,500
7.9742% Series-112	1	23,500	February 3, 2030	23,500	23,500
7.45% Series-115	1	10,000	September 3, 2030	10,000	-
8.30% Series-98	10	750	November 15, 2032	7,500	7,500
8.30% Series-98 Reissue	10	500	November 15, 2032	5,000	5,000
8.30% Series-99	10	500	December 31, 2032	5,000	5,000
Subtotal				**7,26,217**	**8,67,655**
Adjustments for Interest accrued and Ind AS				24,230	32,896
Total				**7,50,447**	**9,00,551**

**This NCD series has call option.*

(D) Particulars of Unsecured Redeemable Non-convertible Debentures (Subordinated Debt):

(₹ lakhs)

Particulars	Face Value	Quantity	Date of Redemption	As at 31 March 2026	As at 31 March 2025
8.75% Subdebts Series 12(ii)	10	250	April 25, 2025	-	2,500
9.50% Subdebts_Series 5I	10	250	June 10, 2025	-	2,500
9.50% Subdebts_Series 7I	10	1,000	October 13, 2025	-	10,000
9.30% Subdebts_Series 9II	10	250	February 25, 2026	-	2,500
9.25% Subdebts_Series 10	10	250	March 23, 2026	-	2,500
9.30% Subdebts Series 11	10	210	April 30, 2026	2,100	2,100
9.30% Subdebts_Series 13	10	2,250	June 8, 2028	22,500	22,500

Notes to Standalone Financial Statements
for the year ended 31 March 2026

(₹ lakhs)

Particulars	Face Value	Quantity	Date of Redemption	As at 31 March 2026	As at 31 March 2025
9.45% Subdebts_Series 14	10	450	July 20, 2028	4,500	4,500
9.25% Subdebts_Series 15	10	1,500	April 26, 2029	15,000	15,000
7.70% Subdebts_Series 16	10	1,500	June 25, 2031	15,000	15,000
7.60% Subdebts_Series 17	100	100	August 12, 2031	10,000	10,000
7.60% Subdebts_Series 18	100	50	October 1, 2031	5,000	5,000
7.65% Subdebts_Series 19	100	50	April 23, 2032	5,000	5,000
8.40% Subdebts_Series 20	100	50	December 23, 2032	5,000	5,000
8.40% Subdebts_Series 20(Reissue)	100	100	December 23, 2032	10,000	10,000
8.35% Subdebts_Series 21	1	5,000	September 27, 2033	5,000	5,000
8.35% Subdebts_Series 21(Reissue)	1	5,000	September 27, 2033	5,000	5,000
8.05%Subdebt series-22	1	10,000	October 24, 2035	10,000	
Subtotal				**1,14,100**	**1,24,100**
Adjustments for Interest accrued and Ind AS				4,434	4,700
Total				**1,18,534**	**1,28,800**

(E) Perpetual Debt Instrument

(₹ lakhs)

Particulars	Face Value	Quantity	Date of Redemption / Call option	As at 31 March 2026	As at 31 March 2025
9.00% Perpetual Debt Instrument*	5	12,000	December 29, 2033	60,000	60,000
Adjustments for Interest accrued and Ind AS				1,319	1,316
Total				**61,319**	**61,316**

**This perpetual debenture has call option. Date of call option is considered as date of redemption.*

Note 20. Other financial liabilities

(₹ lakhs)

Particulars	As at 31 March 2026	As at 31 March 2025
Employee benefits and payables	19,928	20,433
Book overdraft	7,892	3,795
Payable towards assignment / securitization*	12,775	11,365
Lease liabilities (Refer Note 45)	31,721	33,108
Others	38,712	8,263
Total	**1,11,028**	**76,964**

**includes payable to related party (Refer note 63)*

Notes to Standalone Financial Statements
for the year ended 31 March 2026

Note 21. Current tax liabilities (net)

(₹ lakhs)

Particulars	As at 31 March 2026	As at 31 March 2025
Provision for income tax (Net of Advance Tax and TDS Receivable)	7,415	5,830
Total	**7,415**	**5,830**

Note 22. Provisions

(₹ lakhs)

Particulars	As at 31 March 2026	As at 31 March 2025
Provision for Employee Benefits		
Provision for compensated absences- Refer Note 39 (C)	5,719	4,102
Provision for defined benefit plans- Refer Note 39 (B)	582	458
Provision for other employee benefits	254	-
Provision for Others		
Provision for pending tax matters	9,947	7,969
Total	**16,502**	**12,529**

Note 23. Other non-financial liabilities

(₹ lakhs)

Particulars	As at 31 March 2026	As at 31 March 2025
Statutory dues	4,598	6,317
Others	17,097	13,851
Total	**21,695**	**20,168**

Note 24. Equity share capital

(₹ lakhs)

Particulars	As at 31 March 2026	As at 31 March 2025
Authorised capital		
4,00,00,00,000 (31 March 2025: 4,00,00,00,000) equity shares of ₹ 10 each, fully paid up	4,00,000	4,00,000
1,00,00,00,000 (31 March 2025: 1,00,00,00,000) preference shares of ₹ 10 each, fully paid up	1,00,000	1,00,000
Issued, subscribed and fully paid up		
2,65,48,54,060 (31 March 2025: 2,65,48,54,060) equity shares of ₹ 10 each	2,65,485	2,65,485

Notes to Standalone Financial Statements

for the year ended 31 March 2026

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

(₹ lakhs)

Particulars	As at 31 March 2026		As at 31 March 2025	
	Number of shares	Amount	Number of shares	Amount
Balance at the beginning of the year	2,65,48,54,060	2,65,485	2,24,67,17,350	2,24,672
Add : Shares issued during the year	-	-	40,81,36,710	40,813
Balance at the end of the year	**2,65,48,54,060**	**2,65,485**	**2,65,48,54,060**	**2,65,485**

(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 will be paid 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 and promoter 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:

(₹ lakhs)

Particulars	As at 31 March 2026		As at 31 March 2025	
	Number of shares	Amount	Number of shares	Amount
Sumitomo Mitsui Financial Group, the holding company and its nominees	2,65,48,54,060	2,65,485	2,65,48,54,060	2,65,485

Refer note no. 77

(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
Sumitomo Mitsui Financial Group	2,65,48,54,060	100.00%	2,65,48,54,060	100.00%

(e) Changes in Shareholding of promoters

There is no change in the shareholding pattern of promoters during the year ended 31 March 2026 and 31 March 2025.

(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.

Notes to Standalone Financial Statements
for the year ended 31 March 2026

Note 25. Other equity

(₹ lakhs)

Particulars	As at 31 March 2026	As at 31 March 2025
General reserve	96	96
Capital reserve	3,443	3,443
Securities premium	5,27,908	5,27,908
Reserve Fund under Section 45- IC of the RBI Act, 1934	1,04,534	97,454
Surplus in the statement of profit and loss	1,87,160	1,58,839
Items of other comprehensive income		
Re-measurement of gain/(loss) on defined benefit plans	(2,285)	(1,860)
Effective portion of cash flow hedge	1,645	(9,130)
Total	**8,22,501**	**7,76,750**

Nature and purpose of reserves

(i) General reserve

Pursuant to the provisions of Companies Act,1956, the Company had transferred a portion of profit of the Company before declaring dividend to general reserve. However mandatory transfer to general reserve is not required under Companies Act, 2013.

(ii) 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.

(iii) Securities premium

Securities premium is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of the Companies Act, 2013.

(iv) Reserve Fund under Section 45 - IC of the RBI Act, 1934

The Company is required to create a fund which should 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 Reserve Bank of India from time to time and every such appropriation shall be reported to the Reserve Bank within 21 days from the date of such withdrawal.

(v) Items of other comprehensive income

The component of other comprehensive income include remeasurement of gain/loss on defined benefit plans, derivatives designated at Cash flow hedge and Gain/(loss) on fair valuation of loans.

(vi) Retained Earnings & Surplus in the statement of profit and loss

Retained earnings are profit that the Company has earned to date, less any dividend or other distributions paid to the shareholders, net of utilisation as permitted under applicable law.

Notes to Standalone Financial Statements
for the year ended 31 March 2026

Note 26. Interest Income

(₹ lakhs)

Particulars	Year ended 31 March 2026			Year ended 31 March 2025		
	On financial assets measured at amortised cost	On financial assets measured at fair value through Profit and loss (FVTPL)	Total	On financial assets measured at amortised cost	On financial assets measured at fair value through Profit and loss (FVTPL)	Total
On term loans	9,97,466	-	9,97,466	8,09,171	-	8,09,171
On deposits with banks	17,575	-	17,575	11,514	-	11,514
On investments	-	17,539	17,539	-	20,925	20,925
Total	**10,15,041**	**17,539**	**10,32,580**	**8,20,685**	**20,925**	**8,41,610**

Note 27. Dividend income

(₹ lakhs)

Particulars	Year ended 31 March 2026	Year ended 31 March 2025
Dividend income	4	13
Total	**4**	**13**

Note 28. Fees and commission income

(₹ lakhs)

Particulars	Year ended 31 March 2026	Year ended 31 March 2025
Income from commission services- Insurance (Refer note 50)	5,665	6,450
Income from loan related and other services	28,762	19,965
Total	**34,427**	**26,415**

(₹ lakhs)

Particulars	Year ended 31 March 2026	Year ended 31 March 2025
Type of services		
Fees and commission income	34,427	26,415
Total revenue from contract with customers	**34,427**	**26,415**
Geographical markets		
India	34,427	26,415
Outside India	-	-
Total revenue from contract with customers	**34,427**	**26,415**
Timing of revenue recognition		
Services transferred at a point in time	34,427	26,415
Services transferred over time	-	-
Total revenue from contracts with customers	**34,427**	**26,415**

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Notes to Standalone Financial Statements
for the year ended 31 March 2026

Note 29. Net gain on fair value changes

(₹ lakhs)

Particulars	Year ended 31 March 2026	Year ended 31 March 2025
Net gain on investments at fair value through profit or loss		
Realised Gain	6,668	8,533
Unrealised Loss	(146)	(41)
Total	**6,522**	**8,492**

Note 30. Other income

(₹ lakhs)

Particulars	Year ended 31 March 2026	Year ended 31 March 2025
Profit on derecognition of property plant and equipment (net)	154	48
Miscellaneous income	1,145	2,443
Total	**1,299**	**2,491**

Note 31. Finance costs

(₹ lakhs)

Particulars	Year ended 31 March 2026	Year ended 31 March 2025
On financial liabilities measured at amortised cost		
Borrowings	2,57,599	2,09,012
Debt securities	64,040	72,451
Subordinated debt	15,890	16,397
Interest expense on lease rental liabilities	2,810	2,584
Bank charges and others	3,047	2,589
Total	**3,43,386**	**3,03,033**

Note 32. Impairment on financial instruments

(₹ lakhs)

Particulars	Year ended 31 March 2026	Year ended 31 March 2025
Bad debts and Write off (net of recovery)	2,09,484	1,92,830
Expected credit loss on Loans (Refer note 56 and 57)	37,158	(18,540)
Impairment on investment	(100)	-
Impairment on trade receivables & other financial instruments	(45)	(21)
Total	**2,46,497**	**1,74,269**

Notes to Standalone Financial Statements

for the year ended 31 March 2026

Note 33. Employee benefits expense

(₹ lakhs)

Particulars	Year ended 31 March 2026	2025
Salaries, bonus and allowances	1,42,019	1,39,309
Contribution to provident and other funds	8,551	8,559
Share-based payment (Refer Note 40)	1,335	2,427
Staff welfare and training expenses*	8,638	2,509
Total	**1,60,543**	**1,52,804**

**Includes reversal of provision on code of Social Security 2020 amounting to Rs. 6,843 lakhs during the year ended 31 March 2025.*

Note 34. Depreciation and amortisation expenses

(₹ lakhs)

Particulars	Year ended 31 March 2026	2025
Depreciation on property, plant and equipment	9,874	7,938
Depreciation on Right of use assets	7,809	7,427
Amortisation of Intangible assets	3,647	3,376
Total	**21,330**	**18,741**

Note 35. Other expenses

(₹ lakhs)

Particulars	Year ended 31 March 2026	2025
Printing and stationery	1,659	1,928
Rent	1,691	1,051
Rates and taxes	2,309	471
Insurance	564	546
Legal charges	3,399	2,702
Professional charges	46,300	38,320
Collection expenses	1,71,442	1,24,293
Courier charges	694	842
Repairs and maintenance		
Office premises	2,702	2,357
Others	1,167	1,100
Directors' sitting fees	101	73
Travelling expenses	8,328	8,961
Telecommunication expenses	2,580	2,122
Auditor’s fees and expenses	213	337
Electricity charges	1,546	1,511
Security charges	1,199	1,020
Recruitment expenses	737	1,159

Notes to Standalone Financial Statements
for the year ended 31 March 2026

(₹ lakhs)

Particulars	Year ended 31 March 2026	Year ended 31 March 2025
Corporate social responsibility expenses as per section 135 (5) of Companies Act, 2013 (refer note 47)	1,394	1,143
Net loss on derecognition of Property, plant & equipments and intangible assets	95	33
Miscellaneous expenses	9,558	1,532
Total	**2,57,678**	**1,91,501**
Audit Fee (including GST)		
Statutory Audit fee	182	163
Tax Audit fee	17	16
Other Service*	-	137
Out of pocket expenses	5	4
In other capacity		
Certification matter	9	17
Total	**213**	**337**

**Other services were on account of certification fees for International bond issue during the previous year ended 31 March 2025.*

Note 36. Tax expense

(a) Amount recognised in the statement of profit and loss

(₹ lakhs)

Particulars	Year ended 31 March 2026	Year ended 31 March 2025
Current tax for the year	21,621	13,374
Adjustment of tax relating to earlier periods	336	135
Current tax expense (A)	**21,957**	**13,509**
Deferred taxes for the year		
(Increase) / Decrease in deferred tax assets (net)	(8,987)	(2,489)
(Decrease) / Increase in deferred tax liabilities (net)	(120)	1,164
Net deferred tax expense (B)	**(9,107)**	**(1,325)**
Total tax expense (A+B)	**12,850**	**12,184**

(b) Amount recognised in Other comprehensive income

(₹ lakhs)

Particulars	Year ended 31 March 2026	Year ended 31 March 2025
Items that will not be reclassified to profit and loss		
Actuarial loss on defined benefit obligations	(568)	(869)
Taxes relating to the above	143	219
Items that will be reclassified to profit and loss		
Derivatives designated at Cash flow hedge	14,399	(7,701)
Taxes relating to the above	(3,624)	1,938
Fair Valuation of Loans held at FVOCI	-	(251)
Taxes relating to the above	-	63
Total	**10,350**	**(6,601)**

Notes to Standalone Financial Statements
for the year ended 31 March 2026

(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 period ended 31 March 2026 and 31 March 2025 is, as follows:

(₹ lakhs)

Particulars	Year ended 31 March 2026	2025
Profit before Tax	**48,251**	**46,577**
Income tax @ Statutory Tax Rate of 25.168%	12,144	11,723
Tax effects of:		
Items due to reversal of deferred tax	-	23
Net expenses that are not deductible in determining taxable profit on account of CSR and others	370	303
Recognition of previous year tax	336	135
Income tax expenses reported in profit/loss	**12,850**	**12,184**
Tax Rate Effective	26.63%	26.16%

Significant components and movement in deferred tax assets and liabilities for year ended 31 March 2026

(₹ lakhs)

Particulars	As at 31 March 2025	Recognised in Profit and loss	Recognised in OCI	As at 31 March 2026
Deferred tax liabilities on account of:				
Fair valuation of investment in subsidiary	995	-	-	995
EIR adjustment related to financial assets at amortized cost	4,081	626	-	4,707
Right to use asset	7,009	(423)	-	6,586
EIR adjustments related to financial liabilities at amortized cost	2,543	(323)	-	2,220
Deferred Tax liability (A)	**14,628**	**(120)**	**-**	**14,508**
Deferred tax assets on account of:				
Impact of expenditure charged to profit and loss but allowed for tax purposes on payment basis	1,553	240		1,793
Timing difference between book depreciation and depreciation as per Income Tax Act, 1961	1,259	359	-	1,618
MTM on Investments	44	13	-	57
Provision for expected credit loss on financial assets	33,702	8,221	-	41,923
Provision for expenses disallowed as per Income-Tax Act, 1961	15,101	503	-	15,604
Lease liabilities	8,332	(349)	-	7,983
Derivatives designated at Cash flow hedge	3,071	-	(3,624)	(553)
Deferred tax asset (B)	**63,062**	**8,987**	**(3,624)**	**68,425**
Net Deferred tax assets (B-A)	**48,434**	**9,107**	**(3,624)**	**53,917**

Note :

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.*

Notes to Standalone Financial Statements

for the year ended 31 March 2026

Significant components and movement in deferred tax assets and liabilities for year ended 31 March 2025

(₹ lakhs)

Particulars	As at 31 March 2024	Recognised in Profit and loss	Recognised in OCI	As at 31 March 2025
Deferred tax liabilities on account of:				
Fair valuation of investment in subsidiary	972	23	-	995
Processing fees and LOC adjustment related to financial assets at amortized cost	3,911	170	-	4,081
On account of right to use asset	6,578	431	-	7,009
Borrowing cost adjustment related to financial liabilities at amortized cost	2,003	540	-	2,543
Deferred Tax liability (A)	**13,464**	**1,164**	**-**	**14,628**
Deferred tax assets on account of:				
Impact of expenditure charged to profit and loss but allowed for tax purposes on payment basis	3,119	(1,566)	-	1,553
Timing difference between book depreciation and Income Tax Act, 1961	1,254	5	-	1,259
MTM on Investments	56	(12)	-	44
Provision for expected credit loss on financial assets	38,368	(4,666)	-	33,702
Provision for expenses disallowed as per Income-tax Act, 1961	7,047	8,054		15,101
Lease Liabilities	7,658	674	-	8,332
Fair Valuation of Loans held at FVOCI	(63)	-	63	-
Derivatives designated at Cash flow hedge	1,133	-	1,938	3,071
Deferred tax asset (B)	**58,572**	**2,489**	**2,001**	**63,062**
Net Deferred tax assets (B-A)	**45,108**	**1,325**	**2,001**	**48,434**

Note 37. Earnings per share

(₹ lakhs)

Particulars	Year ended 31 March 2026	2025
Net Profit after tax attributable to Equity Holders	35,401	34,393
Weighted Average number of Equity Shares for basic earnings per share	26,549	24,389
Weighted Average number of Equity Shares for diluted earnings per share	26,549	24,389
Earnings per Share		
Basic earning per share ₹	1.33	1.41
Diluted earning per share ₹	1.33	1.41
Nominal value of shares ₹	10	10

The Company has not issued any potential equity shares. Accordingly, diluted EPS is equal to basic EPS

Notes to Standalone Financial Statements
for the year ended 31 March 2026

Note 38. 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 Reserve Bank of India (RBI). The adequacy of the company's capital is monitored using, among other measures, the regulations issued by the RBI. The Company has complied in full with all its externally imposed capital requirements during the reported period. For details refer Note 60 (i).

