Sindhuja
आपकी समृद्धि का साथी

Leading with Impact

Creating sustainable livelihoods. Building financial resilience.

Annual Report 2025-26

Ranked #1 in Asia in the 2025 60 Decibels Microfinance Index

आपकी समृद्धि का साथी

60 Decibels Social Impact Award

RANKED #1 IN ASIA IN THE 2025 60 DECIBELS MICROFINANCE INDEX.

REACHING THOSE OFTEN LEFT BEHIND

98% are living below $6.85 per day – compared to 77% nationally.

60% of the 285 Sindhuja customers surveyed are living below $3.65 per day – compared to 29% nationally.

BUILDING BRIGHTER FUTURES

91% say their quality of life has improved.

70% say the number and/or quality of meals their family eats has increased.

FROM OPPORTUNITIES TO ACTION

89% say their business earnings have improved.

82% say they can better manage their finances, budgeting, saving, and planning for emergency expenses.

SUPPORTING BUSINESS GROWTH

57% of customers surveyed are using loans to invest in an existing business.

35% of customers are using the capital to start a new business.

Corporate Information

Board of Directors:

Mr. Abhisheka Kumar
Managing Director

Mr. Abhishek Sharman
Nominee Director

Mr. Agustin Vitorica
Nominee Director

Mr Ameet Goyall
Nominee Director

Mr. Diwakar Pundir
Independent Director

Ms Jagriti Bhandari
Nominee Director

Ms. Laetitia Counye
Nominee Director

Mr. Malkit Singh Didyala
Whole Time Director,
CEO & CIO

Mr. Sandeep Phanasgaonkar
Independent Director

Company Secretary

Pankaj Kumar Sinha

Statutory Auditors

S S Kothari Mehta & Co. LLP Chartered Accountants

Registered & Corporate Office

Office No. 701A-721A, 7A Floor, Tower C, Noida One, Plot No. 8, Block B, Sector 62, Noida, District: Gautam Budh Nagar, Uttar Pradesh – 201301

Table of Contents

Message from The Founders

Dear Stakeholders,

The last two years have been among the most challenging periods in the history of the Indian microfinance sector. Economic uncertainties, heightened portfolio stress across several geographies and changing borrower behaviour tested the resilience of financial institutions across the industry. During this period, the sector witnessed a contraction of 24%, compelling institutions to reassess their strategies and reinforce their operating models.

Against this backdrop, Sindhuja Microcredit remained steadfast in its commitment to responsible lending, prudent risk management, and long-term value creation. Rather than pursuing growth at any cost, we consciously prioritized portfolio stability, customer engagement, and operational discipline. While our business was not immune to the industry's challenges, the Company demonstrated comparatively stronger resilience, recording a decline of approximately 13% over the same period. We believe this reflects the strength of our business model, disciplined execution, and the unwavering commitment of our employees.

One of the most encouraging developments during this journey has been our return to monthly profitability from February 2026 onwards. This milestone represents more than an improvement in financial performance—it reflects the effectiveness of the corrective measures implemented across the organization and reinforces our belief that sustainable growth is built on strong fundamentals, disciplined execution, and responsible finance.

The foundation laid during FY2025–26 has been further fortified in the current fiscal year (Fy2026–27). We successfully completed our Pre-Series D equity raise of ₹47 crore, reaffirming investor confidence in the Company's long-term vision and growth potential. Additionally, we augmented our capital base by raising ₹23 crore in Tier II capital, driving a significant improvement in our Capital Adequacy Ratio (CRAR)—which increased from 22.92% in March 2026 to 31.20% in June 2026. This substantial capital buffer markedly strengthens our financial resilience and provides a robust runway to support future growth.

Another significant milestone has been the successful implementation of our in-house Loan Origination System (LOS), integrated with a new Loan Management System and accounting platform. This represents much more than a technology upgrade. It marks a major step in our digital transformation journey, enabling faster decision-making, stronger process controls, enhanced customer experience, and improved scalability as we prepare for the next phase of growth.

Looking ahead, we believe FY2026-27 marks the beginning of a new chapter for Sindhuja Microcredit. The operational improvements achieved over the past year, coupled with a stronger capital position, and enhanced technology capabilities, provide us with a solid platform to pursue sustainable and profitable growth. Our priorities remain clear—to deepen customer relationships, strengthen credit discipline, leverage technology to improve efficiency, diversify our lending portfolio and continue building a resilient institution that creates lasting value for all stakeholders.

None of these achievements would have been possible without the trust and support of our customers, the dedication of our employees, the confidence of our lenders and investors, and the guidance of our Board of Directors. We extend our heartfelt gratitude to each of them for standing by us during this transformational journey.

The challenges of the past two years have reinforced an important belief—that resilient institutions are built not during periods of comfort, but during times of adversity. We emerge from this phase stronger, more disciplined, and better prepared for the opportunities ahead. As we continue our journey, we remain committed to advancing financial inclusion with integrity, responsibility, and excellence, while creating sustainable value for every stakeholder we serve.

Warm regards,

Mr. Abhisheka Kumar
Co-Founder & Managing Director

Mr. Malkit Singh Didyala
Co-Founder & CEO

About Us

Sindhuja Microcredit is a new-age, technology-driven, rural-focused microfinance institution founded by seasoned banking professionals with the vision of promoting financial inclusion among underserved communities. The Company commenced operations on April 30th, 2018 with its Head Quarters in Noida.

Today, Sindhuja Microcredit operates through a network of 366 branches across 12 states- Bihar, Jharkhand, Chhattisgarh, Gujarat, Rajasthan, Haryana, Uttar Pradesh, Madhya Pradesh, Andhra Pradesh, Maharashtra, Telangana and Odisha. Leveraging technology and a customer-centric approach, the Company delivers responsible financial services to low-income women from underserved households, enabling them to build sustainable livelihoods, enhance household incomes, and improve their overall quality of life

With a strong focus on operational excellence, prudent risk management, and inclusive growth, Sindhuja Microcredit is committed to creating lasting social impact while building a sustainable and scalable financial institution.

Mission

Sindhuja Microcredit aims to make financial services easily available to the financially excluded and MSME entrepreneurs through efficient, customer friendly and technology driven solutions.

Integrity

Customer Focus

People First

Innovation

Operational Excellence

Our Journey

Q1 FY19
Commenced MFI operations in Bihar under BC model and disbursed first loan on 30th April, 2018.

Q2 FY19
Expanded to Jharkhand and Eastern part of UP

Q3 FY19
Received NBFC- MFI license from RBI in Oct -18 and disbursed first loan under own book.

Q4 FY19
Raised Series A of ₹25 Crore from Carpediem Capital

Q1 FY20
In less than one year of operations, become profitable on monthly basis.

Q2 FY20
Q2 FY20: Received Tranche II from Carpediem post RBI approval along with infusion from promoters, expanded to Chhattisgarh, became profitable on YTD basis.

Q3 FY20
Expanded to Rajasthan.

Q1 FY21
In midst of COVID-19 pandemic, raised Series B of ₹65 Crore and on boarded our second institutional investor - Abler Nordic

Q4 FY21
Crossed 1,00,000 active customer base and ₹200 Crore of AUM.

Q2 FY22
Opened 100th branch.

Q3 FY22
Expanded to Haryana

Q1 FY23
Crossed AUM ₹500 Crore

Q3 FY23
Expanded to Madhya Pradesh and Gujarat

Q4 FY23
> Awarded "Microfinance of the year (medium)" by Inclusive Finance India

> Raised Equity of ₹32Crore from Carpediem and Abler Nordic

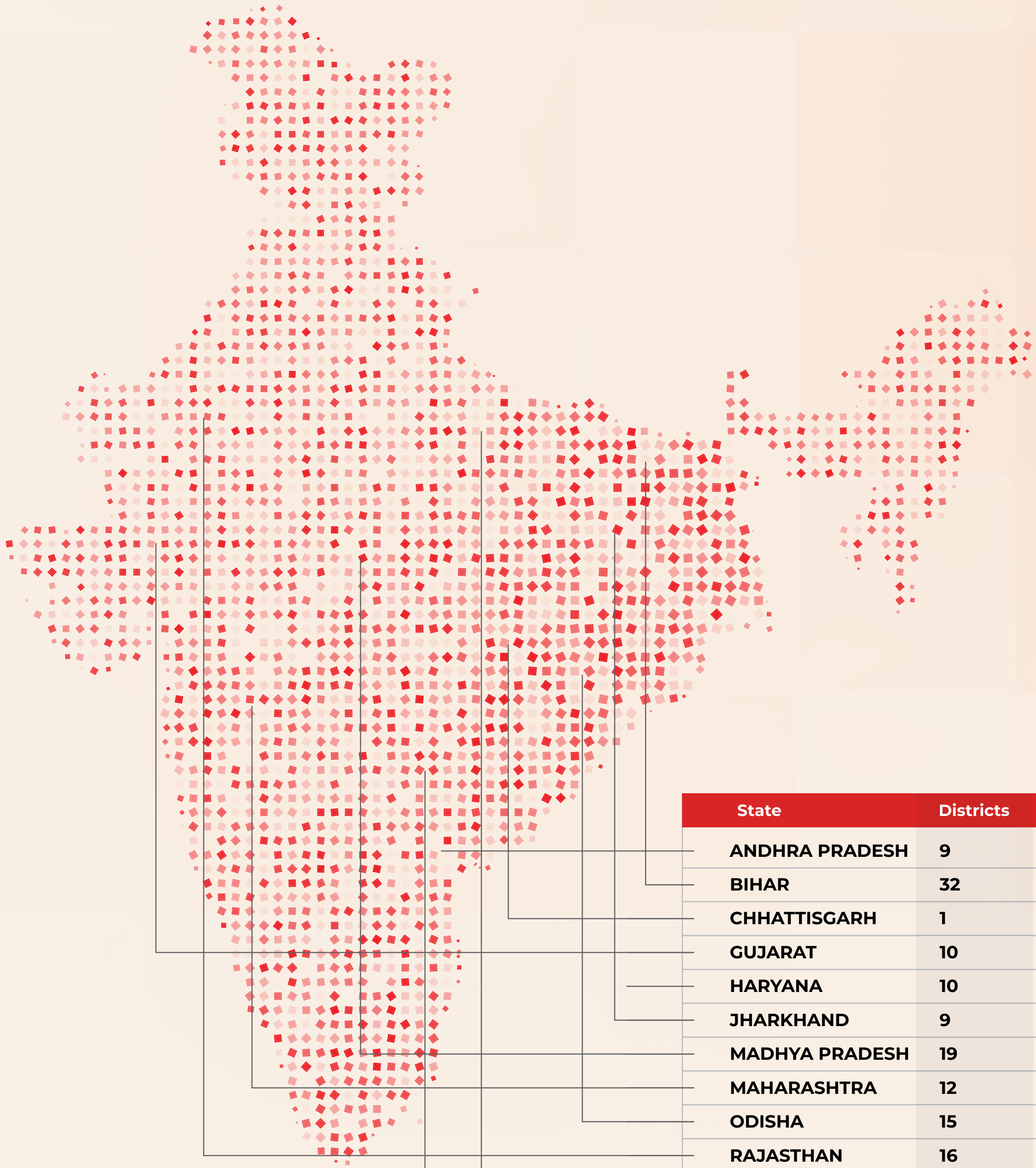
Q1 FY25:
Expanded to 3 new states Telengana , Maharashtra & Andhra Pradesh

Q3 FY24
Expanded to Odisha

Q4 FY24
> Crossed 1000Cr AUM

> Raised Series-C of ₹120 Crore from Gawa Capital and Oikocredit

Area of Operations



State	Districts	Branches
ANDHRA PRADESH	9	23
BIHAR	32	82
CHHATTISGARH	1	1
GUJARAT	10	22
HARYANA	10	16
JHARKHAND	9	16
MADHYA PRADESH	19	36
MAHARASHTRA	12	29
ODISHA	15	25
RAJASTHAN	16	28
TELANGANA	16	41
UTTAR PRADESH	26	47
TOTAL	175	366

Creating sustainable livelihoods. Building financial resilience.

Our Products

Sindhuja Microcredit offers a range of financial products thoughtfully designed to address the evolving needs of underbanked and underserved customers. Our product portfolio focuses on providing timely and accessible credit that empowers customers to undertake income-generating activities, strengthen household cash flows, and improve their economic well-being.

The Company primarily provides microfinance loans to economically active women residing in low-income rural households. These loans support a wide range of livelihood activities across agriculture and allied sectors, manufacturing and production, trading, and services, enabling borrowers to establish or expand small businesses and enhance their earning potential.

These loans are extended through the **Joint Liability Group (JLG) lending model**, which promotes financial discipline, peer support, and high repayment behaviour while mitigating credit risk. By combining a customer-centric approach with technology-enabled operations and robust underwriting practices, Sindhuja Microcredit delivers responsible financial solutions that contribute to sustainable livelihoods and financial inclusion.

All microfinance loan products offered by Sindhuja Microcredit are mandatorily covered by **credit life insurance**, ensuring that the outstanding loan principal is repaid in the unfortunate event of the death of either the borrower or the guarantor. This provides financial security to the borrower's family while safeguarding the Company's portfolio.

To further strengthen customer protection, the Company offers a customized Hospital Cash Insurance product at a nominal premium. The policy provides an income support benefit of up to ₹500 per day in the event of hospitalization of the borrower or guarantor due to illness or accident, helping families manage temporary loss of income during medical emergencies.

Building on its strong presence in rural markets, Sindhuja has also expanded its offerings to serve the evolving credit requirements of semi-urban customers through its MSME lending portfolio. These loans are designed to meet the working capital needs of micro and small enterprises, enabling entrepreneurs to sustain and grow their businesses.

Recognizing the diverse profile of small business owners, the Company offers customized lending solutions based on the availability of income documentation. Under its Liquid Income Program (LIP), credit is extended to eligible borrowers without formal income documents using surrogate cash flow assessment methodologies. For customers with documented income, such as GST registrations, trade licenses, Income Tax Returns (ITRs), bank statements, or other acceptable financial records, the Company offers tailored MSME loan products based on their assessed repayment capacity.

Through its diversified product portfolio, Sindhuja Microcredit continues to provide responsible, customer-centric financial solutions that promote entrepreneurship, financial inclusion, and sustainable economic development across rural and semi-urban India.

Board of Directors

Mr. Abhisheka Kumar
Managing Director

Mr. Abhisheka Kumar is the Co-Founder and Managing Director of Sindhuja Microcredit Pvt. Ltd. and has over two decades of experience in the microfinance sector. Since 2004, he has worked across the entire microfinance ecosystem as a donor, technical assistance provider, lender, mentor, and practitioner, giving him a well-rounded perspective on the industry's evolution and growth.

Prior to co-founding Sindhuja Microcredit, he was part of the founding leadership team of a new-generation microfinance institution that later evolved into a leading Small Finance Bank. He has extensive expertise in strategy, capital raising, business expansion, enterprise risk management, corporate governance, regulatory compliance, investor relations, and ESG. He has played a key role in embedding responsible lending, customer protection, and sustainability principles into the Company's operations.

Earlier in his career, Mr. Kumar held leadership roles with Friends of Women's World Banking (FWWB), ICICI Bank, and Utkarsh Small Finance Bank. He is a graduate of St. Xavier's College, Kolkata, and holds a Post Graduate Diploma in Rural Management (PGDRM) from the Institute of Rural Management Anand (IRMA).

Mr. Abhishek Sharman
Nominee Director

Mr. Abhishek Sharman is the founder and Managing Director of Carpediem Capital. He is responsible for driving the overall strategy and investment decisions, while also spearheading fund-raising activities. He was previously a Principal at India Equity Partners ("IEP"), an India-focused private equity fund with approximately USD 350 Mn in AUM. During his tenure at IEP, he worked across diverse sectors such as healthcare, education, managed services, consumer services, and financial services. Prior to IEP, he was an investment professional with SUN Group, a private equity firm focused on emerging markets, primarily Russia and India, with USD 2 Bn in investments. He has received a management degree from the Indian Institute of Management (IIM), Calcutta and an engineering degree from the Indian Institute of Technology (IIT), Delhi.

Mr. Ameet Goyall
Nominee Director

Mr. Ameet Goyall brings with him over 23 years of experience, of which ~17 years have been in PE/VC space across India, South Asia & South-East Asia, and earlier in Corporate Finance & Entrepreneurship.

He has been involved in over USD 325 Mn of equity investments across sectors like Financial Services, Consumer, Healthcare, Agribusiness, Manufacturing, etc. He earlier had stints with Phi Capital, DEG (The German Development and Investment firm), Sun Group & J P Morgan. He has been involved in marquee transactions like Classic Legends (Jawa motorcycles), MAS financial, Equitas, J K Paper, among others and was active not just at board level but also at operational level across various portfolio companies.

He is a Chartered Accountant and has a management degree from Indian School of Business (ISB, Hyderabad). He did his under graduation from Shri Ram College of Commerce, Delhi University.

Mr. Diwakar Pundir
Independent Director

Mr. Diwakar Pundir has experience of more than 18 years in the Banking & NBFC industries with specialization in Risk Management & Underwriting in SME & Mid-market Segments, across products like Working Capital & Term Loans, Business Loans, Home Loans, Loans Against Properties, Personal Loans, Construction Equipment Finance, Loans Against Liquid Securities, etc. He was the Chief Commercial Credit Officer and a Member of the Senior Management Team at Bajaj Finance Ltd (BFL). He has also worked in Citi Bank and ICICI Bank. In 2019 he founded STFT Finance Pvt Ltd - an NBFC engaged in Small Business Loans (LAP and Unsecured Business Loans) to Micro Enterprises. Diwakar received a management degree from Indian Institute of Management, Bangalore, and an engineering degree from the University of Roorkee.

Mr. Malkit Singh Didyala
Whole Time Director, CEO & CIO

Mr. Malkit Singh Didyala is the Co-Founder and Chief Executive Officer of Sindhuja Microcredit Pvt. Ltd. He brings over 22 years of experience across banking, financial services, and the development sector. Over the course of his career, he has developed deep expertise in business development, lending operations, and institution building across multiple lending verticals.

Prior to co-founding Sindhuja Microcredit, Mr. Didyala held key positions with leading financial institutions, including ICICI Bank, Bajaj Finance Ltd., and Utkarsh Small Finance Bank. His extensive experience spans microfinance, MSME lending, mortgage lending, and institutional lending, where he has played a significant role in building and scaling lending businesses, driving operational excellence, and expanding access to finance for underserved communities.

At Sindhuja Microcredit, Mr. Didyala leads the Company's overall business operations and growth strategy. He has been instrumental in driving business expansion, strengthening operational processes, and fostering a customer-centric culture. He has a keen interest in leveraging technology and digital innovation to enhance operational efficiency, improve customer experience, and promote financial inclusion through scalable and sustainable business models.

Mr. Sandeep Phanasgaonkar
Independent Director

Mr.Sandeep Phanasgaonkar is founder of 'agileITvantages' and advises enterprises, large consulting firms and PE/VC portfolio companies in digital business strategy, transformation and governance. Sandeep was Group CIO at Access Bank, a dominant Nigerian and pan African bank. He was President & Chief Technology Officer for Reliance Capital Ltd. He led transformation in RCap in Virtualization, Mobility, Cloud Computing & Business Intelligence. Sandeep began his career with the State Bank of India. He then worked for Tata Unisys as consultant for banking technology for offshore development centers and product development. He later worked with Oracle Financial Software, a world leader in banking ERP systems as senior consultant for global pre-sales and implementations. Sandeep became Regional Technology Head of Deutsche Bank for Asia and saw the bank through its crucial Y2K phase and key implementation+I8 of cash management systems. He subsequently joined GE Capital as India CIO & took over as Global CIO of Genpact, India's largest BPO/ITES Company. He led the critical IT Migration of Genpact from GE after its divestment. Sandeep has an MBA in Finance from JBIMS, Mumbai University, a diploma in Digital Strategies for Business from Columbia Business School and certification in Artificial Intelligence, Design Thinking from MIT Sloan.

Board of Directors

Ms. Jagriti Bhandari
Nominee Director

Ms. Jagriti Bhandari with over 3 years of experience in PE, M&A and Strategic Consulting projects, Jagriti has worked across transaction origination, execution and relationship management. Prior to joining Abler Nordic, she was a part of the Investment Banking team at ValPro with a focus on PE and M&A transactions across sectors. She also managed their private investment portfolio of early-stage start-ups. Previously, she worked with TresVista, Mumbai. She holds an MBA degree (finance major) from NMIMS, Mumbai and B. Tech in Information Technology. She also holds a certification in Social Impact Analysis from Acumen.