Note 39. Employee Benefit Plans

(A) Defined Contribution Plan

Eligible employees of the Company receive benefits under the Provident Fund which is a defined contribution plan wherein both the employee and the Company make monthly contributions equal to a specific percentage of covered employees' salary. These contributions are made to the Fund administered and managed by the Government of India and the Company has no further obligation beyond making its contribution. The Company's monthly contributions are charged to Statement of profit and loss in the period in which they are incurred.

The total expense of ₹ 6,853 lakhs (31 March 2025: ₹ 7,538 lakhs) towards provident fund & ESI contribution is included in note 33-Employee benefit expenses in the statement of Profit and loss.

(B) Defined Benefit Obligation

Gratuity is a post employment benefit and is a defined benefit plan. The gratuity plan is governed by the Payment of Gratuity Act, 1972 and new labour codes to the extent notified. The liability recognized in the Balance Sheet represents the present value of the defined benefit obligation at the Balance Sheet date, less the fair value of plan assets, together with adjustment for unrecognized actuarial gains or losses and past service cost. Independent actuaries calculate the defined benefit obligation annually using the Projected Unit Credit Method. Actuarial gains/losses are credited/ charged to the Statement of Other Comprehensive Income in the year in which such gains or losses arise.

The Company's gratuity scheme for permanent employees is administered through a trust managed by Bajaj Allianz. The funding requirements are based on the gratuity funds actuarial measurement framework set out in the funding policies of the plan. The funding is based on a separate actuarial valuation for funding purpose for which assumptions are same as set out below. Employees do not contribute to the plan.

(₹ lakhs)

Particulars	As at 31 March 2026	As at 31 March 2025
Actuarial assumptions		
Mortality table	Indian Assured Lives Mortality 2012-14 (Urban)	Indian Assured Lives Mortality 2012-14 (Urban)
Discount rate and expected rate of return on assets	6.89%	6.59%
Rate of increase in compensation	9.00%	9.00%
Employee turnover :		
Category 1 – For basic upto ₹ 1.2 lakhs		
Up to 4 years	71.00%	75.00%
5 years and above	3.00%	3.00%

Notes to Standalone Financial Statements
for the year ended 31 March 2026

(₹ lakhs)

Particulars	As at 31 March 2026	As at 31 March 2025
Category 2 – For basic more than ₹ 1.2 lakhs		
Up to 4 years	38.00%	35.00%
5 years and above	3.00%	3.00%
Fixed Term Contract Employees (FTC):		
Up to 1 year	39.88%	0.00%
2 years and above	37.01%	0.00%
Assets information - Category of plan assets:		
Insured Managed funds	11,531	8,066
Cash & Cash Equivalents	60	-
Changes in the present value of defined benefit obligation		
Present value of obligation at the beginning of the year	8,524	6,744
Interest expense	643	484
Current service cost	1,496	986
Past Service Cost	2,522	-
Liability Transferred In	8	11
Liability Transferred Out	(28)	(10)
Benefit Paid From the Fund	(928)	(741)
Actuarial (Gains)/Losses on Obligations- Due to Change in Demographic Assumptions	(140)	(3)
Actuarial (Gains)/Losses on Obligations- Due to Change in Financial Assumptions	(490)	617
Actuarial (Gains)/Losses on Obligations- Due to Experience adjustments	565	436
Present Value of obligation at the end of the year	**12,172**	**8,524**
Changes in the Fair value of Plan Assets		
Fair value of plan assets at beginning of the year	8,066	6,264
Interest income	564	449
Contributions by the Employer	4,521	1,914
Benefit Paid from the Fund	(929)	(741)
Return on Plan Assets, Excluding Interest Income	(632)	180
Fair Value of Plan Assets at the end of the year	**11,590**	**8,066**
Assets and liabilities recognised in the balance sheet		
Present value of the defined benefit obligation at the end of the year	(12,172)	(8,524)
Fair Value of Plan Assets at the end of the Period	11,590	8,066
Funded Status (Surplus/ (Deficit))	(582)	(458)
Net (Liability)/Asset Recognized in the Balance Sheet	**(582)**	**(458)**

(₹ lakhs)

Expenses recognised in the Statement of Profit and Loss	Year ended 31 March 2026	Year ended 31 March 2025
Current Service Cost	1,496	986
Net interest (income)/ expense	79	35
Past Service Cost	2,522	-
Net gratuity expense recognised	**4,097**	**1,021**
Expenses recognised in the Statement of Other comprehensive income (OCI)		
Actuarial (gain)/ loss on post-employment benefit obligation	568	870
Total remeasurement cost / (credit) for the year recognised in OCI	**568**	**870**

Notes to Standalone Financial Statements
for the year ended 31 March 2026

(₹ lakhs)

Reconciliation of Net asset / (liability) recognised:	As at 31 March 2026	2025
Opening Net Liability	458	481
Expenses recognised at the end of the period	4,097	1,021
Amount recognised in other comprehensive income	568	869
Net Liability/(Asset) Transfer In	8	11
Net (Liability)/Asset Transfer Out	(28)	(10)
Benefit Directly paid by employer	-	-
Employer's Contribution	(4,521)	(1,914)
Net Liability/(Asset) Recognised in the Balance Sheet	**582**	**458**

Sensitivity Analysis:

(₹ lakhs)

Particulars	As at 31 March 2026		As at 31 March 2025	
	Decrease	Increase	Decrease	Increase
Discount Rate (1% movement)	1,671	(1,404)	1,227	(1,025)
Future Salary Growth (1% movement)	(1,390)	1,619	(1,013)	1,185
Rate of Employee Turnover (1% movement)	340	(302)	275	(242)

The sensitivity analysis has 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 projected 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 projected 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 projected benefit obligation as recognised in the Balance Sheet.

There were no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

Maturity analysis of projected benefit obligation

(₹ lakhs)

Position as at Year end	As at 31 March 2026	2025
1	272	185
2	319	206
3	345	246
4	501	275
5	431	334
Sum of Years 6 to 10	3,779	2,181
Sum of Years 11 & Above	28,199	20,012

Notes to Standalone Financial Statements
for the year ended 31 March 2026

Expected contribution to fund in next year

(₹ lakhs)

Particulars	As at 31 March 2026	As at 31 March 2025
Expected contribution to fund in next year	2,275	1,787

Weighted Average duration of the defined benefit obligation as at March 31, 2026 is 14 years. (March 31, 2025: 15 Years)

Risks associated with Defined Benefit Plan:

(i) Interest Rate Risk

A fall in the discount rate which is linked to the government security rate will increase the present value of the liability requiring higher provision. A fall in the discount rate generally increases the fair 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 year 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.

(iv) Asset Liability Matching (ALM) Risk

The plan faces the ALM risk as to the matching cash flow. Since the gratuity plan is invested in lines with Rule 101 of Income Tax Rules, 1962, this generally reduces ALM risk.

(v) Mortality Risk

Since the benefits under the plan are not payable for a life time and are payable until retirement age only, the plan does not have any longevity risk.

(vi) Concentration Risk

The plan has a concentration risk as all the assets are invested with the insurance company and a default will wipe out all the assets. Although the probability of this is very low as insurance companies have to follow stringent regulatory guidelines which mitigate risk.

During the year, there were no plan amendments, curtailments and settlements.

Notes to Standalone Financial Statements

for the year ended 31 March 2026

(C) Compensated absences

The Company has not funded its compensated absences liability and the same continues to remain unfunded as at March 31, 2026.

The estimate of future salary have been done on the basis of current salary suitably projected for the future taking into consideration general trend in inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.

Discount rate used related to the Par Yield rate on Government Securities (G-Sec) for the tenure of expected term of obligation

(₹ lakhs)

Particulars	As at 31 March 2026	As at 31 March 2025
Actuarial assumptions		
Mortality table	Indian Assured Lives Mortality 2012-14 (Urban)	Indian Assured Lives Mortality (2012-14) (Urban)
Discount rate and expected rate of return on assets	6.89% p.a.	6.59% p.a.
Rate of increase in compensation	9.00% p.a.	9.00% p.a.
Employee turnover :		
Category 1 – For basic upto ₹ 1.2 lakhs		
Up to 4 years	71.00% p.a.	75.00% p.a.
5 years and above	3.00% p.a.	3.00% p.a
Category 2 – For basic more than ₹ 1.2 lakhs		
Up to 4 years	38.00% p.a.	35.00% p.a.
5 years and above	3.00% p.a.	3.00% p.a.
Fixed Term Contract Employees (FTC):		
Up to 1 year	39.88% p.a.	-
2 years and above	37.01% p.a.	-
Funding status	**Unfunded**	**Unfunded**
Expenses recognised in the Statement of Profit and Loss	**2,851**	**1,731**
Projected obligation against compensated absences	**5,719**	**4,102**

(D) Also refer note 76 relating to impact of new labour code on Gratuity amounting to INR 2,522 lakhs & compensated absence of INR 1,206 lakhs disclosed as exceptional items in the statement of Profit and loss.

Notes to Standalone Financial Statements

for the year ended 31 March 2026

Note 40. Employee stock appreciation rights

The Company has a cash-settled share-based payments scheme, under which grants were made as per details provided below:

Particulars	Grant 10	Grant 11	Grant 11 M	Grant 11B	Grant 12	Grant 13	Grant 14	Grant 14A	Grant 14B	Grant 15
	01-Apr-20	01-Apr-21	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	₹ 1,025 Lakhs	₹ 638 Lakhs	₹ 1,029 Lakhs	₹ 923 Lakhs	₹ 1,996 Lakhs	₹ 2,480 Lakhs	₹ 2,543 Lakhs	₹ 4,200 Lakhs	₹ 1,050 Lakhs	₹ 2,510 Lakhs
Performance Condition	Achievement of certain targets	Achievement of certain targets	Achievement of certain targets	Upon completion of certain time period	Achievement of certain targets	Achievement of certain targets	Achievement of certain targets	Upon completion of certain time period	Achievement of certain targets	Achievement of certain targets
Graded Vesting (subject to achievement of performance condition given above)	Tranche I: 33% vesting on 1st September 2023	Tranche I: 33% vesting on 1st September 2024	Tranche I: 33% vesting on 1st September 2024	Tranche I: 33% vesting on 1st September 2024	Tranche I: 50% vesting on 1st September 2025	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 2024	Tranche II: 33% vesting on 1st September 2025	Tranche II: 33% vesting on 1st September 2025	Tranche II: 33% vesting on 1st September 2025	Tranche II: 50% vesting on 1st September 2026	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: 34% vesting on 1st September 2025	Tranche III: 34% vesting on 1st September 2026	Tranche III: 34% vesting on 1st September 2026	Tranche III: 34% vesting on 1st September 2026	NA	NA	NA	NA	NA	NA
Vesting period (including performance period)	Tranche I: 3 years 5 months	Tranche I: 3 years 5 months	Tranche I: 3 years 5 months	Tranche I: 3 years 5 months	Tranche I: 3 years 5 months	Tranche I: 3 years 5 months	Tranche I: 3 years 5 months	Tranche I: 3 years 5 months	Tranche I: 3 years 5 months	Tranche I: 3 years 5 months
	Tranche II: 4 years 5 months	Tranche II: 4 years 5 months	Tranche II: 4 years 5 months	Tranche II: 4 years 5 months	Tranche II: 4 years 5 months	Tranche II: 4 years 5 months	Tranche II: 4 years 5 months	Tranche II: 4 years 5 months	Tranche II: 4 years 5 months	Tranche II: 4 years 5 months
	Tranche III: 5 years 5 months	Tranche III: 5 years 5 months	Tranche III: 5 years 5 months	Tranche III: 5 years 5 months	NA	NA	NA	NA	NA	NA
Exercise period	Within 30 days from each vesting date but not later than 2 years from the date of the last vesting.									
Method of Settlement	Cash Payout as per terms of the scheme									

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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 10	Grant 11	Grant 11 M	Grant 11B	Grant 12	Grant 13*	Grant 14	Grant 14A	Grant 14B	Grant 15
As at 31 March 2026	12.01	14.91	47.90	47.90	14.44	12.48	11.26	11.26	11.26	10.75
As at 31 March 2025	11.02	13.84	47.90	47.90	13.43	11.61	10.48	10.48	10.48	NA
As at 31 March 2024	10.42	13.18	47.90	47.90	12.82	11.09	NA	NA	NA	NA
As at 31 March 2023	9.19	11.83	47.90	47.90	11.57	NA	NA	NA	NA	NA
As at 31 March 2022	7.66	10.15	47.90	47.90	NA	NA	NA	NA	NA	NA
As at 31 March 2021	7.52	NA	NA	NA	NA	NA	NA	NA	NA	NA
Weighted Average Contractual life (in years)	0.00	0.36	0.42	0.42	0.31	0.00	1.92	1.92	1.92	2.92

**During the year ended March 31, 2026 the outstanding options under Grant 13 were cancelled on not meeting the performance conditions*

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 Company over a specified performance period. Since Company only has SARs the exercise price is not applicable.

Valuation Methodology:

The fair value of the SARs has been determined at each reporting date based on projected NBV derived using board-approved business plan and management estimates over the life of the grant(s) with a 100% probability of vesting, which is discounted using Govt. Security (G-Sec) rates. No shares are issued or allotted under this arrangement.

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The movement of the stock appreciation rights during the year is as under:

Particulars (No. of Options)	As at 31 March 2026 No. of stock options	As at 31 March 2025 No. of stock options
Options outstanding as at the beginning of the year	9,12,53,258	6,96,78,224
Options granted during the year	2,46,00,000	5,74,18,850
Options forfeited on resignation of employees / Options cancelled during the year	(2,28,98,700)	(1,59,91,023)
Options exercised during the year	(73,97,359)	(2,04,15,693)
Grants of employee transferred during the year to / from subsidiary company	(11,50,300)	5,62,900
Options Outstanding as at the end of the year	8,44,06,899	9,12,53,258
Options vested and exercisable	10,99,487	4,48,074
Expense recognised (₹ in Lakhs) (Refer note 33)	1,335	2,427

Note 41. Segment Information

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.

Note 42. Contingent Liability and commitments

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.

a) Contingent liabilities

(₹ lakhs)

Particulars	As at 31 March 2026	As at 31 March 2025
Guarantees (Refer Note 43)	18,641	23,559
Contingent liability for litigations pending against the Company	8,624	1,474

b) Capital and other commitments

The Company is obligated under various capital contracts. Capital contracts are work/purchase orders of a capital nature, which have been committed. Further, the commitments have fixed expiration dates and are contingent upon the borrower's ability to maintain specific credit standards.

(i) The estimated amount of contracts remaining to be executed on capital account and not provided for as at 31 March 2026 is ₹ 10,023 Lakhs (31 March 2025: ₹ 9,101 Lakhs).

(ii) Loans sanctioned not yet disbursed as at 31 March 2026 were ₹ 1,87,704 Lakhs (31 March 2025: ₹ 2,61,616 Lakhs).

c) Litigation

Litigations constitute 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/others respectively which is in the course of business as usual. Except the aforementioned, the Company in its rightful entitlement initiates civil or criminal litigations for recovery of loan, enforcing security interest or for enforcing any of its right under applicable laws, contracts or otherwise. A provision is noted / created where an unfavorable outcome is deemed probable based on review of pending litigations with its legal counsel including loss contingency on

Notes to Standalone Financial Statements
for the year ended 31 March 2026

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.

Note 43. Financial guarantee issued on behalf of subsidiary

Guarantee issued to National Housing Bank on behalf of SMFG India Home Finance Co. Ltd ₹ 30,000 lakh (As at 31 March 2025 : ₹ 30,000 lakh) against which the amount liable by SMFG India Home Finance Co. Ltd is ₹ 18,641 Lakh as at 31 March 2026 (As at 31 March 2025 ₹ 23,559 lakh). Pursuant to the terms, the Guarantee is unsecured and the Company's liability on invocation is capped at the outstanding amount. Financial guarantee are accounted for as per Ind AS 109 and disclosed in line with Division III Schedule III to the Companies Act, 2013 . As per Company's assessment, no expected credit loss is required to be recognised on this financial guarantee.

Note 44. Resolution framework for Covid 19 related stress

The Company offered resolution plan to its customer pursuant to the RBI's guidelines "Resolution framework for COVID-19 related stress" dated 6 August 2020 permitting lending institutions to implement a resolution plan for corporate, MSME and personal loans.

Disclosure as required by RBI for moratorium and resolution framework are provided under RBI disclosure section, refer note 60(xix).

Note 45. Ind AS 116 - Leases

(i) Amounts recognised in Balance Sheet

(₹ lakhs)

Particulars	As at 31 March 2026	As at 31 March 2025
a) Right-of-use assets (net)	27,364	29,136
b) Lease liabilities		
Current	6,813	6,775
Non-current	24,908	26,333
Total Lease liabilities	**31,721**	**33,108**
c) Additions to the Right-of-use assets	6,329	9,917

Statement showing movement of Lease Liabilities

(₹ lakhs)

Particulars	As at 31 March 2026	As at 31 March 2025
Opening Balance	33,108	30,429
Add: Additions during the year	6,329	9,857
Add: Interest on lease liabilities	2,810	2,584
Less: Deletion during the year (including lease payments)	10,526	9,762
Closing Balance	**31,721**	**33,108**

Notes to Standalone Financial Statements
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(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 (Refer Note 34)	7,809	7,427
Interest expenses (included in finance cost) (Refer Note 31)	2,810	2,584
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	153	146

(iii) Maturity analysis of undiscounted lease liability

(₹ lakhs)

Particulars	As at 31 March 2026	As at 31 March 2025
Less than one year	9,727	9,386
One to five years	23,928	24,662
More than five years	6,715	7,325
Total liabilities	**40,370**	**41,373**

(iv) Cash flows

(₹ lakhs)

Particulars	As at 31 March 2026	As at 31 March 2025
The total cash outflow of leases	10,282	9,063

(v) Future cash outflows to which the lessee is potentially exposed that are not reflected in the measurement of lease liabilities and are as follows:

(a) Variable lease payments - This variability will typically arise from either inflation or market-based pricing adjustments. Currently, the Company does not have any lease which has variable lease payment terms based on inflation or market based pricing.

(b) Extension options and termination options - The table above represents the 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 does not have significant asset retiral obligations and accordingly has not recognised them as part of ROU. Such expenses are expensed off as and when incurred and charged to Statement of Profit and Loss.

(vi) 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 Standalone Financial Statements
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Note 46. Micro and Small Enterprises

Based on the information received by the Company, some of the suppliers have confirmed to be registered under the Micro, Small and Medium Enterprises Development (MSMED) Act, 2006. Accordingly, the disclosure relating to amount unpaid as at the year ended together with interest paid/payable is disclosed below (Refer Note 16 : Trade Payables)

(₹ lakhs)

Particulars	As at 31 March 2026	2025
The principal amount remaining unpaid to any supplier as at the end of each period	2,842	4,006
The interest due thereon remaining unpaid to any supplier as at the end of each period	43	-
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 period	-	-
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 period) but without adding the interest specified under Micro Small and Medium Enterprise Development Act, 2006.	228	98
The amount of interest accrued and remaining unpaid at the end of each period	271	98
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are 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.	-	-

Note 47. Corporate Social Responsibilities Expenses

Gross amount required to be spent by the Company is ₹1,451 lakhs for the year ended 31 March 2026 and ₹1,196 for the year ended 31 March 2025.

The details of amounts spent towards CSR are as under :

(₹ lakhs)

Particulars	Year ended 31 March 2026	2025
i) Construction / acquisition of any asset	-	-
ii) On purpose other than (i) above	1,451	1,196
Amount spent	**1,451**	**1,196**
Amount yet to be spent	**-**	**-**

The Company's CSR policy is both community and environment-based. Various programmes are planned in areas as diverse as health, education, livelihood generation, skill developments and rural development. The above expenditure includes ₹ 57 lakhs (31 March 2025: ₹57 lakhs) as salary, travel and other associated cost in respect of dedicated employees who have been exclusively engaged in CSR administrative activities which qualify as CSR expenditure under Section 135 of the Companies Act, 2013, the same is part of employee benefit expense.

Pursuant to Guidance note on CSR issued by the ICAI, CSR spent during the year above statutory requirement has been shown under other non-financial assets

(a) Gross amount required to be spent by the company for the year ended 31 March 2026: ₹ 1,451 lakhs

(b) Amount approved by the Board to be spent for the year ended 31 March 2026: ₹1,451 lakhs

Notes to Standalone Financial Statements
for the year ended 31 March 2026

(c) Excess amount spent

(₹ lakhs)

Opening Balance	Amount required to be spent during the year as per requirements of Companies Act, 2013	Actual amount spent during the year	Excess at the end of the year
1,650	1,451	1,200	1,399

(d) Details of related party transactions, e.g., contribution to a trust/ society / section 8 company controlled by the company in relation to CSR expenditure as per Indian Accounting Standard (Ind AS) 24, Related Party Disclosures: NIL

Note 48.

As required by the RBI notification RBI/DOS/2024-25/120; DOS.CO.FMG.SEC.No.7/23.04.001/2024-25 dated 15 July, 2024, the details of frauds noticed / reported are as below:

(₹ lakhs)

Particulars	Year ended 31 March	
	2026	2025
Amount Involved	517	358
Amount Recovered	36	40
Amount written off/provided	481	318
Balance	-	-

Note 49. Support Service Cost

During the year, the Company shared certain premises with its subsidiary, SMFG India Home Finance Company Limited to carry out its operations. The Company has entered into a resource sharing agreement with the subsidiary company, as per which the 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 on the basis of the number of employees, the area occupied, time spent by employees for other company, actual identification, etc.

During the year the Company has recovered ₹ 4,908 lakhs (31 March 2025 ₹ 4,230 lakhs) on account of above mentioned arrangement (Amounts are exclusive of GST).

During the year, the Company has also co-shared the premises of its subsidiary, SMFG India Home Finance Company Limited to carry out its operations. The Company has entered into resource sharing agreement with its subsidiary company. Under the arrangement the Company has used 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 reimbursed ₹ 157 lakhs (31 March 2025 ₹ 56 lakhs) on account of above mentioned arrangement (Amounts are inclusive of GST 9% i.e. inadmissible ITC).

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Note 50. Insurance regulatory and development authority (IRDA)

Disclosure as per Schedule VI B for insurance commission income earned during the year ended:

(₹ lakhs)

Particulars	Year ended 31 March	
	2026	**2025**
ICICI Prudential Life Insurance Company Limited	2,531	2,116
Kotak Life Insurance Company Limited	1,524	2,588
HDFC Life Insurance Company Limited	1,573	1,685
ICICI Lombard General Insurance Company Limited	7	19
Cholamandalam MS General Insurance Company Limited	1	19
CIGNA TTK Health Insurance Company Limited	11	23
TATA AIG General Insurance Company Limited	18	-
Total	**5,665**	**6,450**

Note 51.

There was no amount due and outstanding to be credited to Investor Education and Protection Fund as at 31 March 2026 and as at 31 March 2025.

Note 52. Financial risk management

Risk management framework

The Company places emphasis on risk management practices to ensure an appropriate balance between risks and returns. The Board of Directors of the Company (BOD) along with the Management are primarily responsible for Risk Management of the Company. The Board has constituted the Risk Oversight Committee (ROC) to assist the Board for the same.

The ROC's key responsibilities include establishing, reviewing, and monitoring policies, processes and systems for these risks and fostering a risk-aware culture. Key pillars of risk management in the Company include risk identification, assessment, mitigation, monitoring, and reporting. The Company uses a comprehensive enterprise-level risk framework to identify risks with multi-layered controls. The "Three Lines of Defense" philosophy ensures comprehensive governance and supervision.

A clear understanding of the desired risk appetite is central to SMICC's risk management strategy. The BOD periodically approves the Risk Appetite Statement (RAS), covering various risks and defining risk acceptance boundaries. This framework guides the company's growth path, considering enterprise-wide risks for ongoing monitoring and timely actions. Approved metrics and thresholds are reviewed and revised periodically in response to business strategy, regulatory requirements, and external/internal environment changes.

The ROC controls and manages inherent enterprise-wide risks related to the Company's activities by the following risk categories:

Risk	Exposure arising from	Management
Credit Risk	Loans and counterparty risk on investments	ROC is actively involved in the following: ▸ Oversight over the implementation of Credit Policies of the Company. Robust credit policies and standards are updated regularly in line with business strategy, regulatory requirements and industry's best practices ▸ Reviewing and approving counterparty limits for the Company ▸ Review of the overall portfolio credit performance of the Company and establishing concentration limits

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Risk	Exposure arising from	Management
		▸ Product level portfolio performance triggers and early delinquency benchmarks ▸ Model Management Framework for governance of various underwriting and lending models
Fraud Risk	Caused by fraudulent acts by employees, customers and /or service providers, third parties with an intention to defraud legitimate dues and / or cause loss to the Company	▸ Board approved policy laying out appropriate standards for prevention, detection, mitigation, deterrence and timely reporting of Frauds ▸ Fraud Risk Management Committee (FRMC), under the oversight of the Audit Committee of the Board (ACB) have been formed to oversee the effectiveness of fraud risk management framework and monitoring of incidences of frauds
Information Security Risk	Threats that exploit weaknesses in the organization's information systems caused due to unauthorized access, use, disruption, modification, or destruction of information.	▸ Information Security remains a key focus area for the company owing to the ever-evolving landscape. Board approved Policies, processes and supporting technology architecture have been instituted and the security posture is being strengthened on a continuous basis. ▸ An Information Security Committee (ISC), under the oversight of the IT Strategy Committee (ITSC) has been formed for managing cyber/ information security. ▸ Independent Information Technology Governance and Information Security Governance functions are in place to ensure strategic alignment with business objectives and regulatory requirements while managing risks and resources effectively.
Operational Risk	Inadequate or failed processes, systems, or people, or due to external events.	▸ Operational Risks (including those arising from Outsourcing) are managed by a combination of specific Board approved policies, processes, functional level Risk Control Self-Assessments (RCSA), and monitoring of Key Risk Indicators (KRIs) ▸ Management level committees such as Operational Risk Management Committee (ORMC) and Outsourcing Committee (OC) are in place for risk oversight
Liquidity Risk	Financial liabilities and financials asset	▸ Liquidity risk is managed by the Asset Liability Committee (ALCO), based on the Company's Liquidity Policy approved by BOD. ▸ ALCO 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 scenarios. ROC has an oversight on ALCO.
Market Risk- Foreign Exchange	Recognized financial assets and financial liabilities not denominated in functional currency	▸ 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. ▸ The Company has a Board approved policy to lay down the process for identification, mitigation, monitoring and escalation of any foreign exchange or interest rate risk that the Company may face. Both short-term and long-term foreign exchange exposures are hedged in conjunction with extant regulations.
Market Risk- Interest Rate	Investments in units of mutual funds, bonds, government securities, certificate of deposits, commercial paper.	▸ Defined boundaries are in place on interest rate risk exposure for the Company. Governance and monitoring policies are also in place for interest rate risk management.

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The above risks are discussed in more detail below:

Credit Risk

Loans :

Exposures to customers' outstanding at the end of each reporting period are reviewed by the Company to determine incurred and expected credit losses. The Company creates provision on loans on a progressive basis from the time that a loan is booked. Historical trends of collections from counterparties on a timely basis reflects low level of credit risk.

Trade receivables:

Exposures to counterparty 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 provision on trade receivables wherever balance due over 90 days.

Counterparty Risk on investment:

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. Funds are invested after considering parameters like safety, liquidity and post-tax returns etc. Exposure is spread across a relatively large number of counterparties. 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 has a low credit risk in respect of its exposure with financial institutions and other financial assets.

Write off policy:

The Company has laid down explicit policies on loan write-offs to deal with assets, which are impaired due to the customer's inability to repay the loan beyond a timeline, based on realization experience of the Company with respect to customers of specific products.

Enterprise Risk:

Operational Risk, Fraud Risk and Information Security Risk:

Effective management of operational risks including fraud risks and information security risks through proactive identification, evaluation, measurement, monitoring and mitigation helps to ensure addressing uncertainty, containing losses and facilitates continual improvement. The following are the main pillars of risk management:

- Robust Board approved Policies and standards updated regularly in line with industry best practices and regulatory requirements
- Operational Risk Management Governance including oversight on Outsourcing and Business Continuity
- Internal Financial Controls Standards and Fraud Control Standards
- Independent Information Technology Governance and Information Security Governance functions to ensure strategic alignment with business objectives and regulatory requirements while managing risks and resources effectively.
- Independent Compliance function to ensure regulatory change management and ongoing compliance to extant regulations
- Independent Internal Audit function to assess the adequacy and effectiveness of internal controls, risk management practices, policies, processes and systems.

Liquidity Risk:

Liquidity risk is the risk that the Company, though solvent, 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.

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:

- Diversification across instruments (bank loan, commercial papers, debentures, ECB, portfolio sale etc.), lenders (banks, mutual funds, insurance companies, pension funds, foreign portfolio investors) and geographies (on-shore and off-shore).
- Matching of asset and liability tenor.
- Maintenance of adequate liquidity buffer as per internal policy.
- Investment of such liquid funds in pre-approved instruments and with sound counterparties.

The Company manages liquidity risk by maintaining sufficient cash and cash equivalents and committed lines. It undertakes liquidity gap analysis, monitoring concentration limits (tenor, counterparty and instrument type) and liquidity ratios on an ongoing basis. Single lender limit, single financial instrument or category limit and negative gap mismatches are monitored monthly to ensure these are within the policy limits.

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Market Risk:

Market risk is the risk of loss of future earnings, fair values or future cash flows related to financial instruments 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 and interest rate risk

Foreign Currency Risk:

Foreign currency risk for the Company arises largely on account of foreign currency borrowings. The Company holds derivative financial instruments to hedge foreign currency risk. The Company's policy is to fully hedge its foreign currency borrowings at the time of drawdown and remain so until repayment. The Counterparty for these contracts are banks.

The Company has undertaken ECB borrowings in multiple currencies such as USD, JPY, EURO, AED etc. The Company is risk averse both in the short term as well as in the long term. It seeks to protect its cash flows by removing any variability related to currency fluctuations. Both short term and long-term exposures are completely hedged in conjunction with extant regulations. The tenors and amounts involved in the transactions correlate to the tenors and values of the underlying exposures. The floating interest rate ECB exposures is converted into Fixed rate and currency risk on borrowing is managed by entering Cross Currency Swaps.

Interest Rate Risk:

Interest rate risk is the vulnerability of a 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 and its net value.

Exposure to this risk primarily results from timing spread in the repricing of both on and off-balance sheet assets and liabilities as they mature (fixed rate instruments) or contractually reprice (floating rate instruments).

This risk is managed by establishing boundaries on interest rate risk exposure and monitoring policies for interest rate risk management. BOD sets boundaries/ limits within such levels of tolerance and approves the policies that govern risk management under both businesses as usual and stressed conditions. ALCO monitors Balance-sheet planning from a risk-return perspective, including product pricing, definition of the desired maturity profile and mix of incremental assets and liabilities.

A suitable funding and interest rate risk management plan is prepared using projected balance sheet and cash-flows. Execution of on and off-balance sheet transactions may be done to optimize interest rate gapping positions. Repricing Gap and Earnings at Risk metrics are employed for measurement of interest rate risks.

In addition to the above, the Company also undertakes an annual Internal Capital Adequacy Assessment Process and Stress Testing to ensure the stability and soundness of the Company's operations in diverse stress scenarios. These tests help to ascertain the level of buffers to be maintained over the minimum regulatory capital required.

All these risk management practices have contributed towards ensuring the continued maintenance of the highest level of credit rating (AAA) for the Company.

Exposure to credit risk

The carrying amount of financial assets represents the maximum amount of credit exposure. The maximum exposure to credit risk is as per the table below, it being total of carrying amount of all financials assets except cash in hand and investment in government securities.

(₹ lakhs)

Particulars	As at 31 March 2026	As at 31 March 2025
Maximum exposure to credit risk	59,07,647	50,84,923

Analysis of inputs to the Expected credit loss 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.

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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 Personal Loans, Business Loan, Commercial Vehicle Loan, Loan against property and Group 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 at least on an annual basis. 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) in case there has been significant increase in credit risk since its initial recognition; in other cases where there is no significant increase in credit risk, the allowance is based on the 12 months' expected credit loss (12mECL).

The 12 month ECL is part of LTECL that represent the ECLs from default events on a financial asset that is 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 and categorises based on DPD. The Company considers a financial instrument defaulted and therefore Stage 3 (credit-impaired) for ECL calculations in all cases when the borrower becomes 90 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:

- If the customer has requested restructuring in repayment terms, such restructured, rescheduled or renegotiated accounts (other than One Time Restructuring)
- 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 continuously monitors all financial instruments subject to ECLs. In order to determine whether loans or portfolio loans are subject to 12 Month ECL or Life Time ECL, the Company assesses whether there has been a significant increase in credit risk since initial recognition. The Company considers an exposure to have significantly increased in credit risk 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 exceptions to normal economic scenarios. Such factors are based on its expert judgement and relevant historical experiences.

The **Probability of Default (PD)** is an estimate of the likelihood of default over a given time horizon.

Exposures are subject to ongoing monitoring, which may indicate that a significant increase in credit risk has occurred on an exposure. The monitoring typically involves use of the following data for Retail exposures:

(a) Overdue status including write off

(b) Fraudulent customer

(c) Days past due along with external macro-economic outlook

(d) Historical performance of loans and related collection trends

(e) Restructured Customer

Days past due is a primary input for the determination of the PD for exposures.

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 the 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 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 (including recovery through contractual arrangements with counterparties estimated based on past recovery trends). 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.

Notes to Standalone Financial Statements
for the year ended 31 March 2026

The Company collects a list of all the defaulters and tracked from the first time they become non-performing assets ("More than 90 Days Past Due"). The Company calculates the LGD based on the present value of month on month recovery post default for unsecured products. In case of insufficient historical data, management uses extrapolation method to estimated projected future recoveries for the computation of LGD - mainly in secured products.

EL Adjustment Factor is factor used to adjust the ECL computation to eliminate the biases 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 incorporation of forward-looking macro-economic factors. The various macro-economic factors considered are GDP (%) and its components, Private consumption (%),Consumer prices (% change pa; av), Average real wages (% change pa), Real personal disposable income (% change pa), Lending interest rate (%), Labour costs, Labour productivity growth (%), Recorded unemployment (%), Agriculture (% real change pa),Government consumption (% of GDP),Industrial production (% change pa),Manufacturing (% real change pa),Services (% real change pa). Product-wise selection of macro-economic factors is done basis the 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.

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.

Credit Quality

The Company has classified portfolio loans as financial assets at amortized cost and has assessed it at the collective pool level. The flow rate methodology has been used to create the PD term structure which incorporates both 12 months (Stage 1 Loans) and lifetime PD (Stage 2 and stage 3 Loans). This captures a historical default experience across a particular portfolio by tracking the periodic slippages. The historical slippage experience/default rate is then used to build the PD term structure.

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 rate of interest. Accordingly, the Company analyses exposure to credit risk based on historical experience across its products. The Company categorizes its loans into Stage 1, Stage 2 and Stage 3 based on delinquency buckets and NPA and restructured status.