Mr. Agustin Vitorica
Nominee Director

Mr. Agustin Vitorica is the Founder and Co-CEO of GAWA Capital, Spain's leading impact investing firm with over €200 million in Assets under Management or Advisory through four impact investing funds launched in the last 14 years. Agustin has been instrumental in the introduction of Impact Investing as an asset class in Spain, having closed alliances with leading private banks, large wealth managers and traditional asset managers. GAWA Capital has completed over 70 investments worldwide in areas such as m icro finance, SME financing and smallholder agriculture finance having improved the lives of more than 800 thousand low income individuals in emerging markets.

Agustin is Master of Business Administration by Kellogg School of Management and holds 23 years of private equity experience and is also a Founder and Member of the Executive Committee of SpainNAB, Spain's association for impact investing. He teaches at Universidad Autonoma's Impact Investing Course and he is also a teacher of impact investing at IE University.

Ms. Laetitia Counye
Nominee Director

Ms. Laetitia Counye is currently active as an independent advisor in the sector of impact investments. She has started her career in the banking sector within the investment management department of ING Belgium. Since 2007, she has been active as an investment professional within the sector of impact investments in developing countries worldwide. As a private equity investment officer, she has investigated and managed investment projects in Microfinance Institutions with Incofin (2007 to 2011). From 2012 to 2023, she held positions as a Senior Investment Officer and Manager within the investment department of the Belgian Investment Company for Developing Countries (BIO). Her focus was mainly on the private equity activities of BIO through investments in financial institutions and private equity funds active in Africa, Asia and Latin America. During those years, she was member of the Board of Directors of Annapurna Finance (between 2014 and 2021) and was part of the Board of Directors of Fusion Microfinance for a brief period before BIO sold its stake in the company in 2018.

Leadership Team

SALES LEADERS

Nagendra Nashine
Business Head – JLG(North)