Reconciliation of ECL balances in given below :

(₹ in lakhs)

Particulars	As at March 2026				As at March 2025			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
ECL allowance - opening balance	**58,107**	**33,653**	**42,147**	**1,33,907**	**77,735**	**28,350**	**46,362**	**1,52,447**
New assets originated or purchased	80,882	4	655	81,541	50,442	61	611	51,114
Assets derecognised or repaid	(19,911)	(2,387)	(2,578)	(24,876)	(14,591)	(2,025)	(2,742)	(19,358)
Net transfers to/from Stage 1	18,295	(10,507)	(7,788)	-	19,659	(10,217)	(9,442)	-
Net transfers to/from Stage 2	(62,217)	63,546	(1,329)	-	(64,438)	68,916	(4,478)	-
Net transfers to/from Stage 3	(790)	(1,44,647)	1,45,437	-	(1,220)	(1,09,793)	1,11,013	-
Remeasurement of ECL	6,025	87,248	90,552	1,83,825	(9,137)	61,193	71,625	1,23,681
Amounts written off	(140)	(1,903)	(2,07,375)	(2,09,418)	(343)	(2,832)	(1,70,802)	(1,73,977)
ECL overlay (Refer note 57)	6,086	-	-	6,086	-	-	-	-
ECL allowance - closing balance	**86,336**	**25,007**	**59,721**	**1,71,065**	**58,107**	**33,653**	**42,147**	**1,33,907**

Notes to Standalone Financial Statements
for the year ended 31 March 2026

Reconciliation of Loans is given below :

(₹ in lakhs)

Particulars	As at March 2026				As at March 2025			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Opening balance of term loans	**41,76,632**	**1,01,292**	**81,795**	**43,59,719**	**33,39,008**	**78,257**	**88,356**	**35,05,621**
New assets originated or purchased	48,39,056	18	936	48,40,010	35,91,562	414	1,116	35,93,092
Assets derecognised/repaid	(37,68,704)	(26,193)	(38,478)	(38,33,376)	(24,24,920)	(34,611)	(21,085)	(24,80,616)
Net transfers to/from Stage 1	69,723	(52,185)	(17,539)	-	63,244	(41,980)	(21,264)	-
Net transfers to/from Stage 2	(4,25,853)	4,28,870	(3,017)	-	(3,69,832)	3,77,860	(8,028)	-
Net transfers to/from Stage 3	(13,635)	(3,65,762)	379,397	-	(15,684)	(2,71,943)	2,87,627	-
Amounts written off	(3,008)	(4,498)	(2,88,066)	(2,95,572)	(6,746)	(6,705)	(2,44,927)	(2,58,378)
Closing balance of term loans	**48,74,211**	**81,542**	**1,15,028**	**50,70,781**	**41,76,632**	**1,01,292**	**81,795**	**43,59,719**
Interest accrued and other amortised cost	77,945	4,393	6,084	88,423	68,748	5,869	4,595	79,212
Gross value of term loans	**49,52,156**	**85,935**	**1,21,112**	**51,59,204**	**42,45,380**	**1,07,161**	**86,390**	**44,38,931**

Cash and Cash equivalents

The Company holds cash and cash equivalents and bank balance other than cash and cash equivalents of ₹ 2,49,523 lakhs at 31 March 2026 (31 March 2025: ₹ 3,23,834 lakhs). The cash and cash equivalents are held with bank and financial institution counterparties with sound credit ratings.

Write off policy

The Company has laid down explicit policies on loan write-offs to deal with assets which are impaired due to the customer's inability to repay the loan beyond a timeline, based on realisation experience of the Company with respect to customers of specific products.

Collateral management and associated risks

The Company holds collateral like vehicle, residential, commercial land & building against certain of its secured term loans such as Commercial Vehicle Loans, Loan against Properties, Developer funding and Loan against shares.

The Company has a collateral management system to address the risks associated with 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. Product level 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 assets due to unforeseen circumstances

The Collections team follows up with the customers through field visits as well as through telecommunication for payment of over dues. Collections team is also responsible for initiating legal action including repossession and selling of collaterals. For other collaterals, the Company liquidates the assets and recovers the amount due against the loan. Negotiations with customers with respect to the settlement of loans are also carried out by the authorized personnel from Collections team. Any surplus funds realized from sale of collateral security over total dues payable by customers, are returned to the customers/obligors.

Notes to Standalone Financial Statements
for the year ended 31 March 2026

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.

(₹ in lakhs)

As at 31 March 2026	Exposure	Vehicle	Land & building	Securities	Total Collateral	Net Exposure	Associated ECLs #
Financial Assets							
Cash and cash equivalents	2,49,523	-	-	-	-	2,49,523	-
Loans (gross)*	51,59,204	3,60,492	42,01,099	2,99,227	48,60,818	32,32,243	1,71,065
Derivative Financial Instrument	1,26,168	-	-	-	-	1,26,168	-
Trade receivables	2,126	-	-	-	-	2,126	23
Investments	4,73,914	-	-	-	-	4,73,914	-
Other financial assets	28,644	-	-	-	-	28,644	55
Total Financial Asset	**60,39,579**	**3,60,492**	**42,01,099**	**2,99,227**	**48,60,818**	**41,12,618**	**1,71,143**

**Net exposure of Loans (gross) represents unsecured term loan. Net exposure to secured loan book is Nil.*

#Associated ECL represents impairment loss on financial instruments.

(₹ in lakhs)

As at 31 March 2025	Exposure	Vehicle	Land & building	Securities	Total Collateral	Net Exposure	Associated ECLs#
Financial Assets							
Cash and cash equivalents	3,23,834	-	-	-	-	3,21,189	-
Loans (gross)*	44,38,931	1,57,609	37,46,648	244,906	4,149,163	26,71,603	1,33,907
Derivative Financial Instrument	17,723	-	-	-	-	17,723	-
Trade receivables	3135	-	-	-	-	3,012	123
Investments	4,21,237	-	-	-	-	2,79,607	100
Other financial assets	23,536	-	-	-	-	23,508	-
Total Financial Asset	**52,28,396**	**1,57,609**	**37,46,648**	**2,44,906**	**41,49,163**	**33,16,642**	**1,34,130**

Net exposure of Loans (gross) represents unsecured term loan. Net exposure to secured loan book is **Nil.*

#Associated ECL represents impairment loss on financial instruments.

The value of the collateral for residential & commercial mortgage loans is based on the collateral value at origination for loan against share the value of collateral are as per latest market price on reporting date . For credit-impaired loans the value of collateral is based on the most recent appraisals. Collateral value for Vehicles for credit–impaired loans are values arrived basis grid model of vehicles which consider model of vehicles, age, make, manufacturer etc.

The below tables provide an analysis of the current fair values of collateral held and credit enhancements for stage 3 assets. Dependent on the level of collateral, some Stage 3 exposures may not have individual ECLs when the expected value of the collateral is greater than the LGD, even if the future value of collateral is forecasted using multiple economic scenarios. However, the Stage 3 ECL can be higher than net exposure when the future value of collateral, measured using multiple economic scenarios, is expected to decline.

The fair value of collateral and credit enhancements held under the base case scenario

(₹ in lakhs)

Loans (Stage 3)	Exposure	Vehicle	Land & building	Total Collateral	Net Exposure*	Associated ECL#
As at 31 March 2026	1,21,112	21,901	2,19,491	2,41,392	41,870	59,721
As at 31 March 2025	86,390	8,486	1,79,516	1,88,002	34,347	42,147

**Net exposure of stage 3 (gross) represents unsecured loans. Net exposure to secured loan book is Nil.*

#Associated ECL represents impairment loss on total stage 3 term loans

Notes to Standalone Financial Statements
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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.

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 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. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

(₹ in lakhs)

As at 31 March 2026	Carrying value	Within 1 year	1 to 5 years	After 5 years	Total
Financial liabilities					
Derivative financial instruments	497	-	497	-	**497**
Payables	1,40,082	1,40,082	-	-	**1,40,082**
Borrowings other than debt securities*	37,19,460	14,77,096	25,49,761	13,645	**40,40,502**
Debt Securities#	9,30,300	3,38,387	6,07,823	1,78,740	**11,24,950**
Lease liabilities	31,721	9,727	23,928	6,715	**40,370**
Other financial liabilities (excluding lease liabilities)	79,307	64,721	22,107	-	**86,828**

Notes to Standalone Financial Statements
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(₹ in lakhs)

As at 31 March 2025	Carrying value	Within 1 year	1 to 5 years	After 5 years	Total
Financial liabilities					
Derivative financial instruments	3,481	-	3,481	-	**3,481**
Trade payables	1,24,185	1,24,185	-	-	**1,24,185**
Borrowings other than debt securities*	28,74,459	12,86,428	19,59,449	6,353	**32,52,231**
Debt Securities#	10,90,667	4,21,384	7,20,910	1,76,340	**13,18,634**
Lease rental liabilities	33,108	9,386	24,662	7,325	**41,373**
Other financial liabilities (excluding lease liabilities)	43,856	26,342	25,390	-	**51,732**

**The interest payments on variable interest rate loans in the table above reflect interest rates at the reporting date and these amounts may change as market interest rates change.*

#Debt Securities includes subordinated liabilities

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 Company 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 year:

(₹ lakhs)

Particulars	As at 31 March 2026	As at 31 March 2025
Expiring within one year	5,33,500	3,28,200
Expiring beyond one year	64,020	-

The bank overdraft facilities may be drawn at any time and may be terminated by the bank without notice. Subject to maintenance of satisfactory credit ratings, the bank loan facilities may be drawn at any time in ₹ and have an average maturity of 1 year (31 March 2025: 1 year).

Impairment Loss allowance movement

(₹ lakhs)

Particulars	31-Mar-26		31-Mar-25	
	Trade Receivables	Security Deposit	Trade Receivables	Security Deposits
Opening Balance	123	-	123	-
Add: Additions during the year	-	55	-	-
Less: Deletion during the year	(100)	-	-	-
Closing Balance	**23**	**55**	**123**	**-**

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.

The Company has undertaken ECB borrowings in multiple currencies such as USD, JPY, Euro, AED etc. The Company is risk averse both in the short term as well as in the long term. It seeks to protect its cash flows by removing any variability related to currency fluctuations. Both short term and long-term exposures are completely hedged in conjunction with extant regulations. The tenors and amounts involved in the transactions correlate to the tenors and values of the underlying exposures. The floating interest rate ECB exposures is converted into Fixed rate and currency risk on borrowing is managed by entering Cross Currency Swaps.

Notes to Standalone Financial Statements

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When the hedging instrument is a Cross Currency Swap /Interest rate Swap contract, the Company establishes a hedge ratio where the notional on the CCIRS/IRS 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		
	USD	EUR	JPY	AED	USD	EUR	JPY
a. Long term borrowings (Hedge item)	6,81,293	81,363	3,69,903	43,775	5,72,246	81,363	45,498
b. Notional Value of Derivative (Hedge instrument)	(6,81,293)	(81,363)	(3,69,903)	(43,775)	(5,72,246)	(81,363)	(45,498)
Net exposure to foreign currency risk (a+b)	-	-	-	-	-	-	-

Other Comprehensive Income movement

(₹ lakhs)

Particulars	As at 31 March 2026					As at 31 March 2025		
	USD	EUR	JPY	AED	INR	USD	EUR	JPY
Opening Balance	**9,877**	**1,804**	**520**	**-**	**-**	**4,500**	**-**	**-**
Change in fair value of hedging instrument recognised in other comprehensive income (OCI)	(8,593)	(1,326)	(3,430)	432	(1,482)	5,377	1,804	520
Reclassified from OCI to profit or loss	-	-	-	-	-	-	-	-
Closing balance	**1,283**	**478**	**(2,910)**	**432**	**(1,482)**	**9,877**	**1,804**	**520**

a. The numbers provided are on gross basis (Excl. the tax impact).

b. The amounts reported in the OCI table represent debit charge in respect of foreign currency exposure.

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	6,813	(6,813)	5,722	(5,722)
EUR/INR	814	(814)	814	(814)
JPY/INR	3,699	(3,699)	455	(455)
AED/INR	438	(438)	-	-

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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 whether caused by factors specific to an individual investment, its issuer and market.

To manage its price risk arising from investments, the Company has invested in the mutual fund after considering the risk and return profile of the mutual funds i.e., the debt profile of the mutual fund indicates that the debt has been given to creditworthy banks and other institutional parties and equity investment is made after considering the performance of the stock.

The Company's exposure to price risk arises from investments in unlisted equity securities (other than investment in the subsidiary company), debt securities (Commercial Paper,Certificate of deposits and Government securities) 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	3,32,384	2,79,607

Sensitivity analysis

The table below sets out the effect on profit or loss due to reasonable possible weakening / strengthening in Yield of 5% :

(₹ lakhs)

Effect on Profit or loss and Equity	As at 31 March 2026	As at 31 March 2025
Impact on profit before tax for 5% increase in yield	(6,089)	(867)
Impact on profit before tax for 5% decrease in yield	6,089	867

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*	8,63,317	9,52,755
Borrowing other than Debt Securities	20,803	15,326
Commercial Papers	162,500	75,500
External Commercial borrowings	12,99,807	7,25,551
Variable rate borrowings	22,67,047	21,54,314
Subtotal	**46,13,474**	**39,23,446**
Adjustments for Interest accrued and Ind AS#	36,286	41,681
Total borrowings	**46,49,761**	**39,65,127**

**Debt Securities includes Subordinated Liabilities. Debt Securities (Series 116) and ECBs are floating rate borrowings, however considered as fixed rate borrowings basis hedge contracts.*

#Adjustment for Interest accrued and Ind AS are not effected by change in interest rate and accordingly not considered for sensitivity analysis

Notes to Standalone Financial Statements
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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.
- 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.

Sensitivity analysis

(₹ lakhs)

Effect on Profit or loss and Equity	As at 31 March 2026	2025
Impact on profit before tax of 100 bps increase in interest rate	(22,670)	(21,543)
Impact on profit before tax of 100 bps decrease in interest rate	22,670	21,543

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)

Particulars	As at 31 March 2026				As at 31 March 2025			
	FVOCI	FVTPL	Amortised cost	Others (At Cost)	FVOCI	FVTPL	Amortised cost	Others (At Cost)
Financial assets:								
Cash and cash equivalent	-	-	77,975	-	-	-	1,89,662	-
Bank balances other than cash and cash equivalent	-	-	1,71,548	-	-	-	1,34,172	-
Derivative financial instruments	1,26,168	-	-	-	17,723	-	-	-
Trade Receivables	-	-	2,103	-	-	-	3,012	-
Loans	-	-	49,88,139	-	-	-	43,05,024	-
Investments	-	3,32,384	-	141,530	-	2,79,607	-	1,41,530
Other financial assets	-	-	28,589	-	-	-	23,536	-
Total financial assets	**1,26,168**	**3,32,384**	**52,68,354**	**1,41,530**	**17,723**	**2,79,607**	**46,55,406**	**1,41,530**
Financial liabilities:								
Derivative financial instruments	497	-	-	-	3,481	-	-	-
Trade payables	-	-	1,40,082	-	-	-	1,24,185	-
Debt securities	-	-	7,50,447	-	-	-	9,00,551	-
Subordinated liabilities	-	-	1,79,853	-	-	-	1,90,116	-
Borrowing other than debt securities	-	-	37,19,460	-	-	-	28,74,459	-
Other financial liabilities	-	-	1,11,028	-	-	-	76,964	-
Total financial liabilities	**497**	**-**	**49,00,871**	**-**	**3,481**	**-**	**41,66,275**	**-**

Fair Value of cash and cash equivalents, bank balances other than cash and cash equivalent, trade receivables, other financial assets, derivative financial instruments, trade payables, and other financial liabilities approximate their carrying amounts largely due to short term maturities of these instruments. However, investment in subsidiary is recognised at deemed cost on transition date to Ind AS.

Notes to Standalone Financial Statements
for the year ended 31 March 2026

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 Ind AS 107. An explanation of each level follows underneath the table.

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)

Particulars	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	1,29,929	1,40,577	2,02,454	1,39,025	-	5
Total	**1,29,929**	**1,40,577**	**2,02,454**	**1,39,025**	**-**	**5**

b) Financial assets and Financial Liabilities measured at amortized cost at each reporting date

(₹ lakhs)

Particulars	As at 31 March 2026			
	Carrying Value	Fair Value		
		level 1	level 2	level 3
Financial assets measured at amortised cost				
Loans*	49,88,139	-	-	50,60,895
Other financial assets	28,589	-	-	28,847
Total	**50,16,728**	**-**	**-**	**50,89,742**
Financial liabilities measured at amortised cost				
Debt securities	7,50,447	-	-	7,70,650
Subordinated liabilities	1,79,853	-	-	1,84,900
Borrowing other than debt securities	37,19,460	-	-	37,21,164
Trade Payable and Other financial liability	2,51,110	-	-	2,52,947
Total	**49,00,871**	**-**	**-**	**49,29,661**

Notes to Standalone Financial Statements
for the year ended 31 March 2026

(₹ lakhs)

Particulars	As at 31 March 2025			
	Carrying Value	Fair Value		
		level 1	level 2	level 3
Financial assets measured at amortised cost				
Loans*	43,05,024	-	-	44,13,961
Other financial assets	23,536	-	-	23,542
Total	**43,28,560**	**-**	**-**	**44,37,503**
Financial liabilities measured at amortised cost				
Debt securities	9,00,551	-	-	9,28,556
Subordinated liabilities	1,90,116	-	-	1,95,300
Borrowing other than debt securities	28,74,459	-	-	28,77,417
Trade Payable and Other financial liability	2,01,149	-	-	2,01,455
Total	**41,66,275**	**-**	**-**	**42,02,728**

**Loans are net of Impairment allowance.*

The Company has not disclosed fair values for Cash and cash equivalents, bank balances, trade receivables because their carrying amounts are a reasonable approximation of fair value.

c) Financial assets and liabilities measured at FVOCI at each reporting date

(₹ lakhs)

Particulars	As at 31 March 2026			
	Carrying Value	Fair Value		
		level 1	level 2	level 3
Financial assets measured at FVOCI				
Derivative financial instruments	1,26,168	-	1,26,168	-
Total	**1,26,168**	**-**	**1,26,168**	**-**
Financial liabilities measured at FVOCI				
Derivative financial instruments	497	-	497	-
Total	**497**	**-**	**497**	**-**

(₹ lakhs)

Particulars	As at 31 March 2025			
	Carrying Value	Fair Value		
		level 1	level 2	level 3
Financial assets measured at FVOCI				
Derivative financial instruments	17,723	-	17,723	-
Total	**17,723**	**-**	**17,723**	**-**
Financial liabilities measured at FVOCI				
Derivative financial instruments	3,481	-	3,481	-
Total	**3,481**	**-**	**3,481**	**-**

Notes to Standalone Financial Statements
for the year ended 31 March 2026

Level 3 fair values

The significant unobservable inputs used in the fair value measurement of the fair value hierarchy together with a quantitative sensitivity analysis as at 31 March 2026 and 31 March 2025 are as shown below:

Description of significant unobservable inputs to valuation:

Type	Valuation technique	Significant unobservable inputs	Discounting rate	Sensitivity of the input to the fair value
Investments in unquoted shares	Discounted cash flow approach: The valuation model considers the present value of expected receipts, discounted using a incremental borrowing rate	Average cost of borrowings	31 March 2026: Not applicable 31 March 2025: 8.28%	1% change upwards and downwards

Reconciliation of Level 3 Fair Value Measurements:

(₹ lakhs)

Particulars	Investments in unquoted shares
Balance as at 1 April 2024	**5**
Add: Purchased during the year	-
Add: Change in value of investment in equity shares	-
Less: Provision for impairment	-
Balance as at 31 March 2025	**5**
Add: Purchased during the year	-
Add: Change in value of investment in equity shares	-
Less: Proceeds from redemption of investment in equity shares	5
Less: Provision for impairment	-
Balance as at 31 March 2026	**-**

(₹ lakhs)

Sensitivity analysis	As at 31st March	
	2026	2025
Fair value - unquoted equity instruments	-	-
Significant unobservable inputs		
- increase by 100 bps	-	-
- decrease by 100 bps	-	-

Fair value of financials assets and financial liabilities at amortized cost (i.e., Loans and advances, Other financial assets, Debt securities, Borrowing other than debt securities) and Lease rental liabilities 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	Average loan boarding rate for the respective product for recent six months as at reporting date
Other financial assets, Debt securities, Borrowing other than debt securities and lease rental liabilities	The average cost of funds as at reporting date

Notes to Standalone Financial Statements
for the year ended 31 March 2026

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). After 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, maximising 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. (Level 1)
Units of mutual funds	Net Asset Value (NAV) declared by the mutual fund at which units are issued or redeemed (Level 1)
Certificate of Deposits	For valuation, the Company uses FBIL-CD benchmark and based on that benchmark the Company interpolates and calculates CD prices corresponding to their residual maturities (Level 2)
Commercial papers	For valuation, the Company uses CP benchmark and based on that benchmark the Company interpolates and calculates CP prices corresponding to their residual maturities (Level 2)
Equity shares	Prices are determined based on price to book value available in the market domain (Level 3)
Derivative financial instruments	Discounted cash flow based on the present value of future cash flows anticipated based on forward exchange rates and forward curves (Level 2)

Note 53. 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	77,975	-	77,975	1,89,662	-	1,89,662
Bank balances other than cash and cash equivalents	1,71,548	-	1,71,548	1,33,859	313	1,34,172
Derivative financial instruments	1,926	1,24,242	1,26,168	-	17,723	17,723
Trade receivables	2,103	-	2,103	3,012	0	3,012
Loans	22,88,368	26,99,771	49,88,139	18,98,838	24,06,186	43,05,024
Investments	3,32,384	1,41,530	4,73,914	2,79,602	1,41,535	4,21,137
Other financial assets	15,204	13,385	28,589	11,768	11,768	23,536
Non-Financial assets						
Current tax assets (net)	-	9,382	9,382	-	9,410	9,410
Deferred tax asset (net)	-	53,917	53,917	-	48,434	48,434
Property, plant and equipment	-	21,000	21,000	-	24,261	24,261
Intangible assets under development	-	2,533	2,533	-	448	448
Other intangible assets	-	11,344	11,344	-	10,188	10,188
Right of use assets	-	27,364	27,364	-	29,136	29,136
Other non-financial assets	29,247	11,742	40,989	24,333	10,042	34,375
Total Assets	**29,18,755**	**31,16,210**	**60,34,965**	**25,41,073**	**27,09,444**	**52,50,518**

Notes to Standalone Financial Statements
for the year ended 31 March 2026

(₹ 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 liabilities						
Derivative financial instruments	-	497	497	-	3,481	3,481
Trade payables	1,39,933	149	1,40,082	1,24,131	54	1,24,185
Debt securities	2,89,804	4,60,643	7,50,447	3,47,483	5,53,068	9,00,551
Borrowings	12,68,621	24,50,839	37,19,460	11,03,640	17,70,819	28,74,459
Subordinated liabilities	9,546	1,70,307	1,79,853	27,857	1,62,259	1,90,116
Other financial liabilities	70,556	40,472	1,11,028	32,910	44,054	76,964
Non-Financial liabilities						
Current tax liabilities (net)	7,415	-	7,415	5,830	-	5,830
Provisions	2,151	14,351	16,502	1,365	11,164	12,529
Other non-financial liabilities	9,466	12,229	21,695	9,530	10,638	20,168
Equity						
Equity share capital	-	2,65,485	2,65,485	-	2,65,485	2,65,485
Other equity	-	8,22,501	8,22,501	-	7,76,750	7,76,750
Total liabilities	**17,97,492**	**42,37,475**	**60,34,965**	**16,52,746**	**35,97,772**	**52,50,518**

Note 54. Additional Regulatory Information required by Schedule III to the Companies Act, 2013

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.

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 are in agreement with the books of accounts;

(ii) The Company has used the borrowings from banks and financial institutions for the specific purpose for which it was taken at the balance sheet date except temporary deployment of funds in liquid assets pending utilization for specific purposes for which the funds are borrowed.

c. **Willful Defaulter:** The Company has not been declared as Willful Defaulter by any Bank or Financial Institution or other Lender for the year ended 31 March 2026 and 31 March 2025.

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	Nature of transactions with struck off company	As at 31 March 2026	As at 31 March 2025	Relationship with the struck off Company
Rudras Power Systems Private Limited	Loans	4	4	Not Applicable
Mech Boilers Private Limited	Loans	17	17	Not Applicable
Paradise Electricals Private Limited	Loans	-	47	Not Applicable
Toolmatic India Private Limited	Loans	36	38	Not Applicable

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.

Notes to Standalone Financial Statements
for the year ended 31 March 2026

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. **Compliance with approved Scheme(s) of Arrangements:** The Company has not entered into any such arrangements for the year ended 31 March 2026 and 31 March 2025..

h. **Utilisation of Borrowed funds and share premium:**

The Company, as part of its normal business, grants loans and advances, makes investment, provides guarantees to and accept borrowings from its customers, other entities and persons. These transactions are part of normal business activity, which is conducted ensuring adherence to all regulatory requirements.

Other than the transactions described above, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in party identified by or on behalf of the Company (Ultimate Beneficiaries). The Company has also not received any fund from any parties (Funding Party) with the understanding that the Company shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

i. **Undisclosed Income:** The Company does not have any transactions not recorded in the books of accounts that has been surrendered or disclosed as income for the year ended 31 March 2026 and 31 March 2025.

j. **Details of Crypto Currency or Virtual Currency:** The Company has not traded or invested in Crypto currency or Virtual Currency for the year ended 31 March 2026 and 31 March 2025.

k. **Analytical Ratios**

(₹ lakhs)

Ratio	Numerator	Denominator	As at 31 March 2026	As at 31 March 2025	% Variance	Reasons for variance (if above 25%)
Capital to risk-weighted assets ratio (CRAR)	11,58,779	59,65,450	19.42%	22.39%	-13%	Not applicable
Tier I CRAR	9,97,000	59,65,450	16.71%	19.46%	-14%	Not applicable
Tier II CRAR	1,61,779	59,65,450	2.71%	2.93%	-8%	Not applicable
Liquidity Coverage Ratio	1,82,118	1,23,117	148%	149%	-1%	Not applicable

Note 55.

Disclosures pertaining to Fund raising by issuance of Debt Securities by Large Corporate :

The Company, as per the SEBI circular SEBI/HO/DDHS/P/CIR/2021/613 dated August 10, 2021, as amended from time to time and the definitions therein, is a Large Corporate and hence is required to disclose the following information about its borrowings.Minimum fund raising by issuance of debt securities needs to be complied over a block of 3 years (i.e.financial year 2024-25 to 2026-27).

(₹ lakhs)

Financial year	Outstanding Qualified Borrowings at the start of the financial year	Outstanding Qualified Borrowings at the end of the financial year	Highest Credit rating of the Company	Incremental borrowing done during the year (qualified borrowings)	Borrowings by way of issuance of debt securities during the year
2025- 2026	27,03,205	28,20,183	AAA Stable	12,16,246	1,80,980

Notes to Standalone Financial Statements
for the year ended 31 March 2026

Note 56.

Pursuant to directions issued by the Reserve Bank of India (RBI) to the Company vide their e-mail dated 12 February 2025 and 06 May 2025 , the Company excluded the impact of credit enhancements under Default Loss Guarantee (DLG) arrangements from the computation of Expected Credit Loss (ECL) and accordingly, recognised an additional ECL provision of Rs. 11,520 lakhs as at 31 March 2025 and remaining Rs. 5,298 lakhs (post considering portfolio rundown) until 30 September 2025, and complied with the said directive.

In the current year, the RBI through RBI (Non-Banking Financial Companies – Income Recognition, Asset Classification and Provisioning) Amendment Directions,2026 (“the amendment directions”) dated 13 February 2026 permitted NBFC to consider the credit enhancements under DLG arrangements for purpose of ECL computation across all stages if those are integral to the contractual terms and not recognized separately, subject to compliance with Indian Accounting Standards(‘Ind AS’). Accordingly, as at 31 March 2026 the Company has recomputed ECL provision after considering the impact of the expected recoveries from credit enhancements under DLG arrangements in accordance with Ind AS 109, Financial Instruments.

This above accounting treatment has resulted in increase in profit before tax for the year ended 31 March 2026 by Rs. 14,116 lakhs with corresponding increase in loans and advances on account of reduced ECL provision. Accordingly, the comparative financial information on ECL provision for the year ended 31 March 2025 is not strictly comparable to such extent.

Note 57.

Management has assessed that the model-driven expected credit loss (ECL) estimates, while compliant with the requirements of Ind AS 109 and supported by internal validation frameworks, may not fully capture the potential impact of heightened geopolitical uncertainties in the operating environment. These uncertainties primarily affect the Company’s unsecured retail lending portfolio, including exposures to individuals and MSMEs (including microfinance), which are inherently sensitive to adverse movements in borrower cashflows, inflationary trends, and broader macroeconomic stress conditions. Accordingly, management has considered it prudent to maintain an additional ECL overlay of ₹6,086 lakhs as at March 31, 2026. This overlay is dynamic in nature and will be periodically reassessed based on evolving macroeconomic developments and portfolio performance. Any utilisation or recalibration of the overlay will be undertaken upon the crystallisation of adverse macroeconomic events or observable stress in the identified loan portfolios.

Note 58.

As per the requirements of Rule 3(1) of the Companies (Accounts) Rules 2014, "Rules", the Company uses only such accounting software for maintaining its books of account that have a feature of recording audit trail of each and every transaction creating an edit log of each change made in the books of account along with the date when such changes were made within such accounting software. This feature of recording audit trail has operated throughout the year and was not tampered with during the year. The Company has implemented a framework to identify relevant applications from the overall IT universe as “Books of account” as per the Companies Act 2013. The Company’s books of accounts maintained in the electronic mode comply with the requirements of the Companies Act 2013, read with relevant rules and notifications. Audit trail has been preserved by the Company as per statutory requirements for record retention.

Notes to Standalone Financial Statements
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Note 59. As required by the Reserve Bank of India (Non-Banking Financial Companies – Financial Statements: Presentation and Disclosures) Directions, 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 year			Restructured standard advances which cease to attract higher provisioning and / or additional risk weight at the end of the year and hence need not be shown as restructured standard advances at the beginning of the next year			Downgradations of Restructured accounts during the year			Write-offs/sale/Recovery/of Restructured A/cs during the year			Restructured accounts as on 31 March 2026		
	Asset Classification	No of borrowers	Amount outstanding	Provision thereon	No of borrowers	Amount outstanding	Provision thereon	No of borrowers	Amount outstanding	Provision thereon	No of borrowers	Amount outstanding	Provision thereon	No of borrowers	Amount outstanding	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**																					
	Standard	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Substandard	-	-	-	1	1	1	-	-	-	-	-	-	-	-	-	-	-	-	1	1	1
	Doubtful	9	525	187	-	-	-	-	-	-	2	42	7	-	-	-	3	330	124	4	153	56
	Loss	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total	**9**	**525**	**187**	**1**	**1**	**1**	**-**	**-**	**-**	**2**	**42**	**7**	**-**	**-**	**-**	**3**	**330**	**124**	**5**	**154**	**57**
3	**Others**																					
	Standard	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Substandard	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Doubtful	199	4,503	1,889	-	-	-	-	-	-	35	1,919	797	-	-	-	65	441	222	99	2,143	871
	Loss	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total	**199**	**4,503**	**1,889**	**-**	**-**	**-**	**-**	**-**	**-**	**35**	**1,919**	**797**	**-**	**-**	**-**	**65**	**441**	**222**	**99**	**2,143**	**871**
3	**Total**																					
	Standard	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Substandard	-	-	-	1	1	1	-	-	-	-	-	-	-	-	-	-	-	-	1	1	1
	Doubtful	208	5,028	2,076	-	-	-	-	-	-	37	1,961	804	-	-	-	68	771	346	103	2,296	926
	Loss	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total	**208**	**5,028**	**2,076**	**1**	**1**	**1**	**-**	**-**	**-**	**37**	**1,961**	**804**	**-**	**-**	**-**	**68**	**771**	**346**	**104**	**2,297**	**927**

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. *Others section under Opening balances includes cases advised by RBI to be classified as restructured basis the previous year inspection*

Notes to Standalone Financial Statements
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Note 60. ADDITIONAL DISCLOSURES REQUIRED BY RBI

The Company has provided disclosures in accordance with the requirements of the Reserve Bank of India (Non-Banking Financial Companies – Financial Statements: Presentation and Disclosures) Directions, 2025 (RBI/DOR/2025-26/359 dated November 28, 2025) read with the applicable provisions of the Scale Based Regulation framework.

i) A. Capital to Risk Assets Ratio ('CRAR')

(₹ lakhs)

Particulars	As at 31 March 2026	2025
CRAR (%)	19.42%	22.39%
CRAR- Tier I Capital (%)	16.71%	19.46%
CRAR- Tier II Capital (%)	2.71%	2.93%
Amount of subordinated debt raised as Tier-II capital (₹ lakhs)*	1,18,534	1,28,800
Amount raised by the issue of Perpetual debt instruments (₹ lakhs)*	61,319	61,317

**Amounts reported above are on carrying value, amount considered for CRAR computation is as per RBI Guidelines*

B. (i) There are no funds raised through PDI for the year ended 31 March 2026 and 31 March 2025. The outstanding balance of PDI as at 31 Mar 2026 is ₹ 61,319 (31 Mar 2025: ₹ 61,317)

(ii) PDI as a % of tier 1 capital is 6.15% as on 31 March 2026 (31 March 2025: 6.39%)

(iii) All interest payments on PDI are made on or before the due date.

ii) Details of investments with movement in provision for depreciation

(₹ lakhs)

Particulars	As at 31 March 2026	2025
Value of Investments		
Gross Value of Investments		
In India	4,73,914	4,21,237
Outside India	-	-
Provisions for Impairment		
In India	-	100
Outside India	-	-
Net Value of Investments*		
In India	4,73,914	4,21,137
Outside India	-	-
Movement of provisions held towards depreciation on investments		
Opening balance	100	189
Add : Provisions made during the year	-	-
Less : Write-off / write-back of excess provisions during the year	(100)	(89)
Closing balance	**-**	**100**

**Investments (other than investment in subsidiary) are valued at fair value*

Notes to Standalone Financial Statements

for the year ended 31 March 2026

iii) Derivatives

a) Currency Derivative / Interest Rate Derivative

(₹ lakhs)

Particulars	As at 31 March 2026	As at 31 March 2025
The notional principal of swap agreements	13,10,109	6,99,107
Losses which would be incurred if counterparties failed to fulfil their obligations under the agreements	-	-
Collateral required by the Company upon entering into swaps	-	-
Concentration of credit risk arising from the swaps	-	-
The fair value of the swap book (Asset / (Liability) **(net)**	1,25,671	14,242

b) Exchange Traded Interest Rate (IR) Derivatives

The Company has not undertaken any exhange traded Interest rate derivatives for the year ended 31 March 2026 and 31 March 2025.

c) Qualitative Disclosure

(i) All financial derivate instruments are held for cashflow hedging as part of risk management strategy, these derivative instruments are designated at Fair value through OCI. There are no fair value hedges and undesignated derivatives.

(ii) The Company has a risk management policy to enter into derivatives to manage the risk associated with foreign currency fluctuation and change in interest rate. 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 put in place a reporting and monitoring mechanism for the risk associated with the derivative transaction.

c) The Company has a hedging policy in place, which mandates a hedge relationship to be 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.

f) 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	12,20,109	90,000	6,99,107	-
Marked to Market Positions				
a) Asset	1,24,686	1,482	17,723	-
b) Liability	497	-	3,481	-
Credit Exposure	-	-	-	-
Unhedged Exposures	-	-	-	-

#*Includes Hedge of interest strip.*

Notes to Standalone Financial Statements

for the year ended 31 March 2026

iv) Disclosure as per the Reserve Bank of India (Non-Banking Financial Companies - Financial Statements: Presentation and Disclosures) Directions, 2025 dated November 28, 2025. Read with RBI Direction - RBI/DOR/2025-26/352 DOR.STR. REC.271/21.04.048/2025-26 - Reserve Bank of India (Non-Banking Financial Companies -Transfer and Distribution of Credit Risk) Directions,2025, the information of securitization / direct assignment by the Company as originator is as under:

a) Securitization transactions

(₹ 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	5	4
2. Total amount of securitised assets as per books of the SPEs	37,746	16,084
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	961	758
▸ Others	-	-
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	-	-
6. Form and quantum (outstanding value) of services provided by way of, liquidity support, post-securitisation asset servicing, etc.	-	-
7. Performance of facility provided	-	NA
Fixed Deposit		
(a) Amount paid	2,935	2,257
(b) Repayment received	1,333	-
(c) Outstanding Amount	5,087	3,485
8. Average default rate of portfolios observed in the past	NA	NA
9. Amount and number of additional/top up loan given on same underlying asset	NA	NA
10. Investor complaints (a) Directly/Indirectly received and; (b) Complaints outstanding	NIL	NIL

Notes to Standalone Financial Statements
for the year ended 31 March 2026

b) Assignment

A. Details of loans not in default transferred through assignment for the year:

(₹ lakhs)

Particulars	For the year ended 31 March 2026	2025
Aggregate amount of loans transfered (₹ lakhs)	1,19,437	1,62,640
Weighted average residual maturity (in months)	115	103
Weighted average holding period by originator (in months)	15	14
Retention of beneficial economic interest by originator (%)	10%	12%
Tangible security Coverage(%)	70%	62%
Rating-wise distribution of rated loans	NA	NA

- There are no instances of transfer of loans where the entity has agreed to replace loan transferred to transferee(s) or pay damages arising out of any representation or warranty.