Pravin Kumar
Credit Head - MSME

Dr. Satyapal
National Sales Manager - MSME

N Ramakrishna
Senior Zonal Head - MFI

FUNCTIONAL HEADS

Pankaj Sinha
Company Secretary & Chief Compliance Officer

Rohit Tandon
Head, Finance

Akhilesh Dubey
Head, Accounts

Vimal Kumar
DVP, HR, Recruitment & Training

Pankaj Rautela
AVP, Audit

Pallavi Jain
AVP, HR

Sanchiyta Narula
AVP, Compliance

Operational Highlights

366 Branches

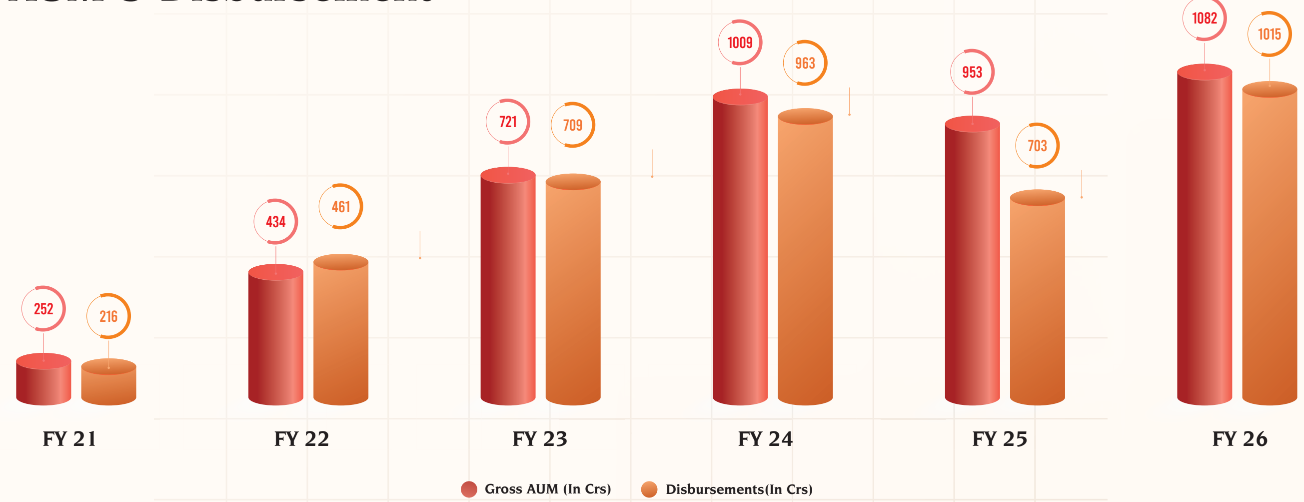
12 States

175 Districts

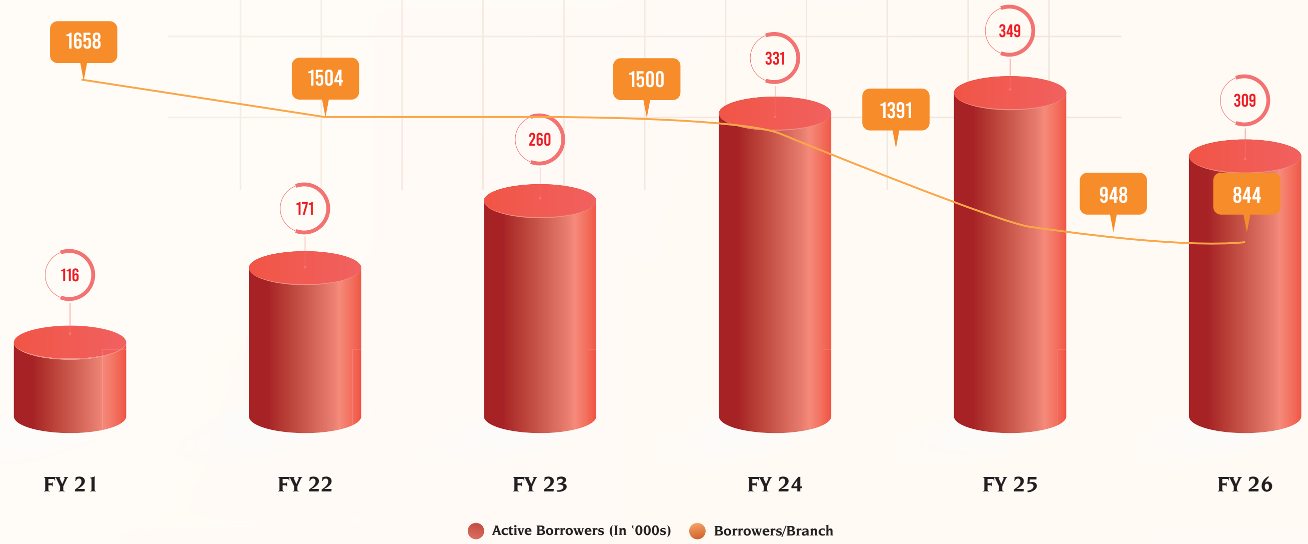
3.1 Lakh Customers

2,488 Employees

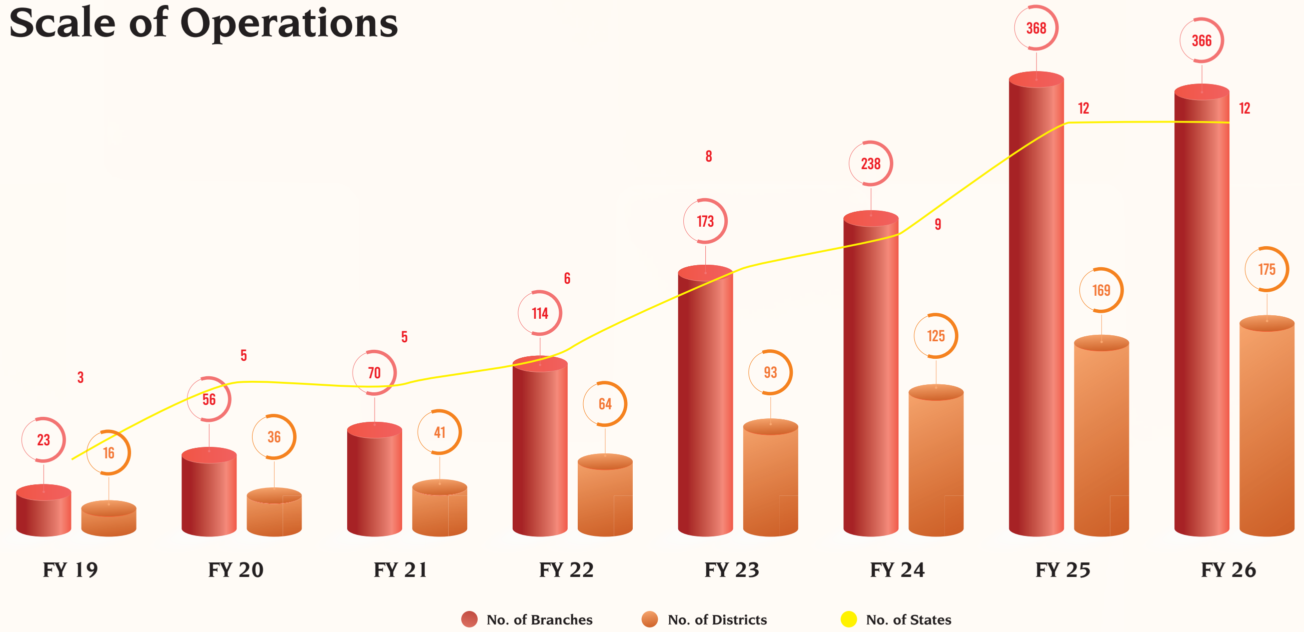
AUM & Disbursement



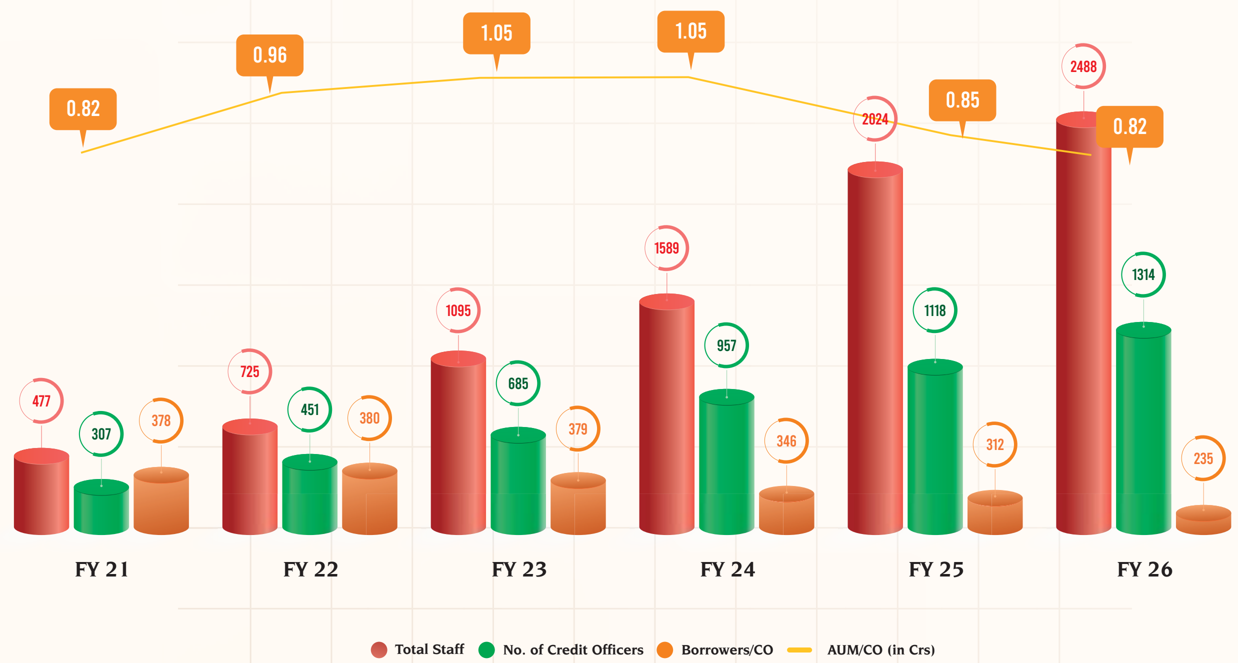
Outreach



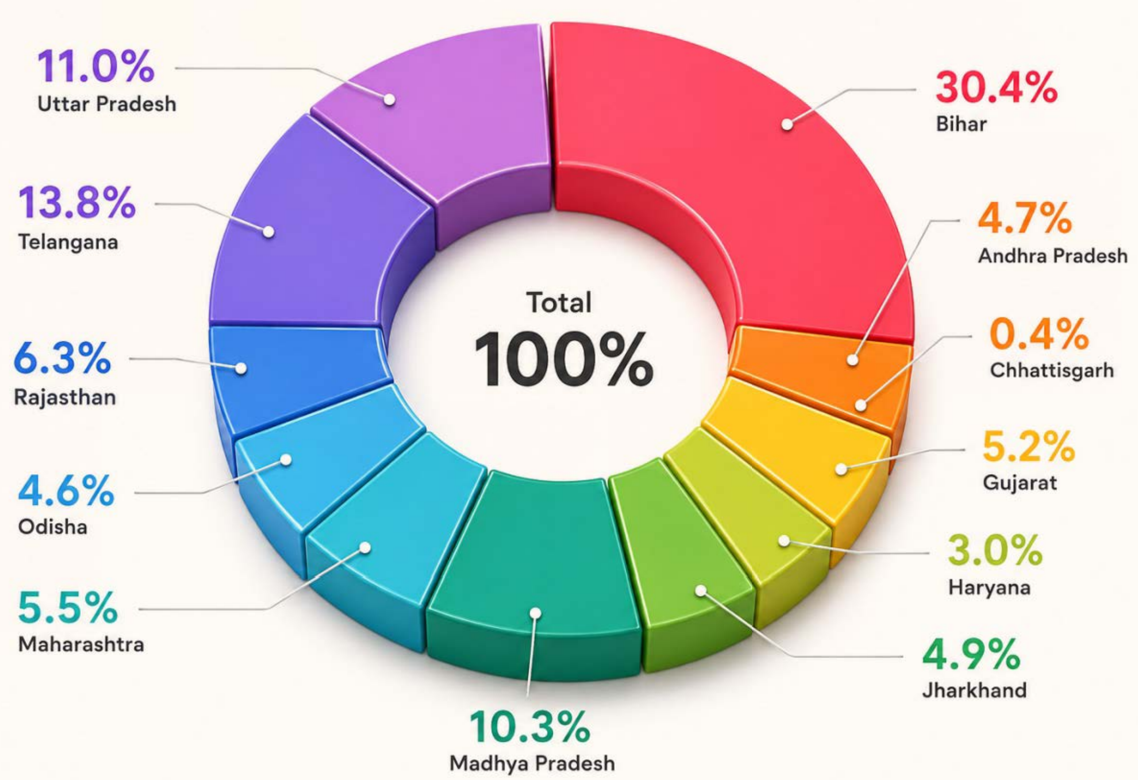
Scale of Operations



Staff & Productivity

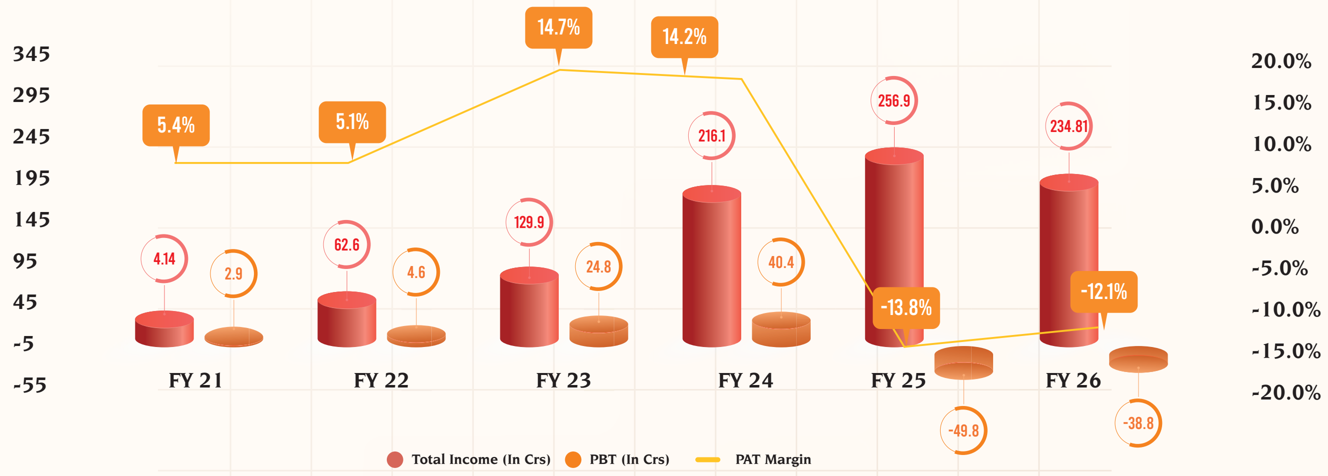


POS Share by State

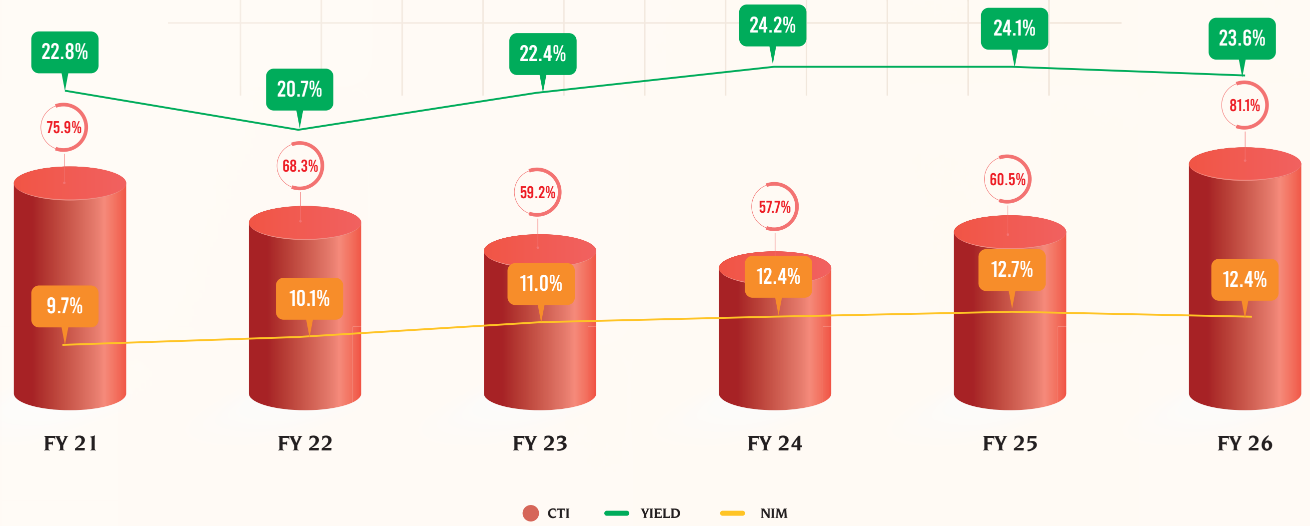


Financial Highlights

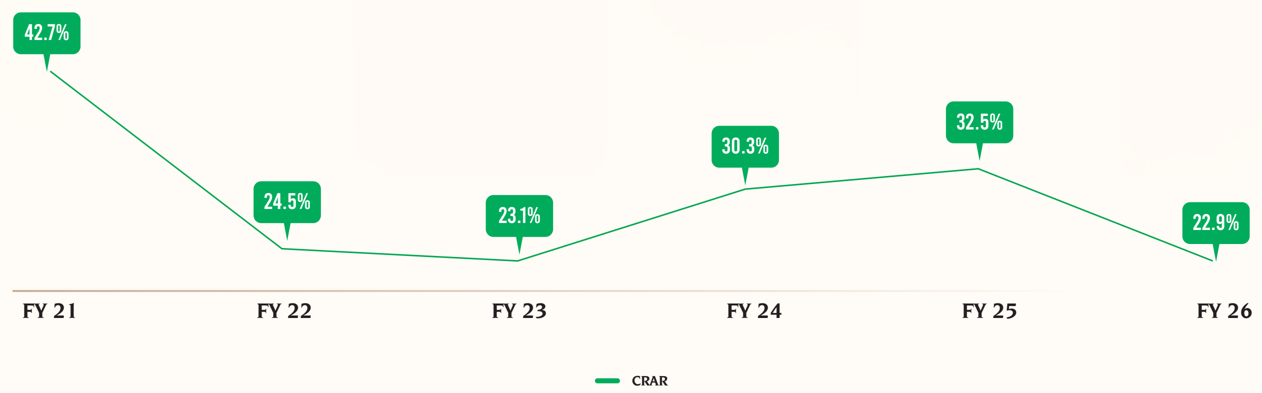
Income & Profitability



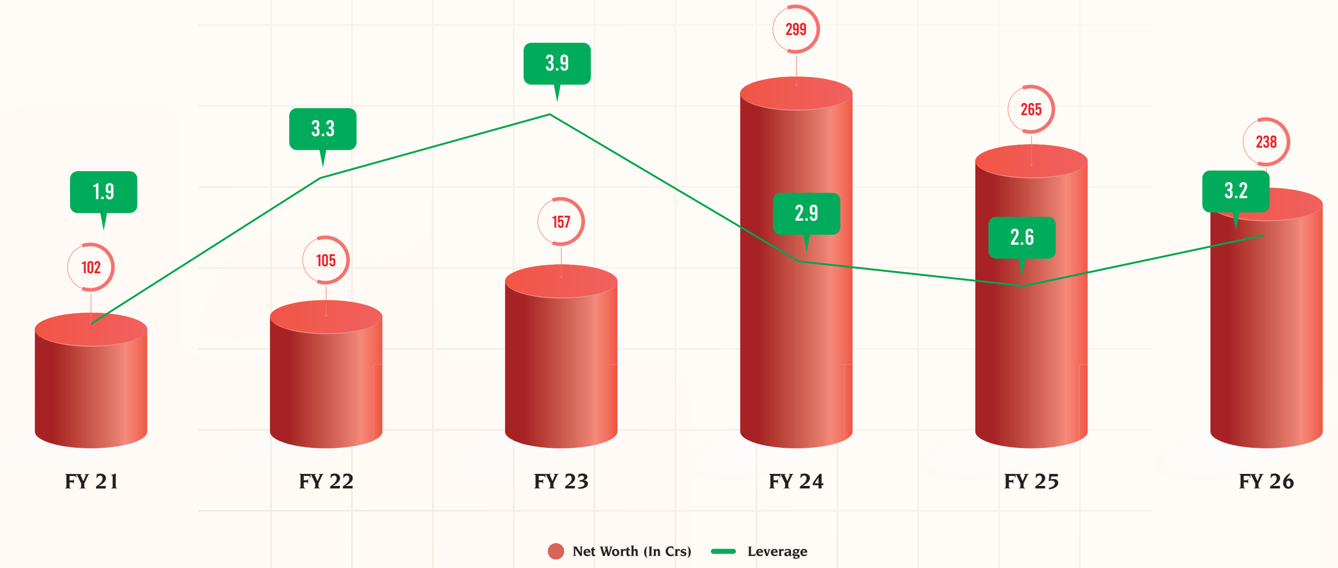
CTI, Yield & NIM



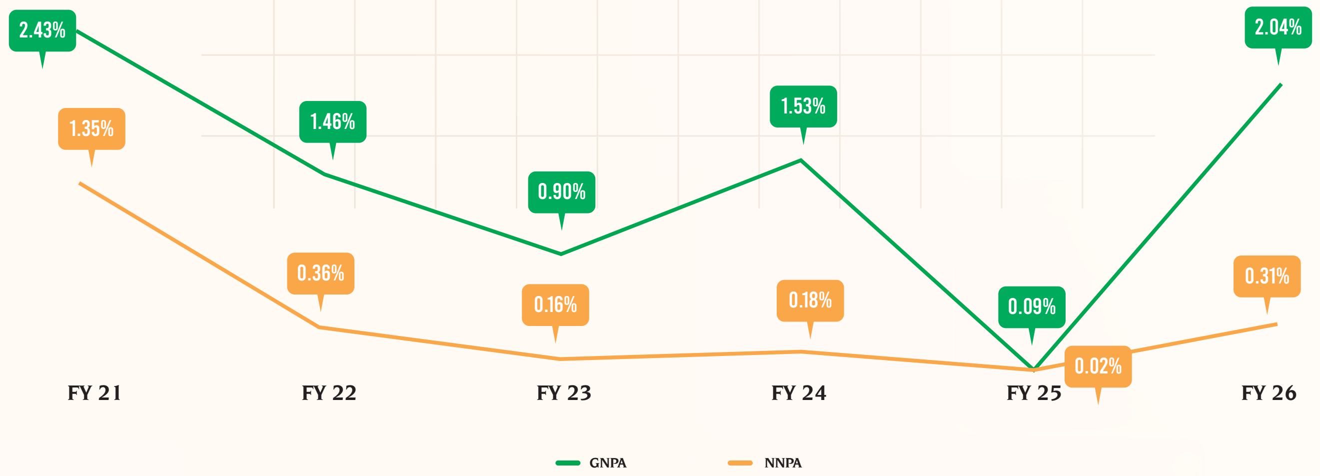
Capital Adequacy



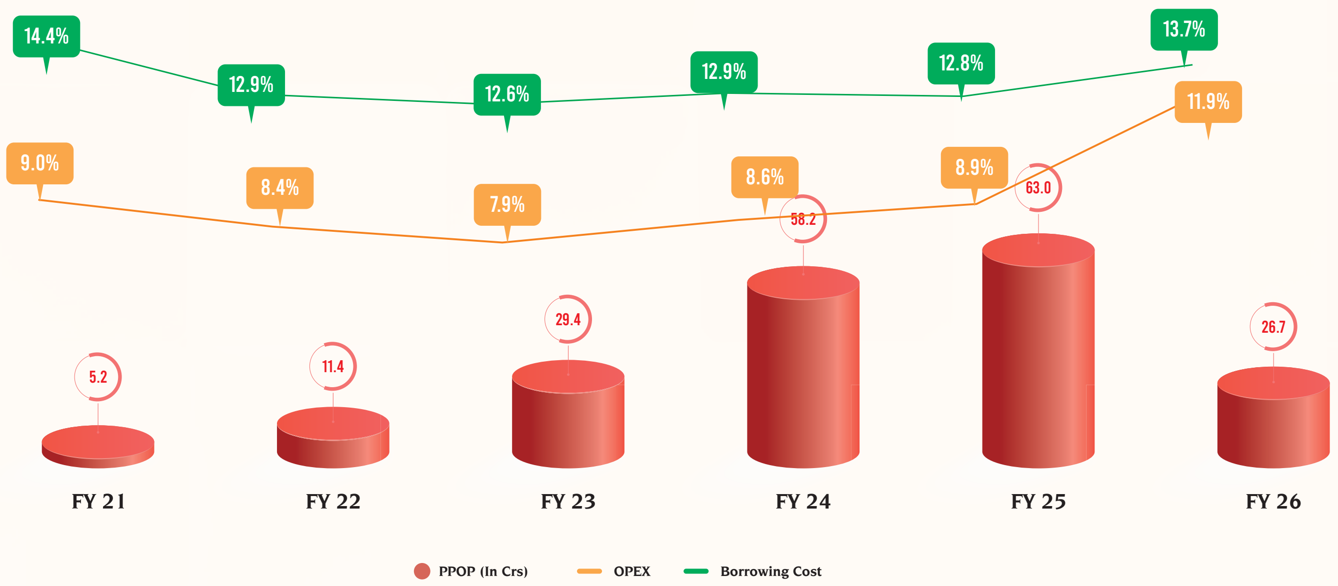
Net Worth & Leverage



Portfolio Quality



PPOP, OPEX & Borrowing Cost



Our Institutional Investors

Carpediem Capital is an Indian private equity fund manager focused on the India consumption opportunity through investments in emerging SME (small and medium enterprise) leaders. Carpediem Capital's investments are centred on two broad consumption themes - companies that are creating consumer brands or are providing organized services that have been traditionally unorganized and fragmented.

Led by senior professionals, Carpediem Capital has a strong team with a clear vision to best leverage this opportunity. The senior team has both investing and operational skills and has rich experience and deep understanding of the sectors it focuses on.

Abler Nordic (formerly Nordic Microfinance Initiative) was established in 2008 in Oslo, Norway as a partnership between the public sector and private investors. Norfund and IFU, the Norwegian and Danish governmental investment funds for developing countries, represent the Norwegian and Danish States. Private investors include DNB Livsforsikring, Ferd, KLP, Lauritzen Fonden, PBU, Storebrand, TD Veen and Koldingvej 2, Billund A/S. Abler Nordic is registered with The Financial Supervisory Authority of Norway as Alternative Investment Fund Manager (AIFM).

Abler Nordic's overall goal is to build sustainable financial institutions that enable low-income households in developing countries to create a better future. Abler Nordic combines existing experience in the field of microfinance and international development cooperation, with the capital strength and financial experience of institutional investors.

Founded in 2009, GAWA Capital is a leading impact investing advisory firm based out of Spain. They seek to improve the lives of low-income communities by promoting investment in social enterprises, whilst also providing a financial return to investors. Their investment philosophy is rooted in the belief that real, transformative change can only be driven by financially sustainable business models that provide tailor-made solutions to critical issues such as poverty or climate change.

To date, GAWA has advised 49 investments in 19 countries around the globe, directly impacting around 545,000 families.

Oikocredit is a Dutch social impact investor and worldwide cooperative with nearly five decades of experience funding organisations active in financial inclusion, agriculture and renewable energy.

Oikocredit's loans, equity investments and capacity building aim to enable people on low incomes in Africa, Asia and Latin America to improve their living standards sustainably.

Owned by over 48,000 individual and institutional investors, the cooperative finances more than 520 partners, with total outstanding capital of EUR 1,136 million (at March 2024).

Management Discussion And Analysis

1. Management's Perspective

FY2025-26 marked a year of transition for Sindhuja Microcredit Limited. Although the operating environment remained challenging, particularly during the first half of the financial year, the Company made measurable progress in strengthening its business fundamentals and positioning itself for sustainable long-term growth.

The microfinance sector continued to face the after-effects of elevated borrower indebtedness, changing customer repayment behaviour and funding constraints experienced over the previous two years. These conditions required lenders to adopt a more measured approach to business expansion while reinforcing credit discipline and operational oversight. Against this backdrop, the Company consciously prioritised stability over aggressive growth, focusing on preserving the quality of its franchise and enhancing organisational resilience.

Accordingly, management adopted a calibrated business strategy centred on disciplined underwriting, improved collection effectiveness, tighter operational monitoring and prudent cost management. Growth initiatives were aligned with the Company's risk appetite, ensuring that business expansion did not compromise long-term sustainability.

These efforts began to yield encouraging results during the second half of the financial year. Collection efficiency improved across several operating geographies, portfolio behaviour stabilised and overall business momentum strengthened. The gradual improvement in operating metrics provided confidence that the corrective measures implemented during the year were producing the intended outcomes.

The Company also continued to strengthen its strategic positioning by expanding its presence in identified markets, growing its Micro Loan Against Property (Micro LAP) portfolio and investing in organisational capabilities to support future growth. These initiatives were undertaken while maintaining a strong governance framework and adherence to the principles of responsible finance.

While FY2025-26 remained a year of consolidation rather than rapid expansion, it established a stronger foundation for the future. The Company enters FY2026-27 with improving operational momentum, a resilient business model and a clear strategic focus on sustainable growth, financial discipline and long-term value creation for all stakeholders.

After year end, the Company further reinforced its financial and operational capabilities through equity infusion, augmentation of Tier II capital and implementation of key technology initiatives, including an in-house Loan Origination System (LOS), a new Loan Management System (LMS) and an integrated accounting platform. These developments have strengthened the Company's capital position, enhanced operational efficiency and positioned it to capitalise on emerging growth opportunities while maintaining prudent risk management and sound governance standards.

2. Industry And Operating Environment

MACROECONOMIC ENVIRONMENT

The Indian economy demonstrated resilience despite continuing global economic uncertainties, geopolitical developments and volatile financial markets. Supported by strong domestic demand, sustained public investment and stable macroeconomic fundamentals, economic activity remained robust across several sectors.

The financial services sector continued to benefit from increasing formalization of the economy, rapid digital adoption and sustained policy support aimed at expanding financial inclusion. However, inflationary pressures, periodic interest rate movements and changing consumer spending patterns continued to influence borrowing behaviour across customer segments.

For the financial sector, maintaining a balance between growth and prudent risk management remained a key priority.

MICROFINANCE INDUSTRY

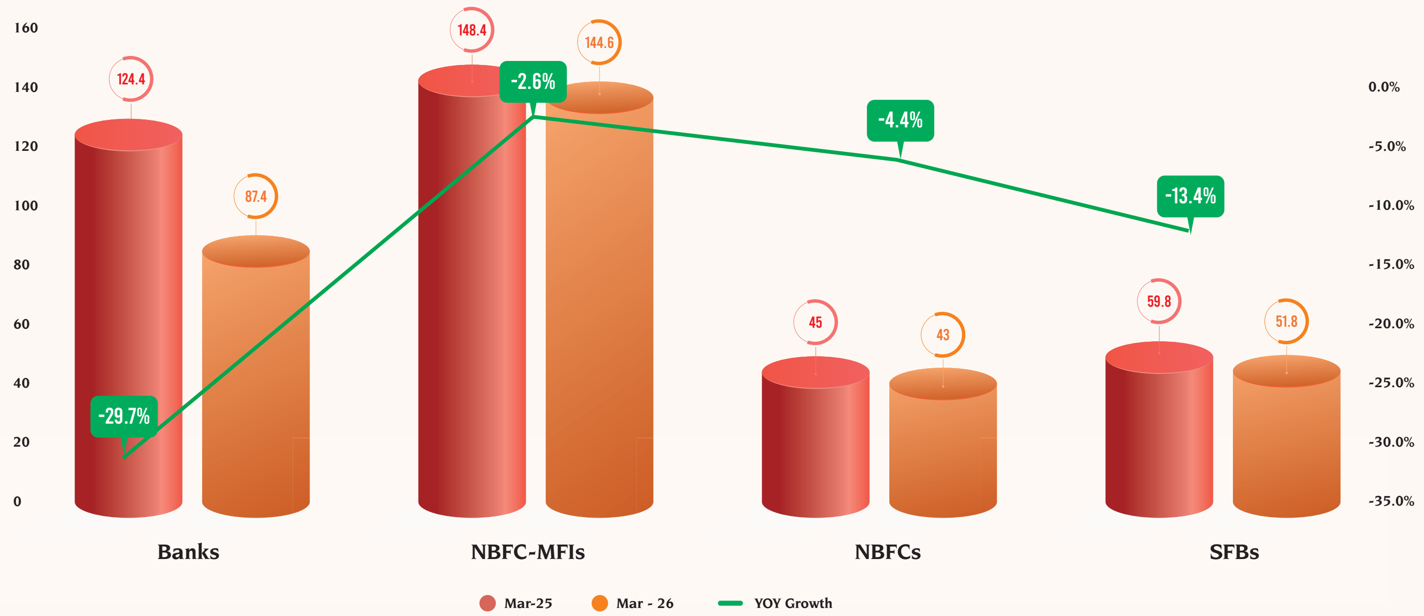
FY2025-26 represented a transition year for the Indian microfinance industry. While the sector continued to play a critical role in advancing financial inclusion and supporting livelihood generation, it remained impacted by the challenges that had emerged over the previous two years.

Higher borrower leverage in certain markets, uneven repayment behaviour, localized disruptions and increased operating costs led many microfinance institutions to adopt a more cautious approach towards business expansion. Consequently, the industry's focus shifted from rapid portfolio growth to strengthening asset quality, improving collection efficiency and reinforcing credit discipline.

Despite these challenges, the underlying demand for microfinance credit remained strong, supported by the significant unmet financing requirements of low-income households and women entrepreneurs across the country. The long-term structural drivers of financial inclusion, increasing rural entrepreneurship and expanding access to formal credit continue to provide substantial growth opportunities for responsible lenders.

The sector witnessed a moderation in disbursement volumes during FY 2025–26, with total disbursements of approximately ₹2.48 lakh crore across nearly ₹4.2 crore loan accounts. Despite the slowdown in loan volumes, the average ticket size increased from around ₹52,000 to approximately ₹61,500, reflecting a more calibrated lending approach, inflation-adjusted credit demand, and evolving borrower financing requirements. These trends, coupled with heightened focus on portfolio quality and risk management, resulted in a moderation in portfolio outstanding across lender categories. However, the extent of the decline varied significantly, with NBFC-MFIs demonstrating greater resilience than other lending institutions, as illustrated in the chart below.

YoY POS Growth Trends



In Lakh Crore

NBFC-MFIs recorded the least contraction in portfolio outstanding (2.6% YoY), compared with banks (29.7%), NBFCs (4.4%) and Small Finance Banks (13.4%), underscoring the relative resilience of the NBFC-MFI model during FY 2025–26.

REGULATORY ENVIRONMENT

The Reserve Bank of India continued to strengthen the regulatory framework governing NBFCs and microfinance institutions with increased emphasis on governance, customer protection, fair lending practices, risk management and responsible pricing.

The evolving regulatory environment encourages institutions to strengthen internal governance, enhance transparency, improve customer-centric practices and maintain robust risk management frameworks. These measures are expected to contribute to the long-term stability and sustainability of the sector.

For regulated entities, compliance has evolved beyond a statutory requirement and is now a strategic imperative that reinforces stakeholder confidence and supports sustainable business growth.

FUNDING ENVIRONMENT

The funding environment for NBFCs remained selective during the year. Lenders and investors increasingly focused on portfolio quality, governance standards, capitalization and operational performance while evaluating funding opportunities.

Institutions demonstrating disciplined underwriting, stable collection performance and sound governance continued to retain access to financial resources, although funding costs remained relatively elevated compared with previous years. This environment reinforced the importance of maintaining diversified funding relationships and strong financial fundamentals.

TECHNOLOGY AND DIGITAL TRANSFORMATION

Technology continued to reshape the financial services landscape by improving operational efficiency, enhancing customer experience and strengthening risk management capabilities.

Digital loan origination, data-driven credit assessment, process automation and real-time portfolio monitoring are increasingly becoming integral components of modern lending operations. Financial institutions are also investing in technology to strengthen internal controls, improve regulatory compliance and enhance operational resilience.

As customer expectations evolve and regulatory standards become more technology-driven, digital capabilities will continue to play a significant role in determining the competitiveness and scalability of financial institutions.

INDUSTRY OUTLOOK

Although near-term challenges persist in certain markets, the medium- to long-term outlook for the Indian microfinance sector remains positive. Improving collection trends, stronger credit discipline across the industry, continued policy support for financial inclusion and increasing adoption of digital technologies are expected to contribute to a more stable operating environment.

The sector continues to benefit from significant untapped demand for formal credit among underserved households and micro-enterprises. Institutions that maintain disciplined underwriting, sound governance, prudent risk management and customer-centric business practices are expected to be well positioned to capitalize on these opportunities while delivering sustainable long-term growth.

3. Strategic Response

The challenging operating environment required the Company to adopt a measured and forward-looking strategy that balanced business growth with long-term sustainability. Recognizing that preserving the strength of the franchise was more important than pursuing short-term expansion, the management focused on reinforcing the Company's operational, financial and governance framework.

The Company's strategic priorities were centred around five key areas: strengthening credit discipline, improving collection performance, enhancing operational effectiveness, diversifying the lending portfolio and building organizational capabilities to support future growth.

REINFORCING CREDIT DISCIPLINE

In view of the evolving risk environment, the Company further strengthened its credit appraisal and underwriting framework. Lending decisions were guided by rigorous assessment of borrower repayment capacity, existing indebtedness, cash flow analysis and adherence to internal credit policies.

The emphasis remained on maintaining disciplined credit standards and responsible customer selection rather than pursuing aggressive portfolio growth. This calibrated approach enabled the Company to preserve the long-term quality and resilience of its lending portfolio.

IMPROVING COLLECTION PERFORMANCE

Recognizing that collection efficiency would be a critical determinant of business stability and future growth, the Company significantly strengthened its collection and recovery framework.

As a strategic initiative, the Company established a dedicated Collections Vertical comprising approximately 160 employees, with primary responsibility for managing delinquent accounts beyond 60 Days Past Due (DPD). The creation of this specialized function enabled focused monitoring of overdue accounts, improved recovery efforts and allowed the business teams to concentrate on customer acquisition and portfolio management.

In addition, management enhanced collection governance through regular portfolio reviews, closer branch supervision, structured monitoring of delinquency trends and increased field-level engagement with customers. Collection strategies were continuously reviewed based on portfolio performance, enabling timely corrective interventions wherever required.

These initiatives resulted in a gradual improvement in collection efficiency and borrower repayment behaviour during the second half of the financial year. The dedicated collections infrastructure, coupled with strengthened monitoring and recovery processes, contributed to greater portfolio stability and established a stronger foundation for sustainable business growth.

ENHANCING OPERATIONAL EFFECTIVENESS

Improving operational productivity remained a key management priority during FY2025-26. The Company undertook several process improvement initiatives aimed at optimizing field operations, enhancing employee productivity and strengthening execution across the branch network.

A key operational focus was optimizing field route planning and staff deployment based on customer density. This ensured optimal allocation of field resources, minimized duplication of efforts and improved customer coverage by eliminating situations where multiple employees serviced the same route while other areas remained underserved. The optimized route planning enhanced field productivity and improved operational efficiency across branches.

The Company also redesigned its field operating model by restructuring the monthly business cycle. Traditionally, collection and disbursement activities were carried out simultaneously throughout the month, often limiting the effectiveness of both functions. During the year, the Company adopted a phased operating approach, with the first fourteen days of the month primarily dedicated to collection activities, while the remaining period focused on fresh disbursements and follow-up of delinquent borrowers. This structured approach enabled field staff to devote adequate time to each activity, resulting in better collection discipline without compromising business growth.

The Company also identified villages exhibiting persistently adverse credit behaviour based on historical portfolio performance. Such locations with persistent credit risk were geofenced and restricted within the operating system. This system-driven control eliminates discretionary deviations, promotes uniform credit discipline across the organization and reduces the risk of lending in identified high-risk locations.

Operational performance was monitored through regular branch reviews, productivity assessments, customer service indicators and compliance with operating policies. Enhanced management oversight, supported by data-driven monitoring and periodic performance reviews, facilitated timely decision-making and strengthened accountability across the organization.

The Company also continued to invest in employee capability through structured training programmes, enhanced supervisory support and strengthened operational controls. These initiatives collectively improved execution quality, increased field productivity and contributed to the gradual improvement in business performance during the second half of the financial year.

PORTFOLIO DIVERSIFICATION

The Company continued to pursue its strategy of building a balanced lending portfolio by expanding its Micro Loan Against Property (Micro LAP) business alongside its core microfinance operations.

The secured lending portfolio complements the Company's traditional microfinance business by addressing the financing requirements of small entrepreneurs and self-employed customers. This diversification strategy is expected to enhance portfolio resilience over the long term by broadening the Company's product mix while maintaining prudent underwriting standards.

The Company's operational and business highlights are summarized below:

Parameter	Mar'25	Mar'26	YOY Change
AUM (crs)-JLG	937.6	1054.2	12.44%
AUM (crs)-MSME	14.96	27.8	85.61%
Customers (lakh)	3.49	3.09	-11.50%
Districts	169	175	3.55%
Branches	368	366	-0.54%
Employees	2024	2488	22.92%

STRENGTHENING GOVERNANCE AND RISK MANAGEMENT

The Company continued to reinforce its governance framework by strengthening risk oversight, internal controls and compliance processes. Management placed increased emphasis on proactive portfolio monitoring, regulatory compliance and timely identification of emerging risks.

Regular review mechanisms involving the Board and senior management ensured that business decisions remained aligned with the Company's risk appetite and long-term strategic objectives.

PREPARING FOR THE NEXT PHASE OF GROWTH

While FY2025-26 remained a year of consolidation, management also laid the foundation for the Company's next phase of growth. Investments in people, processes and technology, together with a disciplined approach to capital and risk management, have enhanced the Company's ability to scale its operations in a sustainable manner.

Subsequent to the close of the financial year, the Company further strengthened its financial position through fresh equity infusion and Tier II capital, while also implementing key technology initiatives, including an in-house Loan Origination System (LOS), a new Loan Management System (LMS) and an integrated accounting platform. These initiatives are expected to improve operational efficiency, strengthen internal controls and support future business growth.

4. Business And Operational Review

The year was characterized by a cautious operating environment that required the Company to balance business growth with prudent risk management. While the first half of the year continued to be impacted by sector-wide collection challenges and moderated credit demand, business conditions improved progressively during the second half, supported by improving collection efficiency, better customer repayment behaviour and disciplined execution at the field level.

The Company continued to follow a calibrated growth strategy, consciously prioritizing portfolio quality and long-term sustainability over rapid expansion. This approach enabled the Company to strengthen its franchise while maintaining operational discipline in a challenging environment.

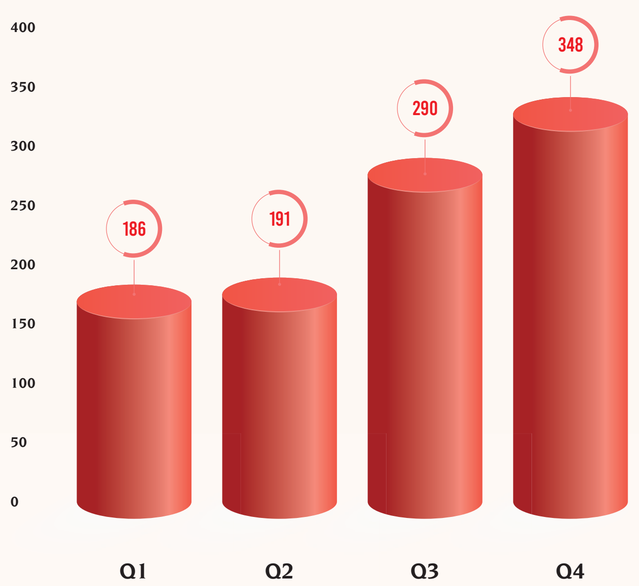
BUSINESS GROWTH

The Company's Gross Loan Portfolio (GLP) continued to grow, supported by sustained demand for microfinance and MSME credit. The microfinance portfolio remained the primary business segment, while the Micro Loan Against Property (Micro LAP) portfolio continued to expand steadily, contributing to greater portfolio diversification. The Company closed the year with a JLG portfolio of ₹1,054.2 crore and a Micro LAP portfolio of ₹27.8 crore, representing year-on-year growth of 12.4% and 85.6%, respectively.

Total Loan disbursements aggregated approximately ₹1,015 crore through 1.90 lakh loan accounts, reflecting continued customer demand despite the challenging industry environment.

The quarter-wise loan disbursement trend during FY 2025–26 is presented below

Disbursement (In Crore)



CUSTOMER FRANCHISE

The Company served approximately 3.09 lakh customers as on 31 March 2026. While the active customer base moderated during the year, this was primarily a consequence of the Company's calibrated lending strategy and continued emphasis on portfolio quality, customer discipline and responsible lending.

The Company's customer engagement model continues to be built around the Joint Liability Group (JLG) methodology, which promotes financial discipline through peer support, regular centre meetings and close field engagement. This community-based approach continues to be one of the key strengths of the Company's operating model.

GEOGRAPHIC EXPANSION

The Company continued to strengthen its geographical presence during the year by opening 29 new branches, comprising 21 JLG branches and 8 MSME branches, across multiple states. The expansion was undertaken selectively with a focus on strengthening the Company's presence in existing markets while increasing penetration in identified growth geographies. Expansion during the year covered Telangana, Uttar Pradesh, Rajasthan, Odisha, Bihar, Gujarat, Maharashtra and Andhra Pradesh.

Although the overall branch network marginally reduced to 366 branches following rationalization of certain locations, the Company's geographic reach expanded from 169 districts to 175 districts, reflecting a more balanced and efficient operating footprint.

The Company's geographic portfolio has become increasingly diversified over the past six years, reflecting its strategy of expanding beyond its traditional stronghold while reducing geographic concentration risk. Bihar continues to remain the largest market; however, its share in the overall portfolio has declined from 64.1% in March 2021 to 30.4% in March 2026 as the Company strengthened its presence across other states. During the year, Andhra Pradesh and Telangana emerged as key growth markets, while the Company continued to maintain a balanced regional presence across its operating geographies.

The chart below illustrates the evolution of the state-wise portfolio mix over the last six years.

State Wise	Mar-21	Mar-22	Mar-23	Mar-24	Mar-25	Mar-26
Andhra Pradesh	0.00%	0.00%	0.00%	0.00%	1.32%	4.72%
Bihar	64.09%	47.97%	47.18%	52.23%	33.52%	30.43%
Chhattisgarh	2.19%	1.93%	1.02%	0.53%	0.34%	0.37%
Gujarat	0.00%	0.00%	1.14%	4.23%	3.44%	5.16%
Haryana	0.00%	11.52%	5.62%	3.01%	2.93%	3.00%
Jharkhand	13.03%	6.73%	8.74%	6.28%	4.20%	4.87%
Madhya Pradesh	0.00%	0.00%	4.29%	8.52%	8.33%	10.25%
Maharashtra	0.00%	0.00%	0.00%	0.00%	6.34%	5.46%
Odisha	0.00%	0.00%	0.00%	0.51%	2.34%	4.63%
Rajasthan	12.79%	11.26%	12.38%	7.86%	5.61%	6.30%
Telangana	0.00%	0.00%	0.00%	0.00%	21.59%	13.82%
Uttar Pradesh	7.90%	20.59%	19.62%	16.83%	10.02%	10.96%
Total	**100.00%**	**100.00%**	**100.00%**	**100.00%**	**100.00%**	**100.00%**

HUMAN CAPITAL

Recognizing that field employees are central to the Company's business model, the Company continued to invest in strengthening its workforce. Employee strength increased by nearly 23% during the year to 2,488 employees, providing the capacity required to support business growth, customer servicing and collection activities across expanding geographies.

5. Financial Performance Review

The Company's financial performance during FY2025-26 reflected the continued impact of the challenging operating environment experienced by the microfinance sector.

OPERATING REVENUE

Operating revenue for FY2025-26 stood at ₹140.80 crore compared with ₹159.36 crore in the previous year, representing a decline of 12% year-on-year. The reduction was primarily attributable to lower average interest-earning assets during the year as the Company adopted a calibrated growth strategy with greater emphasis on portfolio quality and disciplined underwriting.

Despite the moderation in interest income, the Company witnessed a strong growth in non-interest income, which increased by 39% to ₹50.11 crore from ₹35.99 crore in the previous year. The increase was driven by higher processing fee income, business correspondent income, and other operating revenue streams, reflecting the Company's continued focus on diversifying its revenue base and reducing dependence on interest income

(In Crores)

Particulars	2025-26	2024-25	% Change
Net interest income	90.69	123.37	-26%
Non-interest income	50.11	35.99	39%
Operative revenue	**140.80**	**159.36**	-12%

*Includes managed book

NET INTEREST INCOME

Net Interest Income (NII) for FY 2025–26 stood at ₹90.69 crore, compared with ₹123.37 crore in the previous year, reflecting a decline of 26%. The decrease was primarily attributable to a lower average own-book portfolio as the Company prioritized portfolio quality and prudent underwriting over aggressive balance sheet growth. Consequently, average interest-earning assets declined by 14% to ₹729 crore from ₹852 crore in FY 2024–25.

Interest income declined by 16% to ₹184.70 crore, largely in line with the reduction in the average interest-earning asset base. Despite the lower asset base, the Company continued to strengthen its liability profile, resulting in finance costs declining by 4% to ₹94.02 crore. The average cost of funds improved to 12.5%, reflecting the Company's continued focus on optimizing its borrowing mix and improving funding efficiency.

The yield on advances moderated marginally from 24.2% to 23.7%, primarily reflecting the evolving portfolio mix and a more calibrated lending approach. Consequently, the Net Interest Margin (NIM) moderated from 14.5% in FY 2024–25 to 12.4% in FY 2025–26. While margins softened during the year, the Company remained focused on maintaining portfolio quality, strengthening collections, and building a sustainable foundation for future profitable growth

(In Crores)

Particulars	2025-26	2024-25	% Change
Interest on loans	172.95	205.88	-16%
Interest on FD	11.75	15.04	-22%
Interest Income	184.70	220.92	-16%
Finance Cost	94.02	97.55	-4%
Net Interest income	90.69	123.37	-26%
Average interest earning assets	729	852	-14%
Net Interest Margin*	12.4%	14.5%	
Yield on advances	23.7%	24.2%	
Cost of funds#	12.5%	12.6%	

NIM = NII/ average interest earning assets* *#Excluding foreign exchange fluctuations***

OPERATING EXPENSES

Operating expenses increased by 18% to ₹114.13 crore during FY 2025–26 from ₹96.35 crore in the previous year. The increase was primarily driven by continued investments in human capital, technology, and operational infrastructure, together with the impact of inflation on employee and administrative expenses.

Employee benefit expenses increased by 13% to ₹83.00 crore, reflecting the Company's continued investment in strengthening its field workforce and enhancing operational capabilities to support future business growth. Administrative and other operating expenses increased by 38% to ₹28.71 crore, largely due to technology initiatives, branch-related expenditure, and higher operational and infrastructure costs.

During the year, the Company adopted a calibrated growth strategy with a stronger focus on portfolio quality and prudent underwriting, resulting in a moderation in the average loan portfolio. Given that a significant proportion of operating expenses comprises fixed and semi-fixed costs, the lower business volumes reduced operating leverage, leading to an increase in the cost-to-income ratio from 60.5% in FY 2024–25 to 81.1% in FY 2025–26.

The Company expects operating efficiency to improve as portfolio growth accelerates, business volumes recover, and the benefits of investments made in technology, people, and operational capabilities are progressively realized.

(In Crores)

Particulars	2025-26	2024-25	% Change
Staff Cost	83.00	73.33	13%
Depreciation	2.42	2.24	8%
Admin Cost	28.71	20.78	38%
Operating Expenses	**114.13**	**96.35**	18%
Cost: Income Ratio	**81.1%**	**60.5%**	

CREDIT COST AND ASSET QUALITY

The Company continued to maintain a prudent and conservative approach towards credit risk management and provisioning during FY 2025–26. Total credit cost, comprising provisions and write-offs, declined by 42% to ₹65.43 crore from ₹112.85 crore in the previous year. The reduction was primarily driven by substantially lower write-offs, which declined to ₹61.08 crore from ₹113.25 crore in FY 2024–25, reflecting the normalization of credit costs following the exceptional portfolio clean-up undertaken in the previous year.

As on 31 March 2026, the Company's Gross Non-Performing Assets (GNPA) and Net Non-Performing Assets (NNPA) stood at 2.05% and 0.33%, respectively. While these ratios were higher than the previous year, the comparison should be viewed in the context of the significant write-offs undertaken during FY 2024–25, which had resulted in exceptionally low closing GNPA and NNPA levels. Excluding this one-time impact, the Company's asset quality remained stable, supported by improved collection efficiency and stronger portfolio behaviour during the second half of FY 2025–26. This is also reflected in the substantial reduction in credit costs during the year.

(In Crores)

Particulars	2025-26	2024-25	% Change
Provisions on Portfolio	4.34	-0.39	
Write off	61.08	113.25	
Total Credit Cost	**65.43**	**112.85**	-42%
GNPA	**2.05%**	**0.09%**	
NNPA	**0.33%**	**0.02%**	

*Includes opening provisions of the year in managed book

PROFITABILITY

Operating profit for FY 2025–26 stood at ₹26.67 crore, compared with ₹63.01 crore in the previous year. The decline primarily reflected lower operating revenue arising from the Company's calibrated growth strategy, coupled with higher operating expenses resulting from continued investments in people, technology, and operational capabilities.

Despite the decline in operating profit, the Company's overall financial performance improved during the year. Loss before tax narrowed to ₹38.76 crore from ₹49.85 crore, while the net loss reduced by 20% to ₹28.35 crore, compared with ₹35.44 crore in FY 2024–25. The improvement was largely driven by a 42% reduction in credit costs, reflecting improved collection efficiency, better portfolio behaviour, and lower write-offs compared with the previous year.

While profitability remained under pressure during FY 2025–26, operating and portfolio indicators improved significantly during the second half of the year, reflecting the positive impact of the corrective measures undertaken by the management. Strengthened collections, improving portfolio quality, enhanced capital position, and continued investment in operational capabilities have positioned the Company for a return to sustainable profitability. The management remains focused on driving profitable growth through disciplined underwriting, operating efficiency, prudent risk management, and continued diversification of the lending portfolio

(In Crores)

Particulars	2025-26	2024-25	% Change
Net interest income	90.69	123.37	-26%
Non-interest income	50.11	35.99	39%
Operative revenue	**140.80**	**159.36**	-12%
Operating expenses	114.13	96.35	18%
Operating profit	**26.67**	**63.01**	-58%
Provisions and contingencies	65.43	112.85	-42%
Profit before tax	**-38.76**	**-49.85**	
Provision for tax	-10.41	-14.41	
Net profit	**-28.35**	**-35.44**	

CAPITAL POSITION

The Company continued to maintain a strong capital position throughout the year. As on 31 March 2026, the Capital to Risk-weighted Assets Ratio (CRAR) stood at 22.92%, significantly higher than the regulatory minimum prescribed by the Reserve Bank of India, providing adequate capital to support future business growth while maintaining financial resilience.

6. Capital Management and Resource Mobilisation

The Company follows a prudent and disciplined capital management framework aimed at maintaining financial resilience, supporting sustainable business growth and safeguarding the interests of all stakeholders. The capital strategy is designed to ensure that the Company maintains adequate capital and liquidity to meet regulatory requirements, support business expansion and withstand adverse economic conditions while delivering long-term value to shareholders.

CAPITAL MANAGEMENT PHILOSOPHY

The Company's capital management philosophy is built on maintaining a strong capital base, a diversified funding profile and adequate liquidity to support business operations across varying economic and business cycles. Capital planning forms an integral part of the Company's strategic planning process and is aligned with projected business growth, portfolio quality, regulatory requirements and the overall risk appetite approved by the Board.

Management periodically evaluates the Company's capital requirements considering business expansion plans, asset quality trends, stress scenarios and changes in the regulatory environment to ensure that adequate capital is available to support sustainable growth.

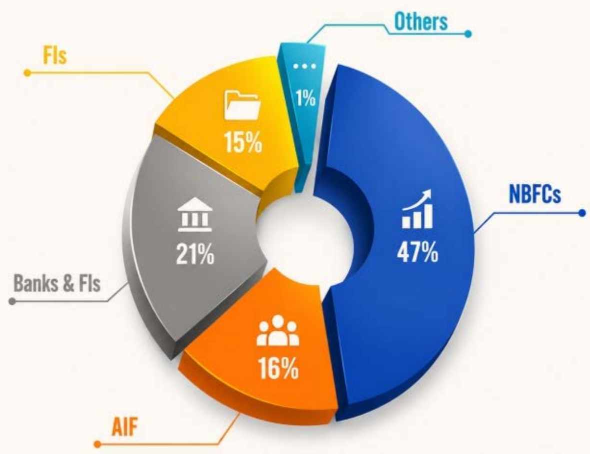
RESOURCE MOBILISATION

A diversified and stable funding base remains critical to the Company's long-term growth strategy. During FY2025-26, the Company continued to strengthen its relationships with banks, financial institutions and other lending partners, enabling continued access to diversified sources of borrowings.

The Company's resource mobilisation strategy focuses on maintaining an appropriate mix of funding sources, optimizing borrowing costs and ensuring availability of funds to support business operations. The Company also endeavours to diversify its lender base to reduce concentration risk and enhance financial flexibility.

Funding decisions are guided by the Company's business plans, projected disbursement requirements, liquidity position and prevailing market conditions. This disciplined approach enables the Company to maintain adequate financial resources while managing funding risks effectively.

39 LENDERS | 724 CR RAISED IN FY 26



LIQUIDITY AND ASSET LIABILITY MANAGEMENT

Maintaining adequate liquidity remained a key management priority during the year, particularly in view of the challenging operating environment faced by the microfinance sector.

The Company has established a robust Asset Liability Management (ALM) framework to ensure that liquidity risks are effectively managed, and funding obligations are met in a timely manner. The Asset Liability Management Committee (ALCO) regularly reviews liquidity positions, maturity profiles of assets and liabilities, projected cash flows, borrowing requirements and structural liquidity gaps.