B. Details of stressed loans transferred for the year ended March 31, 2026:

(₹ lakhs)

Particulars	To Asset Reconstruction Companies (ARCs)	To permitted transferees	To other transferees
Number of loans transferred (count)	13,962	-	-
Aggregate principal outstanding of loans transferred* (₹ lakhs)	40,959	-	-
Weighted average residual tenor of the loans transferred (in months)	6	-	-
Net book value of loans transferred (at the time of transfer) (₹ lakhs)	-	-	-
Aggregate consideration (₹ lakhs)	861	-	-
Additional consideration realized in respect of accounts transferred in earlier years (₹ lakhs)	-	-	-

**Represents written off accounts*

C. Details of stressed loans transferred for the year ended March 31, 2025:

(₹ lakhs)

Particulars	To Asset Reconstruction Companies (ARCs)	To permitted transferees	To other transferees
Number of loans transferred (count)	19,873	-	-
Aggregate principal outstanding of loans transferred* (₹ lakhs)	71,687	-	-
Weighted average residual tenor of the loans transferred (in months)	11	-	-
Net book value of loans transferred (at the time of transfer) (₹ lakhs)	-	-	-
Aggregate consideration (₹ lakhs)	2,680	-	-
Additional consideration realized in respect of accounts transferred in earlier years (₹ lakhs)	-	-	-

**Represents written off accounts*

Notes to Standalone Financial Statements

for the year ended 31 March 2026

D. Details of loans acquired through assignment in respect of loans not in default

(₹ lakhs)

Particulars	As at 31 March 2026	2025
Number of loans acquired (count)	3,655	2,506
Aggregate amount of loans acquired (₹ lakhs)	7,508	44,021
Weighted average maturity (in months)	154	172
Weighted average holding period (in months) (Upto the date of acquisition)	19	20
Retention of beneficial economic interest (%)	90%	90%
Coverage of tangible security (%)	100%	100%
Rating-wise distribution of rated loans	NA	NA

E. The Company did not acquire any stressed loans during the year ended 31 March 2026 and 31 March 2025

F. The Company has not acquired and transferred any Special Mention Accounts for the year ended March 31, 2026 and March 31, 2025.

c) Read with RBI Direction - RBI/DOR/2025-26/347 DOR.CRE.REC.266/07-01-008/2025-26 - Reserve Bank of India (Non-Banking Financial Companies - Credit facilities) Directions,2025.

A. The Company has not lent any funds for project finance activities for the year ended 31 March 2026 and 31 March 2025. There are no recoverable balances outstanding from project finance as at 31 March 2026 and 31 March 2025.

B. There are no co-lending arrangements entered by the company during the year ended 31 March 2026 and 31 March 2025

v) Asset Liability Management Maturity pattern of certain items of Assets and Liabilities:

(₹ lakhs)

Particulars	As at 31 March 2026			As at 31 March 2025		
	Advances (Net off ECL)	Investments (Net off ECL)	Borrowings*	Advances (Net off ECL)	Investments (Net off ECL)	Borrowings*
0 day to 7 days	1,26,089	15,015	5,038	81,584	91,972	4,868
8 days to 14 days	28,706	14,878	82,976	28,787	18,708	8,181
15 days to 30/31 days (One month)	1,01,831	68,097	15,528	86,409	69,113	29,275
Over 1 month upto 2 months	2,10,892	58,894	1,08,764	1,73,428	94,905	88,090
Over 2 months upto 3 months	2,16,967	48,505	1,97,981	1,81,128	4,904	1,47,704
Over 3 months and upto 6 months	6,01,838	35,429	3,94,257	5,05,265	-	5,42,518
Over 6 months & up to 1 year	10,02,045	91,566	7,63,427	8,42,237	-	6,58,344
Over 1 year & up to 3 years	14,46,837	-	25,43,306	12,87,631	-	18,10,596
Over 3 years & up to 5 years	5,41,343	-	3,84,462	5,03,029	-	5,37,626
Over 5 years	7,11,591	1,41,530	1,54,021	6,15,526	1,41,535	1,37,924
Total	**49,88,139**	**4,73,914**	**46,49,760**	**43,05,024**	**4,21,137**	**39,65,126**

1. The Company is a non-deposit accepting NBFC and accordingly there are no deposits taken or outstanding as at 31 March 2026 and 31 March 2025.

**Includes Foreign currency (FCY) borrowings (liabilities)*

Notes to Standalone Financial Statements
for the year ended 31 March 2026

vi) Exposures

a) Details of financing of parent company products

The Company has not finance any of its parent company products during the year ended 31 March 2026 and 31 March 2025.

b) Details of Single Borrower Limit (SGL)/Group Borrower Limit (GBL) exceeded by the NBFC

The Company has not lent and invested in any borrower / group of a borrower in excess of limits prescribed by the RBI for the year ended / as at 31 March 2026 and 31 March 2025.

c) Unsecured advances

The Company has not given any advances against the rights, licenses, authorizations, etc for the year ended / as at 31 March 2026 and 31 March 2025.

d) Credit Default Swaps

The company has not undertaken any credit default swap transactions for the year ended 31 March 2026 and 31 March 2025.

vii) Registration with other financial Regulator

Name of Regulator	Status	Registration Details
Insurance Regulatory and Development Authority (IRDA)	Corporate Agent	License No. CA0098 Valid till March 31, 2028

viii) Refer note 71 for disclosure on penalties.

ix) There are no loans granted to directors, senior officers and relatives of directors and to entities where directors or their relatives have major shareholding during the year ended March 31, 2026 and March 31, 2025.

x) Ratings assigned by credit rating agencies and migration of ratings during the year

Particulars	As at 31 March 2026				As at 31 March 2025			
	ICRA	INDIA RATING	CARE	CRISIL	ICRA	INDIA RATING	CARE	CRISIL
Non-convertible debentures/ Sub debt	ICRA AAA with Stable Outlook	IND AAA with Stable Outlook	CARE AAA with stable Outlook	CRISIL AAA with stable Outlook	ICRA AAA with Stable Outlook	IND AAA with Stable Outlook	CARE AAA with stable Outlook	CRISIL AAA with stable Outlook
Market Linked Debenture	ICRA AAA PP MLD with Stable Outlook	-	-	CRISIL PPMLD AAA/ Stable Outlook	ICRA AAA PP MLD with Stable Outlook	-	-	CRISIL PPMLD AAA/ Stable Outlook
Term Loan	ICRA AAA with Stable Outlook	-	CARE AAA with stable Outlook	CRISIL AAA with stable Outlook	ICRA AAA with Stable Outlook	-	CARE AAA with stable Outlook	CRISIL AAA with stable Outlook
Short term debt / Commercial Paper	ICRA A1+	-	CARE A1+	CRISIL A1+	ICRA A1+	-	CARE A1+	CRISIL A1+
Company Ratings	ICRA AAA with Stable Outlook	-	-	-	ICRA AAA with Stable Outlook	-	-	-

Notes to Standalone Financial Statements
for the year ended 31 March 2026

xi) Net Profit or Loss for the year, prior period items and changes in accounting policies.

There are no prior period items which are impacting company's Profit and loss for the year ended 31 March 2026 and 31 March 2025.

xii) Break up of 'Provisions and Contingencies' shown under the head Expenditure in the Profit & Loss Account

(₹ lakhs)

Particulars	Year ended 31 March 2026	2025
Provision for standard loans (Stage 1 and Stage 2)	24,788	(15,411)
Provision towards Stage 3/NPA loans	12,370	(3,130)
Provision made towards income tax	21,957	13,509
Other provisions and contingencies	-	-

Investments other than subsidiary are carried at fair value hence no provision is required.

xiii) Draw down from reserves

The Company has not withdrawn any amount from any of the reserves during the year ended 31 March 2026 and 31 March 2025

xiv) Concentration of Deposits, Advances, Exposures and NPAs

(a) Concentration of Deposits

The Company has not accepted any deposits during the current and previous year.

(b) Concentration of Advances

(₹ lakhs)

Particulars	As at 31 March 2026	2025
Total advances to twenty largest borrowers	50,555	39,475
Percentage of advances to twenty largest borrowers to total advances of the Company	1%	1%

(c) Concentration of Exposures

(₹ lakhs)

Particulars	As at 31 March 2026	2025
Total exposure to twenty largest borrowers / customers	61,292	51,730
Percentage of exposures to twenty largest borrowers / customers to Total Exposure of the Company on borrowers / customers	1%	1%

(d) Concentration of Non Performing Accounts

(₹ lakhs)

Particulars	As at 31 March 2026	2025
Total Exposure to top four NPA accounts	1,814	3,488

Notes to Standalone Financial Statements
for the year ended 31 March 2026

(e) Movement of NPA's, Provision, Net NPA

(₹ lakhs)

Particulars	Year ended 31 March 2026	Year ended 31 March 2025
Net NPA to Net Advances (%)	**1.20%**	**1.29%**
Movement in Gross NPAs		
(a) Opening Balance	**1,04,042**	**1,07,807**
(b) additions during the year	3,83,331	3,22,072
(c) reduction during the year	3,66,265	3,25,837
(d) Closing Balance	**1,21,108**	**1,04,042**
Movement in provisions for NPAs		
(a) Opening Balance	**47,350**	**50,479**
(b) Provisions made during the year	2,07,920	1,57,928
(c) Write off / Write back of excess provisions	1,95,551	1,61,057
(d) Closing Balance	**59,719**	**47,350**
Movement in Net NPAs		
(a) Opening Balance	56,692	57,328
(b) additions during the year	1,75,411	3,09,094
(c) Reductions during the Year	1,70,714	3,09,730
(d) Closing Balance	**61,389**	**56,692**

xv) Overseas Assets (for those with Joint Ventures and Subsidiaries abroad)

There are no Overseas assets for the year ended 31 March 2026 and 31 March 2025

xvi) Off-balance Sheet SPVs sponsored

There are no SPVs sponsored by the company as at 31 March 2026 and 31 March 2025.

xvii) Asset Classification as per RBI Norms

(₹ in lakhs)

Particulars	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	As at 31 March 2026: Provisions required as per IRACP norms	As at 31 March 2026: Difference between Ind AS 109 provisions and IRACP norms
1	**2**	**3**	**4**	**5=(3)-(4)**	**6**	**7=(4)-(6)**
Performing Assets						
	Stage 1	49,52,157	80,072	48,72,085	19,892	60,180
Standard	Stage 2	85,935	25,006	60,929	395	24,611
	Stage 3	4	2	2	-	2
Subtotal		**50,38,096**	**1,05,080**	**49,33,016**	**20,287**	**84,793**
Non-Performing Assets (NPA)						
	Stage 1	-	-	-	-	-
Substandard	Stage 2	-	-	-	-	-
	Stage 3	92,386	47,451	44,935	8,861	38,590

Notes to Standalone Financial Statements
for the year ended 31 March 2026

(₹ in lakhs)

Particulars	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	As at 31 March 2026 Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
1	2	3	4	5=(3)-(4)	6	7=(4)-(6)
Doubtful						
up to 1 year	Stage 1	-	-	-	-	-
	Stage 2	-	-	-	-	-
	Stage 3	15,363	6,610	8,753	4,288	2,322
1 to 3 years	Stage 1	-	-	-	-	-
	Stage 2	-	-	-	-	-
	Stage 3	6,741	2,896	3,845	2,182	714
More than 3 years	Stage 1	-	-	-	-	-
	Stage 2	-	-	-	-	-
	Stage 3	6,304	2,446	3,858	3,064	(618)
Loss	Stage 3	314	314	-	314	-
Subtotal of NPA		**1,21,108**	**59,717**	**61,391**	**18,709**	**41,008**
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	1,87,669	179	1,87,490	-	179
	Stage 2	14	1	13	-	1
	Stage 3	21	2	19	-	2
ECL overlay (Refer Note 57)	Stage 1	-	6,086	(6,086)	-	6,086
Subtotal		**1,87,704**	**6,268**	**1,81,436**	**-**	**6,268**
Total	Stage 1	51,39,826	86,337	50,53,489	19,892	66,445
	Stage 2	85,949	25,007	60,942	395	24,612
	Stage 3	121,133	59,721	61,412	18,709	41,012
	Total	**53,46,908**	**1,71,065**	**51,75,843**	**38,996**	**132,069**

(₹ in lakhs)

Particulars	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	As at 31 March 2025 Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
1	2	3	4	5=(3)-(4)	6	7=(4)-(6)
Performing Assets						
Standard	Stage 1	42,43,250	57,044	41,86,206	17,274	39,770
	Stage 2	91,561	28,637	62,924	454	28,183
	Stage 3	78	31	47	6	25
Subtotal		**43,34,889**	**85,712**	**42,49,177**	**17,734**	**67,978**
Non-Performing Assets (NPA)						
Substandard	Stage 1	1,771	195	1,576	173	22
	Stage 2	13,605	3,799	9,806	1,277	2,522
	Stage 3	56,943	30,492	26,451	5,473	25,019

Notes to Standalone Financial Statements
for the year ended 31 March 2026

(₹ in lakhs)

Particulars	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	As at 31 March 2025 Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
1	2	3	4	5=(3)-(4)	6	7=(4)-(6)
Doubtful						-
up to 1 year	Stage 1	223	99	124	99	-
	Stage 2	1,132	764	368	763	1
	Stage 3	10,375	4,188	6,187	3,153	1,035
1 to 3 years	Stage 1	117	39	78	39	-
	Stage 2	785	290	495	282	8
	Stage 3	10,212	3,747	6,465	2,917	830
More than 3 years	Stage 1	19	9	10	9	-
	Stage 2	78	39	39	39	-
	Stage 3	8,624	3,430	5,194	4,289	(859)
Loss	Stage 3	158	158	-	158	-
Subtotal of NPA		**1,04,042**	**47,249**	**56,793**	**18,671**	**28,578**
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	2,59,615	721	2,58,894	-	721
	Stage 2	1,379	124	1,255	-	124
	Stage 3	622	101	521	-	101
Subtotal		**2,61,616**	**946**	**2,60,670**	**-**	**946**
Total	Stage 1	45,04,995	58,107	44,46,888	17,594	40,513
	Stage 2	1,08,540	33,653	74,887	2,815	30,838
	Stage 3	87,012	42,147	44,865	15,996	26,151
	Total	**47,00,547**	**1,33,907**	**45,66,640**	**36,405**	**97,502**

1. Total Gross carrying amount represents loans at amortised cost as per Note 6. Other items in column 3 include undrawn loan commitments considered under stage 1 and associated ECL against the same.
2. ECL provisioning is presented at the portfolio level for each stage (Refer Note 6) while the Provisions required as per IRACP norms are presented in accordance with RBI 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 loans.

xvii) Read with RBI Direction - RBI/FMRD/2025-26/142 FMRD.DIRD.04/14.03.038/2025-26 - Master Direction – Reserve Bank of India (Repurchase Transactions (Repo)) Directions, 2025.

Particulars	Minimum Outstanding during the year	Maximum Outstanding during the year	Daily Average Outstanding during the year	Outstanding as at 31 March 2026
Securities purchased under Reverse Repo				
i. Government Securities	-	19,999	3,236	-
ii. Corporate Debt Securities	-	-	-	-
iii. Any other securities	-	-	-	-

Notes to Standalone Financial Statements

for the year ended 31 March 2026

Particulars	Minimum Outstanding during the year	Maximum Outstanding during the year	Daily Average Outstanding during the year	Outstanding as at 31 March 2026
Securities sold under repo				
i. Government Securities	-	-	-	-
ii. Corporate Debt Securities	-	-	-	-
iii. Any other securities	-	-	-	-

Note: There we no repo / reverse repo transactions during the year ended 31 March 2025.

xviii) Remuneration to non executive directors - Refer Note no.63 to the financial statements

xix) 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 for the half year ended 30 September 2025.

Type of Borrowers	Exposure to accounts classified as Standard consequent to implementation of resolution plan- Position as at March 31, 2025 (A)	Of (A) aggregate debt that slipped into NPA during the half year ended September 30, 2025 (Refer Note 2) (B)	Of (A) amount written off during the half year ended September 30, 2025 (Refer Note 2) (C)	Of (A) amount paid by the borrowers during the half year ended September 30, 2025 (Refer Note 3) (D)	Exposure to accounts classified Standard consequent to implementation of resolution plan- Position as at September 30, 2025(E)
Personal Loans	1,299	38	28	405	828
Corporates (Refer Note 1)					
Others	2	-	-	-	2
MSME	1,873	11	1	1,078	1,873
Total	**3,174**	**49**	**29**	**1,483**	**2,703**

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 for the half year ended 31 March 2026.

Type of Borrowers	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the September 30, 2025 (A)	Of (A) aggregate debt that slipped into NPA during the half year ended March 31, 2026 (Refer Note 2) (B)	Of (A) amount written off during the half year ended March 31, 2026 (C)	Of (A) amount paid by the borrowers during the half year ended March 31, 2026 (Refer Note 3) (D)	Exposure to accounts classified as Standard consequent to implementation of resolution plan- Position as at the end of half year ended March 31, 2026(E)
Personal Loans	828	21	27	294	486
Corporates (Refer Note 1)					
Others	2	-	-	-	2
MSME	1,873	11	1	1,078	783
Total	**2,703**	**32**	**28**	**1,372**	**1,271**

**As defined in Section 3(7) of the Insolvency and Bankruptcy Code, 2016*

Note 1: As defined in Section 3(7) of the Insolvency and Bankruptcy Code, 2016

Note 2: Represents balances of NPA as at end of half year and excluding amount written off during the half year reported in column 'C'

Note 3: Includes changes in balances on account of interest

xx) Revenue recognition

There are no such circumstances in which revenue has been postponed pending the resolution of significant uncertainties for the year ended 31 March 2026 and 31 March 2025.