The Company maintains adequate liquidity buffers and continuously monitors short-term and long-term funding requirements to ensure uninterrupted business operations under both normal and stressed market conditions. The ALM framework also assists the Company in managing interest rate risk and maintaining an appropriate balance between profitability and liquidity.

CAPITAL ADEQUACY

The Company maintained a comfortable capital position throughout the financial year. As on 31 March 2026, the Capital to Risk-weighted Assets Ratio (CRAR) stood at 22.92%, which was significantly higher than the minimum regulatory requirement prescribed by the Reserve Bank of India.

The strong capital position provides the Company with sufficient financial flexibility to support future business growth, absorb potential business shocks and maintain confidence among regulators, lenders, investors and other stakeholders.

TREASURY MANAGEMENT

The Treasury function plays a critical role in managing the Company's funding requirements, liquidity position and banking relationships. Treasury operations are guided by Board-approved policies and are focused on ensuring adequate availability of funds, optimizing borrowing costs and maintaining financial discipline.

The Treasury team continuously monitors market conditions, interest rate movements and funding opportunities to support efficient resource mobilisation while ensuring compliance with the Company's internal policies and regulatory guidelines.

OUTLOOK

The Company remains committed to maintaining a strong capital base, diversified funding profile and prudent liquidity management practices. Going forward, management will continue to focus on broadening funding relationships, optimizing the cost of borrowings and strengthening the capital structure to support sustainable business growth while preserving financial stability.

7. Risk Management

Risk management is integral to the Company's business strategy and forms the foundation of its long-term sustainability. As a lending institution serving financially underserved households and micro-entrepreneurs, the Company recognizes that effective management of risk is essential for preserving asset quality, protecting stakeholder interests and ensuring sustainable growth.

The Company's risk management framework is designed to identify, assess, monitor and mitigate risks across all business functions while maintaining an appropriate balance between growth, profitability and risk. Risk management is embedded in day-to-day business operations and supported by clearly defined policies, governance mechanisms and internal control processes.

RISK GOVERNANCE FRAMEWORK

The Board of Directors has overall responsibility for establishing the Company's risk management philosophy and ensuring that an appropriate risk governance framework is in place. The Board, through its various Committees, periodically reviews the Company's risk profile, emerging risks, portfolio performance, liquidity position and regulatory developments.

The Risk Management Committee oversees the implementation of the Company's risk management framework and monitors key risk indicators across the organization. The Asset Liability Management Committee (ALCO) is responsible for overseeing liquidity management, funding strategy and interest rate risk, while other management committees periodically review credit quality, operational performance and compliance with internal policies.

Risk management is supported through close coordination between the business, risk, operations, finance, compliance and internal audit functions, thereby ensuring timely identification and resolution of emerging risks.

RISK MANAGEMENT PHILOSOPHY

The Company follows a prudent and balanced approach towards risk management. Business decisions are guided by the principle that sustainable growth can only be achieved through disciplined underwriting, responsible lending practices, sound governance and effective operational controls.

The Company continuously reviews its risk management framework to align with changes in the external environment, business strategy and regulatory expectations. Periodic portfolio reviews, performance monitoring and stress assessments enable the Company to proactively respond to changing business conditions.

CREDIT RISK

Credit risk represents the possibility of financial loss arising from a borrower's inability or unwillingness to meet contractual repayment obligations and continues to remain the Company's most significant business risk.

The Company manages credit risk through clearly defined credit policies, robust underwriting standards and structured appraisal processes.

Credit decisions are based on assessment of repayment capacity, household cash flows, existing indebtedness, business stability and other relevant risk parameters.

For its microfinance portfolio, the Company follows the Joint Liability Group (JLG) lending model, which promotes collective responsibility and peer support among borrowers. Regular centre meetings, continuous customer engagement and close field supervision further strengthen repayment discipline and enable early identification of potential stress.

Portfolio quality is continuously monitored through regular review of delinquency trends, collection efficiency, geographical performance and product-wise portfolio behaviour. Timely corrective measures are initiated wherever emerging risks are identified.

LIQUIDITY RISK

Liquidity risk is managed through a comprehensive Asset Liability Management framework designed to ensure that the Company can meet all its financial obligations as they fall due.

Liquidity positions are monitored through regular cash flow projections, maturity analysis of assets and liabilities and periodic review by the Asset Liability Management Committee. The Company maintains adequate liquidity buffers and follows a diversified borrowing strategy to minimize refinancing risk and ensure uninterrupted business operations.

OPERATIONAL RISK

Operational risk arises from failures in internal processes, people, systems or external events.

The Company seeks to minimize operational risk through well-defined operating procedures, clearly established authority levels, segregation of duties, maker-checker controls, periodic reconciliation processes and continuous employee training.

Operational performance is regularly monitored through branch reviews, internal inspections, process audits and management oversight to ensure consistency in execution and adherence to established policies.

COMPLIANCE AND REGULATORY RISK

As a regulated Non-Banking Financial Company – Micro Finance Institution (NBFC-MFI), compliance with applicable laws, regulations and regulatory guidelines remains a key priority.

The Company has established policies and processes to ensure ongoing compliance with the regulatory framework prescribed by the Reserve Bank of India and other applicable laws. The Compliance function continuously monitors regulatory developments and works closely with business and operational teams to ensure timely implementation of regulatory changes.

Periodic compliance reviews are undertaken, and significant observations are reported to the senior management and the Board, wherever applicable.

INFORMATION SECURITY AND TECHNOLOGY RISK

The Company recognizes the growing importance of information security and technology resilience in an increasingly digital operating environment.

Appropriate information security controls, access management protocols, data backup mechanisms and system monitoring processes have been implemented to safeguard customer information and ensure continuity of business operations. Technology risks are periodically reviewed, and necessary measures are undertaken to strengthen system security and operational resilience.

FRAUD RISK

The Company maintains a zero-tolerance approach towards fraud and unethical practices.

A comprehensive fraud risk management framework comprising preventive, detective and corrective controls has been established. Employee awareness programmes, internal control mechanisms, maker-checker processes, surprise inspections and whistle-blower mechanisms support the Company's efforts to prevent and detect fraudulent activities.

Incidents, if any, are investigated promptly, and appropriate corrective and disciplinary actions are initiated in accordance with the Company's policies.

INTERNAL AUDIT

The Internal Audit function provides independent assurance on the adequacy and effectiveness of the Company's internal control systems, governance processes and risk management framework.

Internal audits are conducted based on a risk-based audit plan approved by the Audit Committee of the Board. Audit findings are reviewed periodically by the management and the Audit Committee, and corrective actions are monitored until closure.

EMERGING RISKS

The Company continuously monitors emerging risks arising from changes in the macroeconomic environment, borrower behaviour, technology, cybersecurity, climate-related events and regulatory developments.

Management remains committed to strengthening risk management capabilities and enhancing organizational resilience to effectively respond to evolving business risks.

OUTLOOK

The Company believes that a strong risk culture, prudent governance practices and disciplined execution are fundamental to achieving sustainable growth. Going forward, the Company will continue to strengthen its risk management framework, leverage technology for enhanced monitoring and maintain a balanced approach towards growth while preserving portfolio quality and financial stability.

8. Internal Financial Controls

The Company has established an adequate system of internal financial controls commensurate with the size, nature and complexity of its business. These controls are designed to provide reasonable assurance regarding the reliability of financial reporting, safeguarding of assets, compliance with applicable laws and regulations, and the effectiveness and efficiency of business operations.

The internal control framework encompasses clearly defined policies and procedures, appropriate delegation of authority, segregation of duties, maker-checker controls, periodic reconciliations and standardized operating processes across all business functions. These controls are regularly reviewed and strengthened to address changes in the business environment, operational requirements and regulatory expectations.

The Company follows a risk-based internal audit framework under the supervision of the Audit Committee of the Board. The Internal Audit function independently evaluates the adequacy and effectiveness of internal controls, governance processes and risk management practices across branches and corporate functions. Audit observations and recommendations are periodically reviewed by the management and the Audit Committee, and corrective actions are implemented in a time-bound manner.

The Statutory Auditors also evaluate the effectiveness of internal financial controls over financial reporting as part of their audit procedures. Based on the reviews conducted during the year, the management believes that the Company's internal financial controls were operating effectively and are adequate to support its business objectives.

9. Human Resources

The Company's employees continue to be its most valuable asset and remain central to delivering responsible financial services to its customers. As on 31 March 2026, the Company had a workforce of 2,488 employees, comprising experienced professionals as well as a dedicated field force serving customers across its areas of operation.

During the year, the Company continued to focus on attracting, developing and retaining talent while strengthening organizational capabilities. Structured induction programmes, periodic functional training and continuous learning initiatives were conducted to enhance employee competencies, improve service quality and reinforce operational excellence.

Given the field-intensive nature of the Company's business, particular emphasis was placed on strengthening employee capabilities in credit appraisal, customer engagement, collections, regulatory compliance and ethical business practices. The Company also continued to promote a culture of accountability, teamwork and customer-centricity across all levels of the organization.

Employee performance is supported through a structured performance management framework that aligns individual goals with organizational objectives. The Company believes that a motivated and engaged workforce is essential for delivering sustainable business performance and creating long-term stakeholder value.

The Company remains committed to providing a safe, inclusive and respectful workplace that promotes equal opportunity, professional development and employee well-being. It also continues to strengthen its human resource policies in line with evolving business needs and regulatory expectations.

10. Grievance Redressal

Sindhuja is committed to providing a responsive and transparent grievance redressal system. Customers can reach out through dedicated channels for any queries, complaints, or service requests. To ensure accessibility, accountability, and timely resolution, the Company has implemented a structured three-tier grievance redressal mechanism, as illustrated below.

Sr. No	Channel	Description	Availability
1	Dedicated Toll-free Telephone number	Customer or family member may register grievances by calling the toll-free number "18005728721"	Between 10 AM to 6 PM on all working days
2	E-mail or letter	Grievances may be submitted via post at Mr. Pankaj Rautela Grievance Redressal Officer (Principal Nodal Officer) Sindhuja Microcredit Pvt. Ltd. Office No. 701A-721A, 7A Floor, Tower C, Noida One, Plot No. 8, Block B, Sector 62, Noida, District: Gautam Budh Nagar, Uttar Pradesh – 201301 Ph. No.-0120 6870873 Or Through Email at: pankaj.rautela@sindhujamicrocredit.com grievance@sindhujamicrocredit.com	NA
3	Branch	Customers may submit written complaints through the Complaint Box or Complaint Register available at every branch.	During branch opening hours on all working days

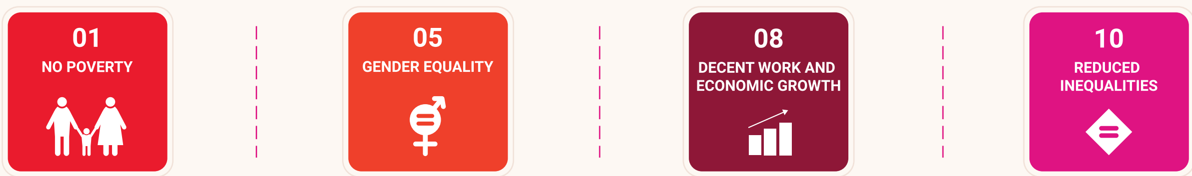
If a customer is not satisfied with the resolution provided by the Company, or if the grievance remains unresolved within 30 days of its receipt, the customer may escalate the matter to Sa-Dhan or the Reserve Bank of India (RBI), as applicable, in accordance with the prescribed grievance redressal framework.

The Company's Grievance Redressal Team is committed to ensuring that every complaint is addressed in a fair, transparent, and timely manner. During FY 2025–26, the Company handled 1,287 customer complaints, responded to 10,572 customer queries, and processed 214 service requests. As on March 31, 2026, 9 complaints remained pending. Of these, 8 complaints were resolved by May 25, 2026, while 1 complaint remained under resolution, reflecting the Company's continued focus on prompt and effective grievance resolution.

11. Social Performance Management And Corporate Social Responsibility

As an organisation working towards financial inclusion of the under-banked, clients' social outcomes are at the core of its organisational mission. The company strongly believes that Social performance Management (SPM) is about balancing financial performance with social and environmental performance. This means being sustainable as an organisation while meeting the goals set for itself towards its clients, employees, communities, and all other stakeholders.

Social Goals & SDG Alignment



- Improve financial inclusion of women and other historically marginalized communities
- Lend responsibly ensuring fairness, transparency, and efficiency
- Ensure client protection and fair practices at all levels of operations
- Strive to be a responsible employer and ensure employee well-being

SPM METRICS

The ESG team continuously tracks and monitors various key metrics in line with the internally defined goals as well as external reporting requirements. The SPM and CSR committee reviews these KPIs on a bi-annual basis. The company also reports to various external stakeholders on a periodic basis through appropriate channels.

As the company's social focus is on ensuring true financial inclusion of the underbanked, a majority of its customer base comprises of historically and conventionally marginalised segments of society. The Company's geographical presence is also predominantly in regions with the poorest HDI (Human Development Index) scores. It also has a sizeable presence in the aspirational districts as defined by the Niti Ayog.

ESG POLICY FRAMEWORK

The company ensures strict adherence to policies and proactively develops policies that are in line with industry best practices. Some of them are as per below:

- ESG POLICY
- ESMS FRAMEWORK
- FAIR PRACTICE CODE
- WHISTLEBLOWER POLICY
- POSH POLICY
- EQUAL OPPORTUNITY POLICY
- KYC, AML, & CFT (KNOW YOUR CUSTOMER, ANTI-MONEY LAUNDERING & COUNTERING FINANCING OF TERRORISM)
- DATA PROTECTION POLICY

Corporate Social Responsibility

Sindhuja engages directly with rural communities through its CSR initiatives for creating impact across multiple socio-economic dimensions. The Company works with its implementation partners to reach people in some of the most backward states and districts in terms of Human Development Index and other social development indicators.

FOCUS AREAS

- HEALTH
- EDUCATION
- LIVELIHOODS
- SPORTS

12. Ratings & Gradings

Category	Rating Agency	Rating/Grading
NCDs & Bank Loans	India Ratings	BBB / Stable
MFI Grading	Care Edge	MFI 1
Code of Conduct Assessment (CoCA)	Care Edge	C1

During the year, **India Ratings reaffirmed Sindhuja's long-term issuer rating of IND BBB/Stable.** The reaffirmation reflects the company's continued operational stability, adequate capital position, healthy asset quality, diversified funding profile, and sustained profitability despite challenging industry conditions.

MFI Grading evaluates the operational and financial capability of a microfinance institution to operate sustainably at its targeted scale. **CareEdge reaffirmed Sindhuja's MFI 1 grading,** recognizing its strong governance and transparency, robust operational framework, adequate scale of operations, and sound long-term sustainability indicators.

Code of Conduct Assessment (CoCA) evaluates a microfinance institution's adherence to ethical and responsible lending practices across areas such as transparency, client protection, governance, recruitment, client education, grievance redressal, and data sharing. **CareEdge reaffirmed Sindhuja's CoCA rating of C1,** the highest grade, reflecting the company's continued adherence to strong governance standards and responsible microfinance practices.

CLIENT PROTECTION AND RESPONSIBLE FINANCE

Sindhuja continues to strengthen its commitment to responsible finance by upholding the highest standards of client protection, ethical conduct, and transparency.

During the year, the Company received the 'Bronze' Level Debutant Certification in Client Protection Principles from MFR. The certification recognizes the Company's strong adherence to internationally accepted client protection standards and reflects its commitment to delivering fair, transparent, and responsible financial services. The rigorous assessment evaluated the Company's policies, processes, and practices across key areas, including prevention of over-indebtedness, transparent and responsible pricing, ethical collection practices, staff conduct, protection of client data, and effective grievance redressal. The certification also acknowledges Sindhuja's culture of continuous improvement and its customer-centric approach.

Further reinforcing its commitment to sustainable and responsible business practices, Sindhuja's Social and Environmental Rating was upgraded from **BB to BB+ by MFR.** The improved rating reflects the Company's strengthened implementation of Social and Environmental Performance Management (SEPM) standards. The assessment covered the Company's governance framework, social and environmental responsibility, outreach, and the quality of services delivered to its customers.

Adding to these achievements, Sindhuja was honoured with the 60 Decibels Social Impact Award and was **ranked #1 in Asia in the 2025 Microfinance Index by 60 Decibels**. This recognition highlights the Company's outstanding social impact and its continued focus on improving the lives of underserved communities through responsible and inclusive financial services

13. Outlook

The management believes that the microfinance sector has begun to witness gradual stabilization following a challenging period experienced over the last two financial years. Improvement in collection efficiency, strengthening borrower repayment behaviour across several markets and increasing operational discipline within the industry are expected to support a more stable operating environment going forward.

For Sindhuja Microcredit Limited, the operational improvements witnessed during the second half of FY2025-26 provide confidence that the corrective measures implemented during the year have started delivering the desired outcomes. The Company's continued focus on portfolio quality, disciplined underwriting, operational efficiency and responsible lending is expected to support sustainable business growth over the medium term.

After the close of FY2025-26, the Company further strengthened its financial and operational capabilities through capital augmentation and strategic investments in technology infrastructure. These initiatives, together with the improving business environment, provide a strong platform for accelerating growth while maintaining prudent risk management and sound governance standards.

Going forward, the Company will continue to focus on expanding its customer franchise responsibly, strengthening its secured lending portfolio, leveraging technology to improve operational efficiency and maintaining a balanced approach towards growth and profitability. The management remains confident that the Company is well positioned to create sustainable long-term value for its customers, employees, lenders, investors and other stakeholders.

The long-term fundamentals of the Indian microfinance sector remain favourable, driven by increasing financial inclusion, rising demand for formal credit and supportive regulatory initiatives. With a strong capital position, an experienced management team, robust governance practices and continued support from its lenders and investors, the Company is well positioned to capitalize on emerging opportunities while maintaining a prudent and balanced approach to growth.

The Company remains committed to creating sustainable value for its customers, employees, lenders, investors and other stakeholders through responsible financial services, sound governance and disciplined execution.

Events and Activities

Director's Report

Dear Shareholders,

Your Directors take immense pleasure in presenting the Eighth Annual Report on the business & operations of your Company together with the Audited Financial Statement and Auditors Report thereon for the Period ended 31st March, 2026.

1. Presentation of Financial Statements

The highlights of the Financial Statements of the Company for the current financial year (2025-2026) as compared to the previous financial year (2024-2025) are as under:

Amounts in Lakhs

Profit and Loss Statement (INR)	31.03.2026 Audited	31.03.2025 Audited
Total Revenue from Operations	23,408.60	25,464.18
Other Income	72.67	226.67
Total Income	23,481.27	25,690.85
Total Expenses	27,357.15	30,675.46
Profit before Tax	-3,875.88	-4,984.61
Tax Expenses	-1040.85	-1,440.98
Profit for the period	-2,835.03	-3,543.63
Other comprehensive Income / (Loss)	-119.76	-51.63
Total Comprehensive Income for the Period	-2,715.27	-3,595.26
Earnings per Share (in Rs)		
Basic	-6.04	-7.55
Diluted	-6.04	-7.55

Amounts in Lakhs

Particulars	As at March 26	As at March 25
Revenue from operations	23,408.60	25,464.18
Other income	72.67	226.67
Total Income	23,481.27	25,690.85
Expenses		
Employee benefits expense	8,300.38	7,333.28
Finance costs	9,401.64	9,754.98
Depreciation and amortization expenses	241.79	224.03
Other Expenses	2,870.82	2,077.78
Provision & write off of Loan	6,542.52	11,285.39
Total expenses	27,357.15	30,675.46
Profit before tax	-3,875.88	-4,984.61
Tax expenses:		
Current tax	-	18.42
Deferred tax credit	-1,040.85	-1,438.81
Earlier year Tax adjustment	-	-20.59
Total tax expenses	-1,040.85	-1,440.98
Profit for the year	-2,835.03	-3,543.63

2. Operational Performance

The operational snapshot is provided in the table below:

Sr. No.	Parameter	31st March 2026	31st March 2025
1	States	12	12
2	Districts	175	169
3	Branches	366	368
4	Centre	58,222	50,705
5	Active clients	3,08,855	3,48,803
6	Assets Under Management (AUM) (in lakhs)	1,08,196.2	95,256
7	Own Portfolio (in lakhs)	84,047.9	70,846.9
8	Managed Portfolio (in lakhs)	24,148.3	24,409.2

3. Dividend

Your Board of Directors of the Company clarifies that the Company has incurred losses, hence, do not recommend any dividend for the financial year ended March 31, 2026.

4. Material Changes And Commitments Affecting The Financial Position Of The Company

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

5. Details Of Significant And Material Orders Passed By The Regulators Or Courts Or Tribunals Impacting The Going Concern Status And Company's Operations In The Future

No significant material order has been passed by the Regulators/Courts/Tribunals impacting the going concern status and Company's operations in future in respect to the Company during the financial year.

6. Change In The Nature Of Business, If Any

The Company is engaged in the business of Micro Finance Business (NBFC-MFI). There is no change in the nature of business of the company during the financial year ended 31st March 2026.The Company is also in the business of providing MSME Loan for working capital requirements of the existing business, undertake repairs, renovation or extension of the existing business unit, purchase of machinery or equipment, general credit needs of the existing business.

7. Details Of Subsidiary Companies, Joint Ventures And Associate Companies

The Company does not have a subsidiary, associate company or any joint venture.

8. Amount Carried To Any Reserve (if Any)

In terms of Section 45-IC of the RBI Act, 1934, the Company is required to transfer at least 20% of its net profits to a reserve before any dividend is declared. The Company has incurred losses for the financial year ended March 31, 2026; hence no amount was transferred to the Reserve Fund. However, at the year-end i.e. March 31, 2026 the Reserve Fund had an amount of Rs. 1146.79 lakhs, which was transferred by the Company in the previous years.

9. Corporate Social Responsibility And Governance

The Company did not have any CSR obligation for FY 2025-2026.

The CSR policy has been hosted on the website of the Company and can be accessed at www.sindhujamicrocredit.com.

10. Code Of Conduct

The Company has adopted a code of conduct for all employees. Areas covered by the code are Fairness of employment practices, protection of intellectual property, integrity, customer confidentiality, conflict of interest.

The Company has in place a Fair Practices Code ("FPC") approved by the Board, in compliance with the guidelines issued by RBI, to ensure better service and provide necessary information to customers enabling them to take informed decisions. The FPC is available on the website of the Company at www.sindhujamicrocredit.com. The Company's Compliance team periodically provides feedback to the Board on adherence to FPC and functioning of grievance redressal mechanism. Further, the Board also reviews the implementation and efficacy of FPC on an annual basis.

11. RBI Guidelines

The Company remains in the middle layer and has complied with and continues to comply with applicable RBI Regulations as may be applicable to the entity.

The Company endeavors to ensure compliance with the evolving regulatory changes and has initiated appropriate steps to comply with these regulations.

12. Other Statutory Compliance

The Company has complied with all the mandatory regulatory compliance as required under the Companies Act, various tax statutes and other regulatory bodies.

13. Corporate Governance

The Company is committed to maintaining the highest standards of corporate governance and recognizes it as a key driver for sustainable growth, transparency, accountability, and stakeholder value creation. The Company has adopted a robust governance framework in line with the provisions of the Companies Act, 2013 and the applicable guidelines and directions issued by the Reserve Bank of India for NBFCs in the Middle Layer.

The Board of Directors, supported by its committees, provides strategic guidance and oversight, ensuring effective risk management, internal controls, compliance, and ethical business conduct.

The Company has established policies and processes for governance, risk management, related party transactions, fair practices, customer protection, and regulatory compliance. The Board periodically reviews the effectiveness of these frameworks to ensure that the Company's operations are conducted in a prudent, transparent, and responsible manner while safeguarding the interests of all stakeholders.

14. Directors

As on the date of this report, the Board of Directors comprises 9 (nine) Directors, out of which two are independent directors and five nominee Directors. Out of the five nominee Directors, two are women directors. The composition of the Board is in line with the requirements of the Act, and the applicable RBI Regulations. The Directors possess vast knowledge, necessary experience, skills and ability in various functional areas relevant to the Company's business, which has aided / continues to aid in strengthening the policy decisions of the Company.

COMPOSITION OF THE BOARD ON 31ST MARCH 2026

Sl. No	Name of the Director	Director since	Capacity (i.e. Executive / Non- Executive/ Chairman/ Promoter nominee/ Independent)	DIN	Number of Board Meetings		No. of other Director ships	Remuneration			No. of shares held in, and convertible instruments held in the Company
					Held	Attended		Salary and other compensation	Sitting Fe	Commission	
1	Mr. Abhisheka Kumar	Dec 01, 2017	Managing Director	2972579	7	6	0		NA	NA	37, 20,462
2	Mr. Abhishek Sharman	Sept 05, 2019	Nominee Director	1329800	7	5	6	NA	NA	NA	0
3	Mr. Ameet Goyall	March 27, 2024	Nominee Director	2557166	7	7	0	NA	NA	NA	0
4	Mr. Diwakar Pundir	June 09, 2022	Independent Director	08450769	7	7	1	NA	5,00,000	NA	5,00,000
5	Mr. Malkit Singh Didyala	Dec 01, 2017	Whole Time Director, CEO & CIO	7957488	7	7	0		NA	NA	30, 67, 862
6	Mr. Sandeep Phanasgaonkar	March 25, 2021	Independent Director	00397467	7	7	0	NA	5,50,000	NA	0
7	Ms. Jagriti Bhandari	Dec 16, 2022	Nominee Director	09802981	7	6	1	NA	NA	NA	0
8	Mr. Agustin Vitorica	Sept 05, 2024	Nominee Director	07928115	7	5	1	NA	NA	NA	0
9	Ms. Laetitia Counye	Sept 05, 2024	Nominee Director	06990144	7	5	0	NA	NA	NA	0

DETAILS OF CHANGE IN COMPOSITION OF THE BOARD DURING THE CURRENT FINANCIAL YEAR.

Sr. No.	Name	DIN	Designation	Date of Appointment/ Cessation	Reason for Change
1	Diwakar Pundir	08450769	Independent Director	June 08, 2025	His tenure as an Independent Director expired on June 08, 2025. He has been re-appointed as an Additional Director (Non-Executive & Independent) on the Board of the Company w.e.f. June 08, 2025 for a second term for 3 consecutive years

GENERAL BODY MEETINGS

Sr. No.	Type of Meetings (Annual/ Extra-Ordinary)	Date and Place	Special Resolutions Passed	Place of Meeting
1	Annual General Meeting	September 30, 2025, NOIDA	3	At the Registered Office
2	Extra Ordinary General Meetings	November 20, 2025, NOIDA	1	At the Registered Office
3	Extra Ordinary General Meetings	January 27, 2026, NOIDA	1	At the Registered Office
4	Extra Ordinary General Meetings	March 16, 2026, NOIDA	0	At the Registered Office

15. Committees Of The Board And Their Composition As On March 31, 2026

BOARD COMMITTEE

I. AUDIT COMMITTEE

- the recommendation for appointment, remuneration and terms of appointment of auditors of the company;
- review and monitor the auditor's independence and performance, and effectiveness of audit process;
- examination of the financial statement and the auditors' report thereon;
- approval or any subsequent modification of transactions of the company with related parties;
- scrutiny of inter-corporate loans and investments;
- valuation of undertakings or assets of the company, wherever it is necessary;
- evaluation of internal financial controls and risk management systems;
- monitoring the end use of funds raised through public offers and related matters.
- any other responsibility as may be assigned by the board from time to time.

Sr. No.	Name of Director	Member of Committee since	Capacity (i.e. Executive / Non- Executive/ Chairman/ Promoter nominee/ Independent)	Number of Meetings of the Committee		No. of shares held in the Company
				Held	Attended	
1	Mr. Ameet Goyall	June 22, 2021	Nominee Director	5	4*	0
2	Mr. Abhisheka Kumar	June 22, 2021	Managing Director	5	3*	37, 20,462
3	Mr. Diwakar Pundir	March 16, 2023	Independent Director	5	5	5,00,000
4	Mr. Sandeep Phanasgaonkar	June 22, 2021	Independent Director	5	5	0
5	Ms. Jagriti Bhandari	Sept 05, 2024	Nominee Director	5	4	0

** Audit Committee of the Company was re-constituted, Mr. Abhisheka Kumar and Mr. Ameet Goyall ceased to be members of the Audit Committee w.e.f January 21, 2026*

II. CREDIT & RISK MANAGEMENT COMMITTEE

- Approve and periodically review the risk management policies of the Company's operations;
- Review significant reports from regulatory agencies relating to risk management and compliance issues, and management's responses.
- Policies and procedures establishing risk management governance, risk management procedures, and risk control infrastructure for operations; and
- Review and approve the Company's risk appetite statement on an annual basis; approve any material amendment to the risk appetite statement;
- Review and approve the Contingency Funding Plan contained in the Company's Liquidity Policy at least annually, and approve any material revisions to this plan prior to implementation;
- Review significant risk exposures and the steps, including policies and procedures, that management has taken to identify, measure, monitor, control, limit and report such exposures, including, without limitation, credit, market, fiduciary, liquidity, reputational, operational, fraud, strategic, technology (data-security, information, business-continuity risk, etc.), and risks associated with incentive compensation plans;
- Evaluate risk exposure and tolerance;
- Review and evaluate the Company's practices with respect to risk assessment and risk management;
- Review reports and significant findings of Risk and Compliance and the Internal Audit Department with respect to the risk management and compliance activities of the Company, together with management's responses and follow-up to these reports, and
- To evaluate various risks of the business and to draw out a risk management plan for the Company;
- To take steps to identify and mitigate Information Technology and Cyber Security Risks that the Company is or may be exposed to, on a regular basis.
- To monitor and review risk management and mitigation plan of the Company;
- To inform the board on the effectiveness of the risk management framework and process of risk management;

Sr. No.	Name of Director	Member of Committee since	Capacity (i.e. Executive / Non- Executive/ Chairman/ Promoter nominee/ Independent)	Number of Meetings of the Committee		No. of shares held in the Company
				Held	Attended	
1	Mr. Abhisheka Kumar	Sept 05, 2024	Managing Director	2	2	37, 20,462
2	Mr. Diwakar Pundir	March 16, 2023	Independent Director	2	2	5,00,000
3	Mr. Agustin Vitorica	Sept 05, 2024	Nominee Director	2	2	0
4	Ms. Laetitia Counye	Sept 05, 2024	Nominee Director	2	2	0

III. NOMINATION AND REMUNERATION COMMITTEE

- elements of the remuneration package i.e. salary, perquisites, retirement benefits, pension, separation compensation, and the structure of the remuneration package viz., the proportion of fixed and variable component, annual / mid-term increments, merit rewards, special payments, etc., of the Managing /Executive Director and that of the Key Managerial Personnel.
- Elements of increments, annual bonus and ESOP to employees
- Changes to remuneration package, terms of appointment, notice period, severance fees, recruitment, retention and termination policies and procedures.
- To recommend the shortlisted candidates who are qualified to become directors and who may be appointed in senior management and recommend to the Board their appointment and / or removal.
- The Committee shall review the succession plans, if any, for both executive and non-executive Directors

Sr. No.	Name of Director	Member of Committee since	Capacity (i.e. Executive / Non- Executive/ Chairman/ Promoter nominee/ Independent)	Number of Meetings of the Committee		No. of shares held in the Company
				Held	Attended	
1	Mr. Diwakar Pundir	March 16, 2023	Independent Director	1	1	5,00,000
2	Mr. Malkit Singh Didyala	June 22, 2021	Whole Time Director, CEO & CIO	1	1	30,67,862
3	Mr. Abhishek Sharman	Sept 05, 2024	Nominee Director	1	1	0
4	Mr. Sandeep Phanasgaonkar	Sept 05, 2024	Independent Director	1	1	0

IV. RESOURCING COMMITTEE

- Approval of various Credit facilities namely, Term Loans/Cash credit, Overdraft, ICD or any other form from Banks, Financial Institutions and Corporates.
- Approval of Off-Balance Sheet Transactions including securitization, bilateral/multilateral assignment, partnership with Banks/ any other authorized entity, Business Correspondent.
- Approval for NCD and ECB transactions.

Sr. No.	Name of Director	Member of Committee since	Capacity (i.e. Executive / Non- Executive/ Chairman/ Promoter nominee/ Independent)	Number of Meetings of the Committee		No. of shares held in the Company
				Held	Attended	
1	Mr. Abhisheka Kumar	Sept 11, 2019	Managing Director	21	21	37, 20,462
2	Mr. Malkit Singh Didyala	Sept 11, 2019	Whole Time Director, CEO & CIO	21	21	30,67,862
3	Ms. Jagriti Bhandari	Sept 05, 2024	Nominee Director	21	10	0

V. CORPORATE SOCIAL RESPONSIBILITY AND SOCIAL PERFORMANCE MANAGEMENT COMMITTEE

Social Performance Management Committee aims for formalizing the supervision of the achievement of Sindhuja's social mission into governance

Sr. No.	Name of Director	Member of Committee since	Capacity (i.e. Executive / Non- Executive/ Chairman/ Promoter nominee/ Independent)	Number of Meetings of the Committee		No. of shares held in the Company
				Held	Attended	
1	Mr. Abhisheka Kumar	June 22, 2021	Managing Director	2	2	37, 20,462
2	Mr. Agustin Vitorica	Sept 05, 2024	Nominee Director	2	2	0

VI. IT STRATEGY COMMITTEE

- Approving IT Strategy and policy documents and ensuring that the management has put an effective strategic planning process in place;
- Ascertaining that management has implemented processes and practices that ensure that IT delivers value to the business;

- Ensuring IT investments represent a balance of risks and benefits and that budgets are acceptable;
- Monitoring the method that management uses to determine the IT resources needed to achieve strategic goals and provide high level direction for sourcing and use of IT resources;
- Ensuring proper balance of IT investments for sustaining NBFC's growth and becoming aware about exposure towards IT risks and controls.

Sr. No.	Name of Director	Member of Committee since	Capacity (i.e. Executive / Non- Executive/ Chairman/ Promoter nominee/ Independent)	Number of Meetings of the Committee		No. of shares held in the Company
				Held	Attended	
1	Mr. Sandeep Phanasgaonkar	July 17, 2023	Independent Director	4	4	0
2	Mr. Malkit Singh Didyala	July 17, 2023	Whole Time Director, CEO & CIO	4	4	30,67,862
3	Mr. Ameet Goyall	Sept 05, 2024	Nominee Director	4	4	0

16. Secretarial Standards Of ICSI

The Company has complied with the requirements prescribed under the Secretarial Standards on meetings of the Board of Directors (SS–1) and General Meetings (SS–2) read with the MCA circulars and any amendments issued from time to time.

17. Disclosure Of Relationship Between Directors Inter -SE

No relationship exists between Directors of the Company except being Promoter / Director.

18. Public Deposits

The Company continues to be categorized and operates as a non-deposit taking Non-Banking Financial Company - Micro Finance Institution (NBFC-MFI) and has not accepted any deposits as defined by the Act. Accordingly, disclosure under Section 35(1) of the RBI Master Direction – Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 2016 does not apply.

19. Directors' Responsibility Statement

Your Company's Directors make the following statement in terms of sub-section (5) of Section 134 of the Companies Act, 2013, which is to the best of their knowledge and belief and according to the information and explanations obtained by them:

- The financial statements of the Company as at and for the year ended March 31, 2026, have been prepared in accordance with requirements of Indian Accounting Standards ("Ind AS") notified by under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) as prescribed under Section 133 of the Companies Act, 2013 ('Act'), guideline issued by RBI, other accounting principles generally accepted in India and presentation requirements of Division III of Schedule III of the Act (Ind AS compliant Schedule III) as applicable to the Company.

- The financial statements have been prepared using the material accounting policies. The accounting policies have been used throughout all periods presented in these financial statements. These financial statements have been prepared on a going concern basis.

- The Board of Directors have selected such accounting policies and applied them consistently except where a newly issued accounting standard or a guideline is initially adopted or a revision to the existing accounting standards requires a change in the accounting policy hitherto in use 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 at the end of the financial year and of the profit & loss of the Company for the period ended March 31, 2026.

- The Board of Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.

- The Board of Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively.

- The Board of Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

20. Standalone Annual Accounts

The financial statements of the Company for the year ended March 31, 2026, have been prepared in accordance with requirements of Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) as prescribed under Section 133 of the Companies Act, 2013 ('Act'), guideline issued by RBI, other accounting principles generally accepted in India and presentation requirements of Division III of Schedule III of the Act (Ind AS compliant Schedule III) as applicable to the Company.

21. Audit Report And Statutory Auditor

M/s **"SS Kothari Mehta & Co. LLP"**, Chartered Accountants (Firm Registration No. 000756N/N500441), Statutory Auditor Report for the fiscal year 2025-2026 does not contain any qualification, reservation or adverse remark and are self-explanatory and therefore, in the opinion of the Directors, do not call for the comments.

22. Detail Of Fraud As Per Auditors Report

The frauds detected and reported for the year amounted to 10.07 lakhs out of which Rs 1.80 lakhs has been recovered and disciplinary action has been taken against the employees involved. There are no adverse observations/ qualifications in the Statutory Auditors report.

23. Secretarial Audit Report

Secretarial Audit Report issued by M/s Ajay Jaiswal & Co., Practicing Company Secretaries for the Financial Year 2025-2026 in the prescribed Form MR-3 is annexed to this Report as Annexure I. There are no qualifications, reservations, adverse remarks or disclaimers made by the Secretarial Auditors in their Report.

24. Risk Management Policy

The Company has developed and implemented a risk management policy which identifies major risks which may threaten the existence of the company. The same has also been adopted by your Board and is also subject to its review from time to time. Risk mitigation process and measure have also been formulated and clearly spelled out in the said policy.

25. Equity Infusion & Allotment

- The authorized share capital of the company was increased from Rs. 51,64,57,240 (Rupees Fifty One Crores Sixty Four Lakh Fifty Seven Thousand Two Hundred Forty only) divided into 1,86,00,000(One Crore Eighty Six Lakhs only) Equity shares of Rs. 10/- (Rupees Ten only) each,3,17,50,000 (Three Crores Seventeen Lakhs and Fifty Thousand only) Series C Compulsorily Convertible Preference Shares and 12,95,724 (Twelve Lakhs Ninety Five Thousand Seven Hundred Twenty Four only) Optionally Convertible Redeemable Preference Shares of Rs.10/- (Rupees Ten only) each to Rs.57,39,57,240 (Rupees Fifty Seven Crores Thirty Nine Lakh Fifty Seven Thousand Two Hundred Forty only) divided into 1,86,00,000(One Crore Eighty Six Lakhs only) Equity shares of Rs. 10/- (Rupees Ten only) each; 3,75,00,000 (Three Crores Seventy Five Lakhs only) Compulsorily Convertible Preference Shares (comprising of Series B, C and Pre-Series D Compulsorily Convertible Preference Shares) and 12,95,724 (Twelve Lakhs Ninety Five Thousand Seven Hundred Twenty Four only) Optionally Convertible Redeemable Preference Shares of Rs.10/- (Rupees Ten only) each vide its Shareholders approval on January 27,2026.

  The Company amended Clause V of the Memorandum of Association of the Company pursuant to the increase in Authorised Share Capital on January 27, 2026.

- The authorized share capital of the company was increased from the existing authorized share capital of: Rs.57,39,57,240 (Rupees Fifty Seven Crores Thirty Nine Lakh Fifty Seven Thousand Two Hundred Forty only) divided into 1,86,00,000(One Crore Eighty Six Lakhs only) Equity shares of Rs. 10/- (Rupees Ten only) each; 3,75,00,000 (Three Crores Seventy Five Lakhs only) Compulsorily Convertible Preference Shares (comprising of Series B, C and Pre-Series D Compulsorily Convertible Preference Shares) and 12,95,724 (Twelve Lakhs Ninety Five Thousand Seven Hundred Twenty Four only) Optionally Convertible Redeemable Preference Shares of Rs.10/- (Rupees Ten only) each to a revised authorized share capital of: Rs.71,69,57,240 (Rupees Seventy One Crores Sixty Nine Lakhs Fifty Seven Thousand Two Hundred Forty only) divided into 1,86,00,000(One Crore Eighty Six Lakhs only) Equity shares of Rs. 10/- (Rupees Ten only) each; 5,18,00,000 (Five Crores Eighteen Lakhs only) Compulsorily Convertible Preference Shares (comprising of Series B, C and Pre-Series D Compulsorily Convertible Preference Shares) and 12,95,724 (Twelve Lakhs Ninety Five Thousand Seven Hundred Twenty Four only) Optionally Convertible Redeemable Preference Shares of Rs.10/- (Rupees Ten only) each. vide its Shareholders approval on March 16,2026.