Notes to Standalone Financial Statements
for the year ended 31 March 2026

xxi) SCHEDULE TO THE BALANCE SHEET OF A NON-BANKING FINANCIAL COMPANY

(₹ lakhs)

S.No	Particulars	As at 31 March 2026 Amount Outstanding	As at 31 March 2026 Amount Overdue
	Liabilities side:		
1	**Loans and advances availed by the Non-Banking Financial Company inclusive of interest accrued thereon but not paid:**		
	(a) Debentures (other than falling within the meaning of public deposits)		
	Secured	7,50,447	-
	Unsecured	1,79,853	-
	(b) Deferred Credits	-	-
	(c) Term Loans (including External Commercial Borrowings)	32,58,365	-
	(d) Inter-corporate loans and borrowing	-	-
	(e) Commercial Paper	1,59,220	-
	(f) Public Deposits	-	-
	(g) Other Loans	3,01,876	-
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	Amount Outstanding
	Assets side:	
3	**Break-up of Loans and Advances including bills receivables [other than those included in (4) below] :**	
	(a) Gross Secured	19,26,961
	(b) Gross Unsecured	32,32,243
4	**Break up of Leased Assets and stock on hire and other assets counting towards AFC activities**	
	(i) Lease assets including lease rentals under sundry debtors :	
	(a) Finance Lease	-
	(b) Operating Lease	-
	(ii) Stock on hire including hire charges under sundry debtors:	
	(a) Assets on hire	-
	(b) Repossessed Assets	-
	(iii) Other Loans counting towards AFC activities :	
	(a) Loans where assets have been repossessed	-
	(b) Loans other than (a) above	

Notes to Standalone Financial Statements

for the year ended 31 March 2026

(₹ lakhs)

S.No	Particulars	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	1,29,929
	(v) Others	
	2. Unquoted:	
	(i) Shares:	
	(a) Equity	-
	(b) Preference	-
	(ii) Debentures and Bonds	-
	(iii) Units of mutual funds	-
	(iv) Government Securities	-
	(v) Others- Certificate of Deposits	1,53,760
	- Commercial Papers	48,695
	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	1,41,530
	(b) Preference	-
	(ii) Debentures and Bonds	-
	(iii) Units of mutual funds	-
	(iv) Government Securities	-
	(v) Others	-

Notes to Standalone Financial Statements
for the year ended 31 March 2026

(₹ lakhs)

S.No	Particulars	Amount net of Provision		
		Secured	Unsecured	Total
6	**Borrower group-wise classification of all leased assets, stock-on-hire and loans and advances :**			
	1. Related Parties			
	(a) Subsidiaries	-	-	-
	(b) Companies in the same group	-	-	-
	(c) Other related parties	-	-	-
	2. Other than related parties	19,26,961	32,32,243	51,59,204
	Total	**19,26,961**	**32,32,243**	**51,59,204**

(₹ lakhs)

S.No	Particulars	Market Value / Break up or fair value or NAV	Book Value (Net of Provisions)
7	**Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted):**		
	1. Related Parties		
	(a) Subsidiaries	1,41,530	1,41,530
	(b) Companies in the same management	-	-
	(c) Other related parties	-	-
	2. Other than related parties	3,32,384	3,32,604
	Total	**4,73,914**	**4,74,134**

(₹ lakhs)

S.No	Particulars	Amount Outstanding
8	**Other Information**	
	(i) Gross Non-Performing Assets	
	(a) Related parties	-
	(b) Other than related parties	1,21,108
	(ii) NetNon-Performing Assets	
	(a) Related parties	-
	(b) Other than related parties	61,389
	(iii) Assets acquired in satisfaction of debt	-

xxii) Disclosures under Liquidity Risk Management Framework for NBFC - March 2026

i) Funding Concentration based on significant counterparty (both deposit and borrowings)

(₹ lakhs)

Year ended	No. of Significant Counterparties	Amount	% of total Deposits	% of Total Liabilities
31-Mar-26	19	37,41,251	Not Applicable	76%
31-Mar-25	24	34,42,488	Not Applicable	82%

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) *Funding concentration from significant counterparties represents principal outstanding as on 31 March 2026.*

3) *Includes securitisation liabilities exposure*

Notes to Standalone Financial Statements

for the year ended 31 March 2026

ii) Top 20 large deposits:

Not applicable for year ended 31 March 2026 and 31 March 2025

iii) Top 10 Borrowings

(₹ lakhs)

Year ended	Amount	% of Total Borrowings
31-Mar-26	29,70,515	64%
31-Mar-25	24,66,226	63%

1) Borrowing represents principal outstanding as on March 31, 2026.

2) Includes securitisation liabilities exposure

iv) Funding concentration based on significant instrument / product:

(₹ lakhs)

Sr No	Name of the instrument*	As at 31 March 2026		As at 31 March 2025	
		Amount	% of Total Liabilities*	Amount	% of Total Liabilities*
1	Non-Convertible Debentures (NCD)	7,26,217	15%	8,67,655	21%
2	Term Loan	19,49,063	39%	17,78,024	42%
3	External Commercial Borrowings (FCY)	12,99,807	26%	7,25,551	17%
4	Commercial Paper	1,62,500	3%	75,500	2%
5	Sub-ordinate Debt	1,74,100	4%	1,84,100	4%
6	Securitisation Liabilities	36,786	1%	15,326	0%
7	Working capital / short term facilities	2,65,000	5%	2,77,289	7%

Note:

1) A "Significant instrument" is defined as a single instrument of group of similar instruments which in aggregate amount to more than 1% of total liabilities.

2) Total liabilities excludes shareholders fund.

3) Funding concentration for significant instrument represents principal outstanding as on March 31, 2026.

v) Stock Ratios:

Sr No	Name of the instrument	31-Mar-26			31-Mar-25		
		As a % of Total public funds	As a % of Total liabilities	As a % of Total assets	As a % of Total public funds	As a % of Total liabilities	As a % of Total assets
1	Commercial papers	3%	3%	3%	2%	2%	1%
2	Non-convertible debentures (original maturity of less than one year)	-	-	-	-	-	-
3	Other short-term liabilities	30%	28%	23%	35%	33%	27%

Note:

1) Other Short-term Liabilities includes borrowings(Principal and interest Outstanding), for which repayment is due in next 12 months from the reporting date excluding commercial papers and non- convertible debentures with original maturity less than one year

2) Total liabilities excludes shareholders fund.

3) Public Funds as per RBI definition

Notes to Standalone Financial Statements

for the year ended 31 March 2026

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 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 Credit 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

vii) Liquidity Coverage Ratio

A Qualitative Disclosure

SMFG India Credit Company Limited (SMICC) has a Risk Oversight Committee (ROC), a Board level Sub-committee to oversee liquidity risk management. 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 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. The Board and ALCO have approved the Liquidity risk management policy which cover Liquidity Coverage Ratio requirements. The overall Liquidity risk management of SMICC 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 SMICC 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, SMICC has investments in government securities and balance in current account with banks which has resulted in a high level of HQLA. SMICC follows the criteria laid down by the RBI for daily average calculation of High-Quality Liquid Assets (HQLA), Net Cash outflows within the next 30-calender day period. SMICC is funded through Term loans from banks, Nonconvertible bonds, External commercial borrowings, and Commercial Papers. The Company assesses the impact on short term liquidity gaps under stress scenarios and maintain sufficient liquidity buffers. Over the last year, The Company was comfortably placed with regards to LCR. 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 & T-bills has been considered as HQLA, while the Company also holds liquid assets like callable Fixed Deposits, Certificate of deposits, Croms, Mutual funds and Commercial papers which can be liquidated immediately and considered as part of cash inflow. Additional points to add the main drivers of their LCR results and the evolution of the contribution of inputs to the LCR's calculation over time; intra-period changes as well as changes over time; the composition of HQLAs; concentration of funding sources; derivative exposures and potential collateral calls; currency mismatch in the LCR; other inflows and outflows in the LCR calculation that are not captured in the LCR common template but which the institution considers to be relevant for its liquidity profile.

The key components/drivers of the LCR are (i) stock of HQLA and (ii) net cash outflows over the next 30 calendar days. HQLA comprises high quality assets that can be readily sold or used as collateral to obtain funds in a range of stress scenarios. They should be unencumbered and easily convertible into cash at little or no loss of value. Net cash outflows are the total expected cash outflows minus expected cash inflows for the subsequent 30 calendar days. Cash outflows and inflows are calculated by multiplying outstanding balances of various types of liabilities and off-balance sheet commitment and various categories of contractual receivables by predefined stress percentages (115% for outflows and 75% for inflows). Total inflows are capped at 75% of total outflows for LCR computation.

In accordance with RBI guidelines on Liquidity Risk management framework mentioned in "Master Direction – Reserve Bank of India (Non-Banking Financial Companies – Asset Liability Management) Directions, 2025 " updated as on November 28, 2025. SMICC shall maintain LCR of minimum 100% (i.e., the stock of HQLA shall at least equal total net cash outflows) on an ongoing basis.

Notes to Standalone Financial Statements

for the year ended 31 March 2026

There are no intra-period changes as well as changes over time in the LCR computation.

The HQLAs are assigned different haircuts depending on the nature of assets.

(A) HQLA assets that are included without any haircut:

- Cash and bank balances
- Government securities
- Marketable securities issued or guaranteed by foreign sovereigns, subject to certain conditions such as minimum credit ratings, applicable risk weights as per standardised approach for credit risk, other operational requirement etc.

(B) HQLA assets that are included with 15% and 50% haircut:

- Marketable Securities issued or guaranteed by sovereigns, PSEs, MDBs subject to certain conditions such as minimum credit ratings, applicable risk weights as per standardised approach for credit risk, other operational requirement etc.
- Commercial Papers, Corporate Bonds etc. subject to certain conditions such as minimum credit ratings, not issued by bank/financial institution/NBFC or any of its affiliated entities, other operational requirement etc.

For the quarter ended March 31, 2026, SMICC held HQLAs comprising of Cash & Bank Balances, Investment in Government Securities, T-Bills, Commercial Papers meeting the qualifying criterias as prescribed.

SMICC seeks to maintain effective diversification in the sources, and tenor of funding, and to minimise liquidity risks deriving from excessive concentration by tenor, counterparty, instrument type or, where relevant, by securitization vehicle. Funding from significant counterparties, products/instruments and currency is monitored regularly as part of its ongoing liquidity management.

SMICC holds derivative contracts against valid underlying exposures such as foreign currency borrowings and are 100% hedge effective. Further, on the current derivatives agreements, there are no Credit Support,collateral posting and margin placements required.

LCR is computed in INR and the same is functional currency for the Company. Accordingly, there is no currency mismatch in the LCR.

The relevant inflows and outflows as per RBI LCR framework are duly covered for LCR computation.

There are no other inflows and outflows covered in LCR computation that were not captured in the LCR common template issued by RBI.

(₹ lakhs)

S.No	Particulars	Quarter ended 30 June 2025		Quarter ended 30 September 2025		Quarter ended 31 December 2025		Quarter ended 31 Mar 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)
1	**TOTAL HIGH QUALITY LIQUID ASSETS (HQLA)**	**2,25,166**	**2,13,163**	**2,41,433**	**2,28,482**	**1,79,924**	**1,69,958**	**1,90,682**	**1,82,118**
	Cash Outflows								
2	Deposits (for deposit taking companies)	-	-	-	-	-	-	-	-
3	Unsecured wholesale funding	9,471	10,892	26,577	30,563	11,697	13,451	41,543	47,775
4	Secured wholesale funding	1,15,130	1,32,400	1,56,346	1,79,798	1,21,416	1,39,629	1,80,441	2,07,508
5	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	-	-	-	-	-	-	-	-

Notes to Standalone Financial Statements

for the year ended 31 March 2026

(₹ lakhs)

S.No	Particulars	Quarter ended 30 June 2025 Total Unweighted Value (average)	Quarter ended 30 June 2025 Total Weighted Value (average)	Quarter ended 30 September 2025 Total Unweighted Value (average)	Quarter ended 30 September 2025 Total Weighted Value (average)	Quarter ended 31 December 2025 Total Unweighted Value (average)	Quarter ended 31 December 2025 Total Weighted Value (average)	Quarter ended 31 Mar 2026 Total Unweighted Value (average)	Quarter ended 31 Mar 2026 Total Weighted Value (average)
6	Other contractual funding obligations	47,911	55,097	46,077	52,988	45,162	51,936	50,312	57,859
7	Other contingent funding obligations	2,64,725	3,04,433	1,99,344	2,29,245	2,26,695	2,60,700	1,55,937	1,79,328
8	**TOTAL CASH OUTFLOWS**	**4,37,237**	**5,02,822**	**4,28,343**	**4,92,594**	**4,04,970**	**4,65,716**	**4,28,233**	**4,92,470**
	Cash Inflow								
9	Secured lending	-	-	-	-	-	-	-	-
10	Inflows from fully performing exposures	2,08,031	1,56,023	2,26,275	1,69,706	2,48,528	1,86,396	2,54,888	1,91,166
11	Other cash inflows	4,09,271	3,06,953	4,53,291	3,39,969	4,47,786	3,35,839	4,47,378	3,35,534
12	**TOTAL CASH INFLOWS**	**6,17,302**	**4,62,976**	**6,79,566**	**5,09,675**	**6,96,314**	**5,22,235**	**7,02,266**	**5,26,700**
13	**TOTAL HQLA**		**2,13,163**		**2,28,482**		**1,69,958**		**1,82,118**
14	**TOTAL NET CASH OUTFLOWS**		**1,25,706**		**1,23,149**		**1,16,429**		**1,23,117**
15	**LIQUIDITY COVERAGE RATIO (%)**		**170%**		**186%**		**146%**		**148%**

(₹ lakhs)

S.No	Particulars	Quarter ended 30 June 2024 Total Unweighted Value (average)	Quarter ended 30 June 2024 Total Weighted Value (average)	Quarter ended 30 September 2024 Total Unweighted Value (average)	Quarter ended 30 September 2024 Total Weighted Value (average)	Quarter ended 31 December 2024 Total Unweighted Value (average)	Quarter ended 31 December 2024 Total Weighted Value (average)	Quarter ended 31 Mar 2025 Total Unweighted Value (average)	Quarter ended 31 Mar 2025 Total Weighted Value (average)
1	**TOTAL HIGH QUALITY LIQUID ASSETS (HQLA)**	**1,62,941**	**1,62,941**	**1,74,767**	**1,74,497**	**1,76,282**	**1,75,460**	**2,20,386**	**2,14,161**
	Cash Outflows								
2	Deposits (for deposit taking companies)	4,005	4,606	23,402	26,912	21,156	24,329	19,232	22,117
3	Unsecured wholesale funding	62,290	71,634	1,17,355	1,34,958	87,151	1,00,223	1,72,806	1,98,727
4	Secured wholesale funding	-	-	-	-	-	-	-	-
5	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	-	-	-	-	-	-	-	-
6	Other contractual funding obligations	29,220	33,603	35,360	40,664	39,816	45,788	40,117	46,135
7	Other contingent funding obligations	1,78,249	2,04,987	1,62,447	1,86,814	2,33,138	2,68,108	2,67,519	3,07,647

Notes to Standalone Financial Statements

for the year ended 31 March 2026

(₹ lakhs)

S.No	Particulars	Quarter ended 30 June 2024		Quarter ended 30 September 2024		Quarter ended 31 December 2024		Quarter ended 31 Mar 2025	
		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)
8	**TOTAL CASH OUTFLOWS**	**2,73,764**	**3,14,830**	**3,38,564**	**3,89,348**	**3,81,261**	**4,38,448**	**4,99,674**	**5,74,626**
	Cash Inflow								
9	Secured lending	-	-	-	-	-	-	-	-
10	Inflows from fully performing exposures	1,61,360	1,21,020	1,34,303	1,00,728	1,22,426	91,819	1,80,426	1,35,319
11	Other cash inflows	5,32,118	3,99,088	5,86,525	4,39,893	6,34,880	4,76,160	5,72,175	4,29,131
12	**TOTAL CASH INFLOWS**	**6,93,478**	**5,20,108**	**7,20,828**	**5,40,621**	**7,57,306**	**5,67,979**	**7,52,601**	**5,64,450**
13	**TOTAL HQLA**		**1,62,941**		**1,74,497**		**1,75,460**		**2,14,161**
14	**TOTAL NET CASH OUTFLOWS**		**78,707**		**97,337**		**1,09,612**		**1,43,656**
15	**LIQUIDITY COVERAGE RATIO (%)**		**207%**		**179%**		**160%**		**149%**

Note 61.

Disclosure of Gold Loan Portfolio: There were no loans given against the collateral of gold jewellery and hence the percentage of such loans to the total outstanding asset is Nil (31 March 2025: NA).

Disclosure of Gold Auction: The company doesn't have any gold loan product, hence not applicable (31 March 2025: Not applicable).

Note 62.

Company does not enter into any currency options during the year ended 31 Mar 2026 and 31 Mar 2025.