  The Company amended Clause V of the Memorandum of Association of the Company pursuant to the increase in Authorised Share Capital on March 16, 2026.

26. Changes In The Articles Of Association Of The Company

There were no changes in the Articles of Association of the Company

27. Debt Raising (Non-convertible Debenture):

SECURED

During the year, the Company raised money through debt instruments by issuing

- 4000 fully paid, guaranteed, unlisted, senior, secured, redeemable, taxable, transferable Non-Convertible debentures denominated in Indian Rupees ("INR") each having a face value of INR 1,00,000/- (Indian Rupees One Lakh Only) aggregating to INR 40,00,00,000/- (Rupees Forty Crores Only) in dematerialized form on private placement basis ("Debentures") to “VIVRITI FIXED INCOME FUND – SERIES 3 IFSC LLP”.

- 2700 fully paid, rated, unsubordinated, secured, unlisted, transferable, redeemable non - convertible debentures denominated in Indian Rupees ("INR") each having a face value of INR 1,00,000/- (Indian Rupees One Lakh Only) aggregating to INR 27,00,00,000/- (Rupees Twenty Seven Crores Only) in dematerialized form on private placement basis to “IFMR FIMPACT LONG TERM CREDIT FUND”.

- 3950 unlisted, secured, senior, rated, redeemable, taxable, transferable, non-convertible debentures denominated in Indian Rupees ("INR") each having a face value of INR 1,00,000/- (Indian Rupees One Lakh Only) aggregating to INR 39,50,00,000/- (Rupees Thirty Nine Crores and Fifty Lakhs Only) in dematerialized form on private placement basis to “CREATIONS INVESTMENTS FPI, LLC”.

UNSECURED

- 40,000 non-convertible debentures to Mr. Jayant Jha, Ms. Rita Bose and Ms. Chandni Bijawat.

- 50,000 non-convertible debentures to Ms. Nilanjana Bose.

28. Grant Of ESOP Option

- Under the employee Stock Option Plan (ESOP) scheme, the total pool of options, which can be granted to eligible employees of the Company, not exceeding 5,75,082 (Five Lakh seventy-five thousand and eighty-two) equity shares (Number of employee Stock Option Plan (ESOP) Options in aggregate).

- Amendments in the ESOP Plan 2019 and ESOP Plan 2024 were made with respect to the Exercise Period being changed from 2 years to 4 years

- During the year ended 31 March 2026, no options were being issued to any employees

29. Credit Ratings

During the year under Review India Ratings revised the Outlook of the Company to IND BBB/Stable.

30. SRO Membership

The Company is a member of Sa- Dhan (Self Regulating Organization).

31. Credit Bureau Membership

The Company is a member of all four Credit Bureau viz. CIBIL, EQUIFAX, CRIF HIGH MARK & EXPERIAN CREDIT INFORMATION COMPANY and regularly providing data to all the credit bureaus as per the extant guidelines.

32. Particulars Of Loans, Guarantees Or Investments

The Company is a Non-Banking Financial Company, classified as NBFC-MFI and the principal business of the Company is to provide loans. Hence, Section 186 will not be applicable to your company. The Company has not entered into any such transaction as prohibited under section 186(1) & 186(2) of the Companies Act, 2013.

33. Related Party Transactions [RPT]

- Pursuant to Section 177 of the Companies Act, 2013 and the Company's Related Party Transaction Policy & pursuant to the provisions of section 188 of the Companies Act, 2013 (as amended or re-enacted from time to time) read with rule no 15 of the Companies (Meeting of Board and its Powers) Rules 2014, the consent of the members of the Audit Committee was obtained for entering into a Lease Agreement with Mr. Abhisheka Kumar, Managing Director & family members identified in "Annexure 1" (being the owners of the property), for leasing the property located at 701A-721A,7A Floor, Tower C, Noida One, Plot No. 8, Block B, Sector-62, Noida, Gautam Budh Nagar, Uttar Pradesh-201301 for office use at a monthly rent of Rs. 12,50,000/- (Rupees Twelve Lakhs and Fifty Thousand only) on terms presented to the Committee and the said agreement/ transaction was determined to be at arm's length and in the ordinary course of business.

There were no materially significant related party transactions made by the Company with Director's, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large.

34. Vigil Mechanism/whistle Blower Policy

The Vigil Mechanism system/Whistle Blower Policy has been established with a view to provide a tool to directors and employees of the Company to report to the management genuine concerns including unethical behavior, actual or suspected fraud. The Policy provides adequate safeguards against victimization of director(s)/employee(s) who avail of the mechanism. The Company has not received any references under the said policy during the year.

35. Information: Company's Depository And Registrar And Transfer Agent (RTA)

The Company has obtained ISIN for its Equity and Preference Shares and intimation about the same has been communicated to the shareholders with request to getting their Physical Shares
Dematerialized.

Those who are interested in converting their physical shares into DEMAT may please contact their Depository Participant & the Registrar & Transfer Agent (Orbis Financial Corporation Limited) of the Company for the dematerialization of their shares:

36. Dematerilisation Of Equity Shares

ISIN: INE0FWI01016
Security code: FULLY PAID-UP EQUITY SHARES
Depository: National Securities Depository Limited (NSDL)
Registrar & Transfer Agent: Orbis Financial Corporation Limited

COMMUNICATION ADDRESS

RTA Division
Orbis Financial Corporation Limited
4A Ocus Technopolis, Sector 54 Golf Course Road,
Gurgaon -122002, Haryana

37. Dematerilisation Of Compulsory Convertible Preference Shares

SUMMARY

Sr. No.	ISIN No.	ISIN Type	
1	INE0FWI03012	Preference Shares	National Securities Depository Limited (NSDL)
2	INE0FWI03020	Preference Shares	National Securities Depository Limited (NSDL)
3	INE0FWI03038	Preference Shares	National Securities Depository Limited (NSDL)
4	INE0FWI03046	Preference Shares	National Securities Depository Limited (NSDL)
5	INE0FWI03053	Preference Shares	National Securities Depository Limited (NSDL)
6	INE0FWI03061	Preference Shares	National Securities Depository Limited (NSDL)
7	INE0FWI03079	Preference Shares	National Securities Depository Limited (NSDL)

38. Dematerilisation Of Secured Debentures

Sr. No.	ISIN No.	ISIN Type	Depository	Debenture Trustee
1	INE0FWI07112	Non- Convertible Debentures	National Securities Depository Limited (NSDL)	Catalyst Trusteeship Ltd.
2	INE0FWI07104	Non- Convertible Debentures	National Securities Depository Limited (NSDL)	Catalyst Trusteeship Ltd.
3	INE0FWI07062	Non- Convertible Debentures	National Securities Depository Limited (NSDL)	Catalyst Trusteeship Ltd.
4	INE0FWI07070	Non- Convertible Debentures	National Securities Depository Limited (NSDL)	Catalyst Trusteeship Ltd.
5	INE0FWI07088	Non- Convertible Debentures	National Securities Depository Limited (NSDL)	Catalyst Trusteeship Ltd.
6	INE0FWI07096	Non- Convertible Debentures	National Securities Depository Limited (NSDL)	Catalyst Trusteeship Ltd.

39. Extract Of Annual Return

Pursuant to sub-section (3)(a) of Section 134 and sub-section (3) of Section 92 of the Act, read with Rule 12 of the Companies (Management and Administration) Rules, 2014, the Annual Return as at March 31, 2026 is made available on the Company's website at www.sindhujamicrocredit.com.

40. Particulars Of Employees And Related Disclosures

In terms of the provisions of Section 197(12) of the Act read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, during the financial year 2025-2026 there were no employees drawing remuneration in excess of the limits set out in the said rules.

41. Disclosure Under The Sexual Harassment Of Women At Workplace (prevention, Prohibition And Redressal) Act, 2013

The Company has in place prevention, prohibition and redressal of Sexual Harassment Policy at workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules thereunder, to ensure healthy working environment without fear of prejudice, gender bias and sexual harassment.

During the financial year ended 31st March, 2026, no cases or complaint pertaining to sexual harassment was received by the Company.

The Company organized POSH training for its employees on August 23, 2025.

42. Internal Audit And Internal Financial Control And Its Adequacy

The Company has put in place effective internal financial control in compliance with the extant regulatory guidelines and compliance parameters. The Audit Committee periodically reviews to ensure that the internal financial controls of the Company are adequate and are commensurate with its size, scale and complexity of operations. The Company has put in place robust policies and procedures which, inter-alia, help in ensuring integrity in conduct of business, timely preparation of financial information, accuracy and completeness in maintaining accounting records and prevention and detection of frauds & errors.

The Company has appointed an Internal Auditor to strengthen internal financial control.

43. Conservation Of Energy And Technology Absorption

The Company has no activity relating to the Conservation of Energy and Technology Absorption, hence provisions of Section 134 (3) (m) of the Companies Act, 2013, read with Rule 8 of the Companies (Accounts) Rules, 2014 are not applicable to the Company. The Company has, however, used information technology extensively in its operations and continues to invest in energy-efficient office equipment at all office locations.

44. Foreign Exchange Earnings And Outgo

The Company does not carry out any activities relating to export and import during the financial year.

45. Details In Respect Of Application Made Or Any Proceeding Pending Under The Insolvency And Bankruptcy Code, 2016 And Their Status

During the financial year 2025-2026 no application was made or any proceeding pending under the Insolvency and Bankruptcy Code, 2016.

46. Details In Respect Of Difference Between Amount Of The Valuation Done At The Time Of One Time Settlement And The Valuation Done While Taking Loan From The Banks Or Financial Institutions Along With The Reasons

These provisions do not apply, as the Company is a going concern and there is no incidence of a one-time settlement with any entity till the reporting of this report.

47. Other Disclosures/confirmation:

During the year under review:
a. The Company has not allotted any equity shares with differential voting rights.
b. The Company has complied with applicable Secretarial Standards for Board and General Meetings held.
c. The Company has not revised Financial Statements as mentioned under Section 131 of the Act.

Acknowledgments

Your Directors takes this opportunity to express its deep and sincere gratitude for the support and coordination from the Borrowers, Banks, Financial Institutions, Investors, and Employees of the Company, for their consistent support and encouragement to the Company. Your Directors also place on record its sincere appreciation of the commitment and hard work put in by the Management and the employees of the Company despite the Microfinance Institution (MFI) sector in general experienced significant stress during the financial year ended March 2026. Their dedication and competence have ensured that the Company continues to be a significant player in the Micro finance industry.

On behalf of the Board of Directors
For Sindhuja Microcredit Private Limited

Abhisheka Kumar Managing Director DIN: 02972579	Malkit Singh Didyala Whole Time Director, CEO & CIO DIN: 07957488

Date: 03/09/2026
Place: Noida

Annexure 1

Sr No	Name	Relation with Managing Director	Related party	% holding	Rent Amount (Rs.)
1	Abhisheka Kumar	Self	Yes	20.18	2,52,250/-
2	Shweta Kumari	Wife	Yes	20.18	2,52,125/-
3	Sindhu Singh	Mother	Yes	12.95	1,61,875/-
4	Anamika Bhardwaj	Sister	Yes	7.385	92,313/-
5	Manish Bhardwaj	Brother-in law	Yes	7.385	92,313/-
6	Suneeta Mishra	Cousin sister	No	15.965	1,99,563/-
7	Sanchi Mishra	Daughter of cousin sister	No	15.965	1,99,563/-
	Total			**100%**	**12,50,000/-**

Secretarial Audit Report

Form MR-3
Secretarial Audit Report
For The Financial Year Ended 31.03.2026

[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,
M/s Sindhuja Microcredit Private Limited
(CIN: U65990UP2017PTC099006)
Office No. 701A-721A-, 7A Floor, Tower C Noida One,
Plot No.8, Block-B, Sector-62, Noida,
Gautam Buddha Nagar, UP, India, 201301

We, Ajay Jaiswal & Co., Company Secretaries, have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by SINDHUJA MICROCREDIT PRIVATE LIMITED (CIN: U65990UP2017PTC099006) (hereinafter called the "Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of Sindhuja Microcredit Private Limited's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year from 01.04.2025 ended on 31.03.2026 ("Audit Period"/"period under review") 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 are issuing this report based on:

I. Our examination/verification of the books, papers, minutes book and other records maintained by the company and furnished to us, forms and returns filed and compliance related action taken by the company during the audit period;

ii. Certificates confirming compliance with the laws applicable to the company, given by the directors and noted by the board;

iii. Report regarding the compliances as stated and noted by the Audit Committee;

iv. Representations made and information provided by the company, its officers, agents and authorized representatives during our conduct of the Secretarial Audit.

Compliance with specific statutory provisions:

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

1. The Companies Act, 2013 ('the Act') and the rules made thereunder;

2. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder; (Not applicable to the company during the year under review)

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 Overseas Direct Investment;

5. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):

    a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations,2011;(Not applicable to the company during the Audit Period)

    b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations,2015; (Not applicable to the company during the Audit Period)

    c. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations,2014; (Not applicable to the company during the Audit Period)

    d. 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; (Not applicable to the company during the Audit Period)

    e. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations,2015; (Not applicable to the company during the Audit Period)

    f. The Securities and Exchange Board of India (Buy-back of Securities) Regulations, 2018; (Not applicable to the company during the Audit Period)

    g. Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021; (Not applicable to the company during the Audit Period)

    h. Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (Not applicable to the company during the Audit Period)

    i. Securities and Exchange Board of India (Issue and Listing of Non-Convertible and Redeemable Preference Shares) Regulations, 2013; (Not applicable to the company during the Audit Period).

6. The Reserve Bank of India Act, 1934;

7. The Following Regulations and Guidelines prescribed under the RBI Act, along with amendments thereto, to the extent applicable: -

    a. Master Direction - Non-Banking Financial Company –Non-Systemically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016;

    b. Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation), Directions, 2023

    c. Master Direction-Non-Banking Financial Company Returns (Reserve Bank) Directions, 2016

    d. Master Directions: Monitoring of Frauds in Non-banking financial companies (Reserve Bank) Directions 2016;

    e. Master Direction: (KYC) Direction,2016

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

    g. Miscellaneous Instructions to all Non-Banking Financial Companies

    h. Master Directions issued on November 28, 2025 and amendments issued from time to time.

8. The Following other Acts, along with amendments thereto, to the extent applicable: -

   a. The Employees Provident Fund and Miscellaneous Provisions Act, 1952
   b. The Employment Exchange (Compulsory notification of Vacancies) Act 1959
   c. The Employees State Insurance Corporation Act - 1948 (ESIC)
   d. The Professional Tax Act (PT) 1975
   e. The Labour Welfare Fund Act (LWF) 1965
   f. The Contract Labour (Regulation & Abolition) Act - 1970 (CLRA)
   g. The Child Labour (Prohibition & Regulation Act), 1986
   h. The Minimum Wages Act, 1948
   I. The Payment of Wages Act, 1936
   j. The Payment of Bonus Act, 1965
   k. Maternity Benefit Act, 1961
   l. The Equal Remuneration Act, 1976
   m. The Payment of Gratuity Act, 1972
   n. The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013
   o. The Employees Compensation Act-1923
   p. Shops and Commercial Establishments Act (S&E Act), 1947

9. The Following Circulars/notifications issued by the RBI, along with the amendments introduced thereto from time to time, to the extent applicable: -

   a. Guidelines for Appointment of Statutory Central Auditors (SCAs)/Statutory Auditors (SAs) of Commercial Banks (Excluding RRBs), UCBs and NBFCs (Including HFC) dated April 27, 2021

   b. Resolution Framework-2.0: Resolution of Covid-19 Related Stress of Individuals and Small Business Dated May 05, 2021

   c. Prudential Norms on Income Recognition, Asset Classification and Provisioning Pertaining to Advances Clarifications Dated November 12, 2021

   d. Other Special Circulars or Notifications by RBI from time to time and applicable to the Company.

10. Guidelines on Group Insurance issued by the IRDAI to the extent applicable;

    We have also visited& examined the Website of the Company where the following policies and codes were placed:

    a. Customer Grievance Policy;
    b. Interest Rate Policy;
    c. Prevention of Sexual Harassment Policy;
    d. Whistle Blower Policy;
    e. ESG Policy;
    f. Fair Practice Code and
    g. Rating, Grading and Liquidity Risk Disclosure.

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

   I. Secretarial Standards issued by The Institute of Company Secretaries of India viz. SS-1 & SS-2.

   ii. The Listing Agreements entered into by the Company with BSE and NSE Stock Exchange(s); (Not applicable to the company during the Audit Period)

iii. All the applicable provisions of law including ESIC, EPF, Labour laws, and based on the above examination, we report that, during the year under review, the Company has complied with the provisions of the Acts, Rules, Guidelines and Standards mentioned above subject to the following observations/qualification: -

(a) The Company has complied with the provisions of the above Directions and circulars/ guidelines issued thereunder, except in respect of matters specified below: -

Compliance Requirement (Notifications/ circulars / guidelines including specific clause)	Deviations	Observations/ Remarks of the Practicing Company Secretary
All complied	NIL	NIL

Disclaimer:- The Reserve Bank of India has issued Inspection & Risk Assessment Report (IRAR) for FY 2024-25. Based on the supervisory assessment, the supervisory rating of the Company has been assessed at B.

The Company filed its response via email dated April 02, 2026.On further request by the RBI, explanations and supporting documents have been furnished to the RBI via e-mail and on the DAKSH platform.

(b) The Company has maintained proper records under the provisions of the above Directions and circulars/ guidelines issued thereunder insofar as it appears from our examination of those records.

(c) The following are the details of actions taken against the Company/ its promoters/ directors/ subsidiaries either by the Ministry of Corporate Affairs or by Reserve Bank of India (including under the Standard Operating Procedures issued by RBI through various circulars) under the aforesaid Acts/ Rules and circulars/ guidelines issued thereunder:

Action taken by	Details of Violation	Details of action taken E.g. fines, warning letter, debarment, etc.	Observations/ remarks of the Practicing Company Secretary, if any.
NIL	NIL	NIL	NIL

(d) The Company has taken the following actions to comply with the observations made in previous reports:

Observations of the Practicing Company Secretary in the previous Reports	Observations made in the secretarial compliance report for the last year	Actions taken by the company, if any	Comments of the Practicing Company Secretary on the actions taken by the company
NA	NA	NA	NA

We further report that,

I. BOARD PROCESSES;

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors.

During the financial year under review, i.e., FY 2025–26, there were no changes in the composition of the Board of Directors of the Company.

As on 31st March, 2026 and after taking note of the above consideration, the Board comprises of:

- 2 (Two) Executive Promoters Directors
- 5 (Five) Non-Executive Nominee Directors(out of five nominee Directors, two are women Directors)
- 2 (Two) Non-Executive Independent Directors

Further, the compositions of the Committees under various statues are as follows:

Audit Committee

Sr. No.	Name	Designation
1	Mr. Diwakar Pundir	Independent Director
2	Ms. Jagriti Bhandari	Nominee Director
3	Mr. Sandeep Shashidhar Phanasgaonkar	Independent Director

Nomination And Remuneration Committee

Sr. No.	Name	Designation
1	Mr. Abhishek Sharman	Nominee Director
2	Mr. Diwakar Pundir	Independent Director
3	Mr. Malkit Singh Didyala	Whole Time Director, CEO & CIO
4	Mr. Sandeep Shashidhar Phanasgaonkar	Independent Director

IT Strategy Committee

Sr. No.	Name	Designation
1	Mr. Ameet Goyall	Nominee Director
2	Mr. Malkit Singh Didyala	Whole Time Director, CEO & CIO
3	Mr. Sandeep Shashidhar Phanasgaonkar	Independent Director

Credit & Risk Management Committee

Sr. No.	Name	Designation
1	Mr. Abhisheka Kumar	Managing Director
2	Mr. Agustin Vitorica	Nominee Director
3	Mr. Diwakar Pundir	Independent Director
4	Ms. Laetitia Counye	Nominee Director

Corporate Social Responsibility And Social Performance Management Committee

Sr. No.	Name	Designation
1	Mr. Abhisheka Kumar	Managing Director
2	Mr. Agustin Vitorica	Nominee Director

Resourcing Committee

Sr. No.	Name	Designation
1	Mr. Abhisheka Kumar	Managing Director
2	Malkit Singh Didyala	Whole Time Director, CEO & CIO
3	Ms. Jagriti Bhandari	Nominee Director

Grievance Redressal Committee

Sr. No.	Name	Designation
1	Mr. Abhisheka Kumar	Managing Director
2	Malkit Singh Didyala	Whole Time Director, CEO & CIO
3	Ms. Pallavi Jain	AVP (HR & Admin)
4	Mr. Pankaj Rautela	AVP (Risk & Audit)

Asset Liability Committee

Sr. No.	Name	Designation
1	Mr. Abhisheka Kumar	Managing Director
2	Mr. Malkit Singh Didyala	Whole Time Director, CEO & CIO
3	Mr. Rohit Tandon	Deputy Vice President (Finance)
4	Mr. Akhilesh Kumar Dubey	DVP (Accounts)

II. BOARD MEETINGS:

Adequate notice is given to all directors to schedule the Board Meetings; agendas and detailed notes on the agenda were sent at least seven days in advance, 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 decision is carried out unanimously/majority by the members and recorded in the proper way in the minutes.