Note 63. Related Party Disclosure

Nature of Relationship	Name of Related Party
Ultimate Holding Company	Sumitomo Mitsui Financial Group
Holding Company	Sumitomo Mitsui Financial Group
Fellow Subsidiary	Sumitomo Mitsui Banking Corporation
Subsidiary	SMFG India Home Finance Company Limited
Associate of Holding Company	Yes Bank Limited (from September 18,2025)
Entity having Common Director	Perfios Software Solutions Private Limited
Key Management Personnel	Mr. Rajeev Kannan- Chairman & Non-Executive Director
	Mr. Shantanu Mitra- Chief Executive Officer and Managing Director (upto June 15,2025)
	Mr. Ravi Narayanan- Chief Executive Officer (from August 28,2025) & Managing Director (from September 22,2025)
	Mr. Keisho Iwamoto-Non-Executive (upto February 11,2026)
	Mr. Yoshitaka Ando-Non-Executive (w.e.f January 13,2025)
	Mr. Toshitake Funaki- Non- Executive (w.e.f. September 19,2025)
	Ms. Seema Bahuguna-Independent Director
	Mr. Diwakar Gupta- Independent Director
	Mr. Colathur Narayanan Ram-Independent Director
	Mr. Murali Ramakrishnan- Independent Director (from October 10,2025)
	Mr. R Balachander-Independent Director (upto October 9,2025)
	Ms. Dakshita Das-Independent Director (upto February 27,2026)
	Mr. Pankaj Malik-Chief Financial Officer
	Mr. Jitendra Maheshwari- Company Secretary (upto November 13, 2024)
	Ms. Akanksha Kandoi- Company Secretary (w.e.f November 14, 2024 and upto January 22,2026)

Notes to Standalone Financial Statements
for the year ended 31 March 2026

Transactions during the period with related parties and outstanding balances

(₹ lakhs)

Name of Related Party	Particulars	Holding (as per ownership or control)		Subsidiaries		Key Management Personnel		Directors		Entity having Common Director		Fellow subsidiary		Associate of Holding Company		Total	
		FY26	FY25	FY26	FY25	FY26	FY25	FY26	FY25	FY26	FY25	FY26	FY25	FY26	FY25	FY26	FY25
Sumitomo Mitsui Financial Group	Equity shares issued during the year (including Share Premium)	-	4,30,000	-	-	-	-	-	-	-	-	-	-	-	-	-	4,30,000
	Reimbursement of expenses for secondee employees during the year	814	271	-	-	-	-	-	-	-	-	-	-	-	-	814	271
	Equity Share Capital (excluding Share Premium) as at	2,65,485	2,65,485	-	-	-	-	-	-	-	-	-	-	-	-	2,65,485	2,65,485
Sumitomo Mitsui Banking Corporation	Borrowing availed during the year	-	-	-	-	-	-	-	-	-	-	3,24,405	-	-	-	3,24,405	-
	Derivative contract to hedge foreign currency borrowing (note 2) during the year	-	-	-	-	-	-	-	-	-	-	3,24,405	-	-	-	3,24,405	-
	Fee paid on borrowing availed during the year	-	-	-	-	-	-	-	-	-	-	506	-	-	-	506	-
	Interest paid during the year	-	-	-	-	-	-	-	-	-	-	50,912	40,325	-	-	50,912	40,325
	Interest expense during the year	-	-	-	-	-	-	-	-	-	-	52,015	40,094	-	-	52,015	40,094
	Sale of loan portfolio (Securitisation transaction) during the year	-	-	-	-	-	-	-	-	-	-	-	20,250	-	-	-	20,250
	Service Fees income towards Securitisation transaction during the year	-	-	-	-	-	-	-	-	-	-	24	16	-	-	24	16
	Borrowing and Perpetual Debt outstanding as at (note 4)	-	-	-	-	-	-	-	-	-	-	7,87,360	4,62,955	-	-	7,87,360	4,62,955
	Interest accrued but not due on Borrowing and Perpetual Debt as at	-	-	-	-	-	-	-	-	-	-	8,250	7,147	-	-	8,250	7,147
	Maximum borrowing balance during the year (note 4)	-	-	-	-	-	-	-	-	-	-	7,87,360	4,62,955	-	-	7,87,360	4,62,955
	Foreign exchange/Derivative contracts outstanding as at (note 2)	-	-	-	-	-	-	-	-	-	-	72,844	16,040	-	-	72,844	16,040
SMFG India Home Finance Company Limited	Investments made during the year	-	-	-	45,000	-	-	-	-	-	-	-	-	-	-	-	45,000
	Purchase of loan portfolio during the year	-	-	-	38,153	-	-	-	-	-	-	-	-	-	-	-	38,153
	Income as per resource sharing agreement during the year	-	-	4,908	4,230	-	-	-	-	-	-	-	-	-	-	4,908	4,230
	Expense as per resource sharing agreement during the year*	-	-	157	56	-	-	-	-	-	-	-	-	-	-	157	56
	Fee earned on committed line during the year (note 3)	-	-	-	168	-	-	-	-	-	-	-	-	-	-	-	168
	Service Fees expense towards Assignment transaction during the year*	-	-	90	81	-	-	-	-	-	-	-	-	-	-	90	81
	Guarantee outstanding as at#	-	-	18,641	23,559	-	-	-	-	-	-	-	-	-	-	18,641	23,559
	Receivable on account of resource sharing, assignment transaction and others as at (net) (note 5)	-	-	2,482	2,812	-	-	-	-	-	-	-	-	-	-	2,482	2,812
	Investments as at	-	-	1,33,500	1,33,500	-	-	-	-	-	-	-	-	-	-	1,33,500	1,33,500
	Maximum investments balance during the year	-	-	1,33,500	1,33,500	-	-	-	-	-	-	-	-	-	-	1,33,500	1,33,500

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Notes to Standalone Financial Statements

for the year ended 31 March 2026

(₹ lakhs)

Name of Related Party	Particulars	Holding (as per ownership or control)		Subsidiaries		Key Management Personnel		Directors		Entity having Common Director		Fellow subsidiary		Associate of Holding Company		Total	
		FY26	FY25	FY26	FY25	FY26	FY25	FY26	FY25	FY26	FY25	FY26	FY25	FY26	FY25	FY26	FY25
Perfios Software Solutions Private Limited	Credit Agency Fees expense during the year*	-	-	-	-	-	-	-	-	381	85	-	-	-	-	381	85
	Credit Agency Fees outstanding as at	-	-	-	-	-	-	-	-	90	19	-	-	-	-	90	19
Yes Bank Limited	Sale of loan portfolio during the year	-	-	-	-	-	-	-	-	-	-	-	-	6,845	-	6,845	-
	Service Fees income towards Assignment transaction during the year	-	-	-	-	-	-	-	-	-	-	-	-	5	-	5	-
	Payable on account assignment transaction and others (net) as at	-	-	-	-	-	-	-	-	-	-	-	-	176	-	176	-
	Remuneration																
Key Management Personnel	Short Term employee benefits: Salary, bonus & allowances	-	-	-	-	1,077	1,816	-	-	-	-	-	-	-	-	1,077	1,816
Key Management Personnel	Share-based payments (on payment basis)	-	-	-	-	531	6,992	-	-	-	-	-	-	-	-	531	6,992
Directors	Director's sitting fees	-	-	-	-	-	-	101	67	-	-	-	-	-	-	101	67
Directors	Director's Commission	-	-	-	-	-	-	141	150	-	-	-	-	-	-	141	150

**Includes GST component which is expensed out*

#The Outstanding Guarantee amount represents the outstanding Loan amount which is availed by the subsidiary

Note 1: All the related party transactions that were entered into during the financial year were on arm's length basis and in ordinary course of business.

Note 2: Transactions during the period represent notional value and outstanding amount represents Mark to Market.

Note 3: The Credit Line and the rate at which Commitment fees is charged on credit line provided to subsidiary is approved by the Board. The credit line was unutilised during the previous year and is discontinued in the current year.

Note 4: Outstanding amount for ECB borrowing represents base amount excluding MTM impact. ECB Borrowing is secured and Perpetual Debt borrowing is unsecured, both of these are not a non-cash transaction (also refer note 18 and 19).

Note 5: Includes Receivable towards assignment transaction of ₹ 968 lakhs as on 31 March 2026 (₹ 1,389 lakhs as on 31 March 2025).

Notes to Standalone Financial Statements

for the year ended 31 March 2026

Note 64. Exposure to real estate sector

(₹ lakhs)

Particulars	As at 31 March 2026	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 (including non fund based limits)	7,79,706	7,40,299
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. (including non-fund based limits)	6,35,899	5,05,098
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 and Housing Finance Companies*	1,62,653	1,67,905
Total Exposure to Real Estate Sector	**15,78,258**	**14,13,302**

Note 65. Exposure to Capital Market

(₹ lakhs)

Particulars	As at 31 March 2026	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	-	5
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	2,22,296	1,79,110
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	-	-
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	-	-
e) Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers	24,579	12,749
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	-	-
g) Bridge loans to companies against expected equity flows/issues	-	-
h) Underwriting commitments taken up by the NBFCs in respect of primary issue of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds	-	-
i) Financing to stockbrokers for margin trading	-	-
h) All exposures to Alternative Investment Funds Category I Category II Category III	-	-
Total Exposure to Capital Market	**2,46,875**	**1,91,864**

Investments in SMFG India Home Finance Company Limited (wholly owned subsidiary) is not considered in the above table.

Notes to Standalone Financial Statements
for the year ended 31 March 2026

Note 66. Sectoral Exposure

(₹ lakhs)

Particulars	As at 31 March 2026			As at 31 March 2025		
	Total exposure (incl. on balance sheet and off-balance sheet exposure)	Gross NPA	Percentage of Gross NPA to total exposure in that sector	Total exposure (incl. on balance sheet and off-balance sheet exposure)	Gross NPA	Percentage of Gross NPA to total exposure in that sector
1. Agriculture and Allied Activities	**89,416**	**600**	**0.7%**	**1,07,448**	**2,124**	**2.0%**
2. Industry	**11,34,159**	**34,731**	**3.1%**	**10,39,060**	**25,758**	**2.4%**
2.1 Micro and Small	11,04,792	34,606	3.1%	10,02,239	25,390	2.4%
2.2 Medium	29,161	124	0.4%	36,761	363	0.9%
2.3 Large	-	-	-	-	-	-
2.4 Others	206	1	0.7%	60	5	7.5%
3. Services	**26,85,767**	**69,809**	**2.6%**	**21,00,287**	**54,721**	**2.4%**
3.1 Transport Operators	13,408	1,195	8.9%	18,932	1,909	10.1%
3.2 Computer Software	-	-	-	-	-	-
3.3 Tourism, Hotel and Restaurants	30,879	1,187	3.8%	23,681	1,180	3.9%
3.4 Shipping	-	-	-	-	-	-
3.5 Professional Services	12,458	235	1.9%	16,689	2,078	4.8%
3.6 Trade	-	-	-	-	-	-
3.6.1 Wholesale Trade (other than Food Procurement)	-	-	-	-	-	-
3.6.2 Retail Trade	13,74,304	27,069	2.0%	12,13,197	25,474	2.3%
3.7 Commercial Real Estate	3,55,016	29,667	8.4%	351,243	17,073	7.7%
3.8 NBFCs	-	-	-	-	-	-
3.9 Aviation	-	-	-	-	-	-
3.10 Other Services	8,99,702	10,456	1.2%	4,76,545	7,007	1.2%
4. Personal Loans	**12,49,862**	**15,968**	**1.3%**	**11,92,136**	**21,439**	**1.8%**
4.1 Housing Loans (incl. priority sector Housing)	737	203	27.6%	850	158	18.6%
4.2 Consumer Durables	10,903	548	5.0%	11,178	573	4.4%
4.3 Credit Card Receivables	-	-	-	-	-	-
4.4 Vehicle/Auto Loans	52,946	524	1.0%	12,651	486	1.8%
4.5 Education Loans	25	1	5.3%	99	3	-
4.6 Advances against Fixed Deposits (incl. FCNR (B), etc.)	-	-	-	-	-	-
4.7 Advances to Individuals against Shares, Bonds	1,21,153	-	0.0%	96,906	-	0.0%
4.8 Advances to Individuals against Gold	-	-	-	-	-	-
4.9 Micro finance loan/SHG Loan	1,32,467	1,608	1.2%	2,82,618	6,773	2.4%
4.10 Other Retail loans	9,31,631	13,084	1.4%	7,87,834	13,446	0.5%
Total	**51,59,204**	**1,21,108**		**44,38,931**	**1,04,042**	

Notes to Standalone Financial Statements
for the year ended 31 March 2026

Note 67. Intra group exposures

(₹ lakhs)

Particulars	As at31 March 2026	2025
Total amount of intra-group exposures	2,482	2,812
Total amount of Top 20 intra-group exposures	2,482	1,453
Total exposure of the NBFC on borrowers/customers	53,46,908	47,00,547
Percentage of intra-group exposures to total exposures of the NBFC on borrowers/customers	0.05%	0.06%

**The company does not have any intra group loan exposure as at 31 March 2026 and 31 March 2025. The above represents receivable on account of resource sharing (net) and assignment transactions.*

Note 68.

The Company has Nil unhedged foreign currency exposures as at 31 March 2026 (31 March 2025: NIL)

Note 69. Disclosure of complaints

(₹ lakhs)

Particulars	Year ended 31 March 2026	2025
Complaints received by the NBFC from its customers		
1) Number of complaints pending at beginning of the year	59	8
2) Number of complaints received during the year	42,766	19,113
3) Number of complaints disposed during the year	40,891	19,062
3.1) Of which, number of complaints rejected by the NBFC	5,760	502
4) Number of complaints pending at the end of the year	1,934	59
5) Number of maintainable complaints received by the NBFC from Office of Ombudsman	1,148	691
5.1) Of 5, number of complaints resolved in favour of the NBFC by Office of Ombudsman	1,088	670
5.2) Of 5, number of complaints resolved through conciliation/mediation/advisories issued by Office of Ombudsman	60	21
5.3) Of 5, number of complaints resolved after passing of Awards by Office of Ombudsman against the NBFC	Nil	Nil
6) Number of Awards unimplemented within the stipulated time (other than those appealed)	NA	NA

**66 advisories received for Complaints received during the year ended 31 March 2026 (31 March 2025: 21) out of which 6 pertains to the previous year (31 March 2025: 1).*

***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.*

Notes to Standalone Financial Statements
for the year ended 31 March 2026

Top 5 Grounds of complaints, (i.e. complaints relating to)	Number of complaints pending as at the beginning of the year	Number of complaints received during the year	% increase/ decrease in the number of complaints received	Number of complaints pending as at the end of the year	Of 5, number of complaints pending beyond 30 days
1	2	3	4	5	6
For the year ended 31 March 2026					
Credit Bureau	13	4,403	-50%	126	-
Collections Follow-up	21	13,448	>100%	1,149	142
Payment	-	6,563	>100%	9	-
Delay in Disbursal	1	4,044	>100%	30	2
Delay in Loan Closure	-	2,366	>100%	-	-
Self-Service Portal	-	2,104	>100%	58	-
Others	24	9,838	>100%	562	14
Total	**59**	**42,766**	**124%**	**1,934**	**158**
For the year ended 31 March 2025					
Credit Bureau	3	8,808	>100%	13	-
Collections Follow-up	1	3,275	-13%	21	-
Delay in Disbursal	-	1,207	-64%	1	-
Delay in Loan Closure	1	793	-94%	2	-
Self-Service Portal	-	784	-34%	-	-
Others	3	4,246	-14%	22	-
Total	**8**	**19,113**	**-33%**	**59**	**-**

Note 70.

Currency Induced Risk

The company has undertaken ECB borrowings in multiple currencies like USD, JPY, Euro and AED. The underlying interest rates are a mix of both Floating and Fixed rates. The Company is risk averse both, in the short term as well as in the long term. It seeks to protect its cash flows by removing any variability related to currency fluctuations. Both short term and long-term exposures are completely hedged in conjunction with extant regulations. The tenors and amounts involved in the transactions correlate to the tenors and values of the underlying exposures. The floating interest rate ECB exposures have been hedged using Cross Currency swaps into Fixed rate. (Also refer note no. 4.)

Note 71.

There are no monetary penalty from any regulatory authority during the financial year 2025-26. During financial year 2024-25, The National Stock Exchange ('NSE') imposed a fine of Rs.10,000 towards non-compliance with Reg 60(2) of SEBI LODR related to intimation of record date to the Stock Exchange and RBI imposed a monetary penalty of Rs. 23,10,000 for non-compliance of certain provision of the Master Direction-Information Technology Framework for the NBFC sector.

Note 72.

a) **Breach of covenants:** 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.

b) **Off Balance Sheet exposures and structured products:** Refer note no. 42, 43 and 60 (iii) for off-balance sheet exposures. No structured product issued during the year ended 31 March 2026 and 31 March 2025.

c) **Area of Operation:** The Company operates PAN India. There is no overseas operation. Refer note 41 on segment information.

Notes to Standalone Financial Statements
for the year ended 31 March 2026

d) **Non Fund based credit facility:** There are no non-fund based credit facilities issued and outstanding during the financial year ended 31 March 2026 and 31 March 2025, other the non-fund based credit facility i.e. Guarantee issued to National Housing Bank on behalf of SMFG India Home Finance Company in India as disclosed in note no. 43.

Note 73.

The Company did not enter into any Credit Defaults Swaps during the year ended 31 March 2026 and 31 March 2025

Note 74.

There is no divergence in Asset Classification and Provisioning as assessed by RBI for the financial year ended 31 March, 2025.

Note 75.

Figure for the previous year have been regrouped and/or reclassified whenever considered necessary,the impacts are not material to the financial statement.

Note 76.

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 re-evaluated the potential impact on employee benefit obligations based on the revised definition of 'wages' under the New Labour Codes using currently available information and consistent with the guidance issued by the Institute of Chartered Accountants of India (ICAI). Based on management assessment and actuarial valuation, the Company has recognised a provision amounting to ₹ 3,728 lakhs (net of tax ₹ 2,790 lakhs) and disclosed the same under 'Exceptional Items' in the financial statements for the year ended March 31, 2026.

The Government of India has through recent notifications dated May 8, 2026 notified central rules pertaining to the aforesaid New Labour Codes. Since labour is a subject in the Concurrent List under the Constitution of India, implementation, and operationalisation of certain aspects of the New Labour Codes remain subject to issuance/adoption of corresponding state-specific rules, notifications and regulatory clarifications. Accordingly, the Company continues to evaluate the implications thereof and the financial impact, if any, will be accounted for as and when the same becomes reasonably measurable and ascertainable.

Note 77. Events after reporting date

There have been no other events after the reporting date that require adjustment in these financial statements. Post March 31 2026, the Company has allotted 10,53,92,156 equity shares of face value ₹ 10 each at a premium of ₹ 92 per share on right basis amounting to ₹ 1,07,500 lakhs on April 24, 2026 to its existing shareholder, Sumitomo Mitsui Financial Group (SMFG).

As per our report of even date attached.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm Registration No:001076N/N500013

Manish Gujral
Partner
Membership No:105117

Place: Mumbai
Date: 22 May 2026

For **M/s G.D. Apte & Co.**
Chartered Accountants
Firm Registration No:100515W

S.B. Rashinkar
Partner
Membership No:103483

Place: Mumbai
Date: 22 May 2026

For and on behalf of the Board of Directors of
SMFG India Credit Company Limited

Rajeev Kannan
Chairman
DIN: 01973006

Place: Mumbai
Date: 22 May 2026

Ravi Narayanan
CEO & Managing Director
DIN : 08528459

Place: Mumbai
Date: 22 May 2026

Pankaj Malik
Chief Financial Officer

Place: Mumbai
Date: 22 May 2026

Sagar Tawre
Company Secretary

Place: Mumbai
Date: 22 May 2026

SMFG
IndiaCredit
Pragati Ki Nayi Pehchaan

SMFG India Credit Co. Ltd.

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