During the period under review, the following Board Meetings were scheduled and duly held:-

1. 02.06.2025
2. 08.09.2025
3. 29.10.2025
4. 28.11.2025
5. 21.01.2026
6. 13.03.2026
7. 23.03.2026

III. COMPLIANCE MECHANISM:

We report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines and also report that the company has filed all statutory returns with the Income Tax Authority, ROC, RBI and Authorities under other applicable laws.

IV. SPECIFIC EVENTS:

We further report that during the audit period the Company has undertaken specific events/actions as mentioned herein, that can have a major bearing on the Company's compliance responsibility in pursuance of the above referred laws, rules, standards:

a. Issue and Allotment of Non-Convertible Debentures (Secured):
During the year under review, the Company has: -

I. Issued & Allotted on April 25, 2025, 4,000 Fully Paid, Guaranteed, Unlisted Senior, Secured, Redeemable, Taxable, Transferable NCDs ("NCDs" or "Debentures") denominated in Indian Rupees ("INR") each having a face value of INR 1,00,000/- (Indian Rupees One lakh Only) aggregating to Rs. 40,00,00,000/- (Rupees Forty Crore Only) ("Debentures") on a Private Placement basis to "VIVRITI FIXED INCOME FUND – SERIES 3 IFSC LLP";

ii. Issued & Allotted on June 30, 2025, 2700 fully paid, rated, unsubordinated, secured, unlisted, transferable, redeemable Non-Convertible Debentures ("NCDs" or "Debentures") denominated in Indian Rupees ("INR") each having a face value of INR 1,00,000/- (Indian Rupees One lakh Only) aggregating to Rs. 27,00,00,000/- (Rupees Twenty Seven Crore Only) ("Debentures") on a Private Placement basis to "IFMR Fimpact Long Term Credit Fund";

iii. Issued & Allotted on August 19, 2025, 40,000 unlisted, unrated, unsecured Non-Convertible Debentures ("NCDs" or "Debentures") denominated in Indian Rupees ("INR") each having a face value of INR 1,000/- (Indian Rupees One Thousand Only) aggregating to Rs. 4,00,00,000/- (Rupees Four Crore Only) ("Debentures") on a Private Placement basis to Mr. Jayant Jha (20,000 NCD), Ms. Rita Bose (10,000 NCD) and Chandni Bijawat (10,000 NCD);

iv. Issued & Allotted on November 21, 2025, 50,000 unlisted, unrated, unsecured, Redeemable Non-Convertible Debentures ("NCDs" or "Debentures") denominated in Indian Rupees ("INR") each having a face value of INR 1,000/- (Indian Rupees One Thousand Only) aggregating to Rs. 5,00,00,000/- (Rupees Five Crore Only) ("Debentures") on a Private Placement basis to Ms. Nilanjana Bose;

v. Issued & Allotted on December 15, 2025, 3950 fully paid, rated, unlisted, senior, secured, Redeemable taxable Non-Convertible Debentures ("NCDs" or "Debentures") denominated in Indian Rupees ("INR") each having a face value of INR 100,000/- (Indian Rupees One Lakh Only) aggregating to Rs. 39,50,00,000/- (Rupees Thirty Nine Crore Fifty Lakh Only) ("Debentures") on a Private Placement basis to "CREATIONS INVESTMENTS FPI, LLC";

b. Issue and Allotment of Optionally Convertible Redeemable Preference Shares (OCRPRS)

During the year under review, the Company has not issued Optionally Convertible Redeemable Preference Shares: -

c. Issue and Allotment of Equity and Compulsory Convertible Preference Shares (CCPS)

During the year under review, the Company has not issued Equity and Compulsory Convertible Preference Shares: -

d. Increase in Authorized Capital of the Company:

During the year under review, the Company has increased its Authorized Capital

The Company increased its Authorised Share Capital to Rs. 71,69,57,240.00 (Rupees Seventy-One Crore Sixty-Nine Lakh Fifty-Seven Thousand Two Hundred Forty Only) divided into 1,86,00,000 (One Crore Eighty Six Lakh) equity shares of Rs. 10 each, 5,18,00,000 (Five Crore Eighteen Lakh) Series C Compulsory Convertible Preference Share and 12,95,724 (Twelve lakh Ninety-Five Thousand Seven Hundred Twenty-Four) Optionally Convertible Redeemable Preference share of Rs. 10 each.

Ajay Jaiswal & Co.

Ajay Jaiswal
Company Secretaries
C.P. No.: 3684
Udin: F005112H001129400

Place: Varanasi
Date: 17/08/2026

Annexure to the Secretarial Audit Report

[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,
Sindhuja Microcredit Private Limited
Office No. 701A--721A, 7A Floor, Tower C Noida One,
Plot No.8, Block-B, Sector-62, Noida
Gautam Budh Nagar UP 201301 IN

Our 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.

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

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

4. Wherever our Audit has required the examination of books and records maintained by the Company, we have 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. We have conducted online verification & examination of records, as facilitated by the Company;

5. We have not verified the correctness and appropriateness of financial records and books of accounts of the Company, as they are subject to audit by the Statutory Auditors of the Company appointed under section 139 of the Companies Act, 2013;

6. Wherever required, we have obtained the Management Representation about the compliance of laws, rules and regulations and happening of events etc.

7. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on a test 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 framed in accordance with audit practices;

9. The contents of this Report have 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.

Disclaimer

The Secretarial Audit Report 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.

Ajay Jaiswal & Co.

Ajay Jaiswal
Company Secretaries
C.P. No.: 3684
Udin: F005112H001129400

Place: Varanasi
Date: 17/08/2026

Independent Auditor's Report

Independent Auditor's Report

To The Members Of
Sindhuja Microcredit Private Limited

Report on the Audit of the Ind AS financial statements

Opinion

We have audited the accompanying financial statements of SINDHUJA MICROCREDIT PRIVATE LIMITED ("the Company"), which comprise the Balance sheet as at 31st March 2026, and the statement of Profit and Loss (including Other Comprehensive Income), statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policies and other explanatory information. (hereinafter referred to as "the financial statements").

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

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the financial statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the financial statement.

Information Other than the financial statements and Auditor's Report Thereon

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

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

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

When we read the Board report identified above, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take necessary actions, as applicable under the relevant laws and regulations.

Responsibilities of Management and Those Charged with Governance for the financial statements

The Company's Board of Directors are responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these 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 accounting principles generally accepted in India, including the Indian accounting Standards (Ind AS) specified under section 133 of the Act. 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 financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, 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 Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Ind AS financial statements

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

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

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.

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

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

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

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

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 (the "Order") issued by the Central Government in terms of Section 143 (11) of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.

2. As required by Section 143(3) of the Act, based on our audit, we report that:-

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

    b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books except for the matters stated in paragraph 2(i)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rule , 2014.

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

    d. In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

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

    f. With respect to the maintenance of accounts and other matters connected therewith, reference is made to our remarks in paragraph 2(i)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rule, 2014.

    g. With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

    h. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended :

       The provisions of section 197 read with Schedule V to the Act are not applicable to the Company since the Company is not a public company as defined under section 2(71) of the Act. Accordingly, reporting under section 197(16) is not applicable.

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

I. the Company has disclosed the impact of pending litigations on its financial position in its Ind AS financial statements. Refer Note 45 to the Ind AS financial statements.

ii. The Company has made provision, as required under the applicable law or Ind AS, for material foreseeable losses, if any, on long-term contracts including derivative contracts. – Refer Note 43 to the Ind AS financial statements.

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

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

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

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

v. the company has not declared or paid any dividend during the year ended March 31,2026.

vi. Based on our examination which included test checks, the Company has used accounting software and loan management software for maintaining its books of account which has feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software.

Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with, wherein the audit trail functionality was enabled and the audit trail has been preserved by the Company as per the statutory requirements for record retention.

For S S Kothari Mehta & Co. LLP
Chartered Accountants
Firm's Registration No. 000756N/N500441

Vijay Kumar
Partner
Membership No. 092671
UDIN: 26092671VVUUFJ7947

Place: New Delhi
Date: May 26, 2026

Annexure "A" To The Independent Auditor's Report

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of SINDHUJA MICROCREDIT PRIVATE LIMITED of even date)

To the best of our information and according to the explanations provided to us by the Company and the books of account and records examined by us in the normal course of audit, we state that:

I. In respect of the Company's Property, Plant and Equipment and Intangible Assets:

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

c. The Property, Plant & Equipment have been physically verified by the management during the year and no material discrepancies were identified on such verification.

d. Based on the information and explanation given to us, the Company does not have any immovable property (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee), hence reporting under clause 3(i) (c) of the order is not applicable.

e. According to the information and explanation given to us and based on our examination of records, the Company has not revalued any of its Property, Plant and Equipment (including right- of-use assets) and intangible assets during the year.

f. According to the information and explanation given to us and based on our examination of records, no proceedings have been initiated during the year or are pending against the Company as at March 31, 2026 for holding any Benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.

ii. a. (a) The Company does not have any inventory and hence reporting under clause 3(ii)(a) of the Order is not applicable.

b. (b) The company has not been sanctioned working capital limits in excess of rupees five crore. Accordingly, the requirement to report on paragraph 3 (ii) (b) of the order is not applicable to the company.

iii. a. Since, the Company's Principal business is to give loans and accordingly, the requirement to report on clause 3(iii)(a) of the Order is not applicable as the Company.

b. In our opinion, the investments made and the terms and conditions of the grant of all loans provided, during the year are, prima facie, not prejudicial to the Company's interest. Company has not provided any guarantee or security to companies, firms, Limited Liability Partnerships or any other parties.

c. In respect of loans granted by the Company, the schedule of repayment of principal and payment of interest has been stipulated and the repayments of principal amounts and receipts of interest are generally been regular as per stipulation. Since, the Company is NBFC and considering the significant volume of transactions with number of borrowers furnishing the number of cases of default is practically not feasible.

d. In respect of loans granted by the Company, the details of total amount overdue above 90 days are as follows:-

(Amount in Rs. in Lakhs)

Type of Loan	Nos of Cases	Principal Overdue	Interest Overdue	Total Overdue
JLG (Joint Liability Group)	7,821	909.58	137.87	1,047.45
MSME (Micro Small & Medium Enterprises Loans)	20	19.52	14.91	34.43
Total	**7,841**	**929.10**	**152.78**	**1,081.88**

Based on the information & explanations given to us, reasonable steps have been taken by the Company for the recovery of the Principal & Interest.

e. Reporting under clause 3(iii)(e) of the Order is not applicable as the Company is a Non-Banking Financial Company whose principal business is to give loans.

f. The Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment during the year. Hence the reporting under clause 3(iii)(f) is not applicable.

iv. According to the information and explanations given to us, there are no transactions which are required to be reported under Section 185 of the Act, accordingly, provisions of section 185 of the Act are not applicable to the Company. However, the Company has complied with the provisions of section 186 of the Act in respect of investments made.

v. The Company has not accepted any deposit or there are no amounts which are deemed to be deposits within the meaning of section 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rule 2014 (as amended) . Hence, reporting under clause 3(v) of the Order is not applicable.

vi. The maintenance of cost records has not been specified by the Central Government under sub- section (1) of section 148 of the Companies Act, 2013 for the business activities carried out by the Company. Hence, reporting under clause 3(vi) of the Order is not applicable to the Company.

vii. In respect of statutory dues:

a. In our opinion, the Company has generally been regular in depositing undisputed statutory dues, including Goods and Services tax, Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, Cess and other material statutory dues applicable to it with the appropriate authorities.

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

b. According to the records and information and explanation given to us, there are no dues in respect of statutory dues referred to in vii (a) above which have not been deposited on account of any dispute.

viii. There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).

ix. a. According to the information and explanation given to us and based on our examination of records, the Company has not defaulted in repayment of loans or other borrowings or in the payment of Interest thereon to any lender and hence, reporting under clause 3(ix)(a) of the Order is not applicable.

b. Based on the information and explanations obtained by us, the Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

c. Money raised during the year by the Company by way of term loans has been applied for the purpose for which they were raised other than temporary deployment pending application of proceeds.

d. According to the information and explanation given to us and based on our overall examination of records, funds raised on short- term basis have, prima facie, not been used during the year for long-term purposes by the Company.

e. According to the information and explanation given to us and based on our examination of records, the company does not have any subsidiary, associate or joint venture. Hence, reporting under clause 3(ix)(e) and clause 3(ix)(f) of the Order is not applicable.

f. According to the information and explanation given to us and based on our examination of records, the Company has not raised loans on the pledge of securities held in its subsidiary, associate or joint venture during the year. Further, the company does not have any subsidiary, associate or joint venture. Hence, reporting under clause 3(ix)(f) of the Order is not applicable.

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

b. According to the information and explanations given to us and based on our examination of records of the company, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly clause 3(x)(b) of the order is not applicable.

xi. a. No material fraud by the Company or on the Company has been noticed or reported during the year except as follows:

We have been informed that the few employees of the Company had misappropriated funds amounting to Rs 6.13 lakhs during the year out of which Rs. 3.51 lakhs have been recovered. Investigations are in progress and the employees has been dismissed.

b. According to the information and explanation given to us and based on our examination of records, no report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.

c. As represented to us by the management, there are no whistle-blower complaints received by the Company during the year.

xii. The Company is not a Nidhi Company and hence reporting under clause 3(xii) of the Order is not applicable.

xiii. In our opinion, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 with respect to applicable transactions with the related parties and the details of related party transactions have been disclosed in the financial statements as required by the applicable Ind AS.

xiv. a. According to the information and explanation given to us and based on our examination of records, in our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.

b. We have considered, the internal audit reports for the year under audit, issued to the Company during the year and till date of our report, in determining the nature, timing and extent of our audit procedures.

xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.

xvi. a. The Company has registered as required, under Section 45-IA of the Reserve Bank of India Act, 1934.

b. The Company has not conducted any Non-Banking Financial activities without a valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934.

c. According to the information and explanations given to us and based on our examination of the records, the Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India, accordingly, paragraph 3(xvi)(c) of the Order is not applicable.

d. According to the information and explanations given to us and based on our examination of the records, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016).

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

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

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

xx. a. The provisions of Section 135 to the Companies Act, 2013 in relation to Corporate Social Responsibility is not applicable to the Company. Accordingly, the requirement to report on clause 3(xx)(a) and 3(xx)(b) of the Order is not applicable to the Company.

For S S Kothari Mehta & Co. LLP
Chartered Accountants
Firm's Registration No. 000756N/N500441

Vijay Kumar
Partner
Membership No. 092671
UDIN: 26092671VVUUFJ7947

Place: New Delhi
Date: May 26, 2026

"Annexure B" To The Independent Auditor's Report Of Even Date On The Financial Statements Of Sindhuja Microcredit Private Limited.

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act") as referred to in paragraph 2(g) of 'Report on Other Legal and Regulatory Requirements' of our Independent Auditor's Report

We have audited the internal financial controls with reference to financial statements of **SINDHUJA MICROCREDIT PRIVATE LIMITED** ("the Company") as of March 31, 2026 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Board of Directors of the Company is responsible for establishing and maintaining internal financial controls with reference to the Ind AS financial statement 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. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to 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 Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing, prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. 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 financial statements was established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls with reference to financial statements

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

Inherent Limitations of Internal Financial Controls with reference to financial statements

Because of the inherent limitations of internal financial controls with reference to Ind AS 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 financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, based on the records, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2026, based on the internal control with reference to 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 S S Kothari Mehta & Co. LLP
Chartered Accountants
Firm's Registration No. 000756N/N500441

Vijay Kumar
Partner
Membership No. 092671
UDIN: 26092671VVUUFJ7947

Place: New Delhi
Date: May 26, 2026

Auditor's Report to the Board of Directors pursuant to Master Directions- Non-Banking Financial Companies Auditor's Report (Reserve Bank) Directions, 2016

To
The Board of Directors of
Sindhuja Microcredit Private Limited,
Office No. 701A-721A,7A Floor, Tower C , Noida One,
Plot No. 8, Block B, Sector 62, Noida,
Dist. Gautam Budh Nagar, Uttar Pradesh, 201301

Ref: Report to the Board of Directors pursuant to Master Directions- Non-Banking Financial Companies Auditor's Report (Reserve Bank) Directions, 2016 issued by the Reserve Bank of India ("RBI") and amended from time to time (the "Auditor's Report Directions") for the year ended March 31, 2026.

1. We have audited the financial statements of Sindhuja Microcredit Private Limited (the "Company"), which comprise the Balance Sheet as at March 31, 2026, the Statement of Profit and Loss, including the Statement of Other Comprehensive Income, the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended and notes to the financial statements, including a summary of Material accounting policies and other explanatory information and issued our audit opinion dated May 26, 2026 thereon. These financial statements are the responsibility of the Company's management. Our responsibility was to express an opinion on these financial statements based on our audit. Our audit was conducted in the manner specified under the section "Auditor's Responsibilities for the Audit of the Financial Statements" of the said audit report. We also draw reference to the section "Responsibilities of Management and those charged with the Management for the Financial Statements" in the Audit Report which applies to this report.

2. The financial statements, referred to in paragraph 1 above, have been prepared by the Company as per the Indian Accounting Standards specified in the Companies (Indian Accounting Standards) Rules, 2015, as amended, and the relevant requirements of Reserve Bank of India (Non-Banking Financial Companies – Income Recognition, Asset Classification and Provisioning) Directions, 2025 issued by RBI, updated from time to time.

3. As required by the Auditor's Report Directions based on our audit referred to in paragraph 1 above and based on the information and explanations given to us which to the best of our knowledge and belief were necessary for this purpose, we report hereunder on the matters specified in paragraphs 3 and 4 of the Auditor's Report Directions:-

   I. The Company has been engaged in the business of a Non-Banking Financial Institution ("NBFI") as defined in section 45-I(a) of the Reserve Bank of India Act, 1934 (the "Act") during the year ended March 31, 2026, requiring it to hold a Certificate of Registration ("CoR") under section 45-IA of the Act. The Company is registered with RBI as an NBFC without accepting public deposits vide CoR number N-12.00469 dated September 11, 2018 issued by the Kanpur Regional Office of the RBI;

   ii. The Company is entitled to continue to hold such CoR in terms of its principal business criteria (financial assets/income pattern) as at and for the year ended March 31, 2026 determined in accordance with NBFC Master Directions;

   iii. The net owned fund ("NOF") of the Company as of March 31, 2026, determined in accordance with the Ind AS Accounting Framework, is in compliance with the requirement as laid down in the NBFC Master Directions;

iv. The Board of Directors has passed a resolution on March 26, 2025 for non-acceptance of any public deposits during the year ended March 31, 2026;

v. The Company has not accepted public deposits during the year ended March 31, 2026;

vi. The Financial Statement of the Company are prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time). Accordingly, the Company for the purposes of Assets classification, Income recognition and provisioning requirements has followed the Ind AS principles.

vii. The capital adequacy ratio as of March 31, 2026, disclosed in the provisional NBS-7 (DNBS 03) return submitted to RBI on unaudited basis on April 20, 2026 has been correctly determined in accordance with the Ind AS Accounting Framework and such ratio is in compliance with the minimum capital to risk assets ratio ("CRAR") prescribed in the NBFC Master Directions. The Final NBS-7 (DNBS 03) return (based on audited Financial Statement as of March 31, 2026 is pending for finalization as on date of this report;

viii. The Company had furnished to RBI, a provisional/unaudited annual statement of capital funds, risk assets /exposures and risk assets ratio (NBS-7 (DNBS03)) for the year ended March 31, 2026 within the stipulated period and as explained by the management, final return (based on audited Financial Statement) would be submitted post approval of accounts for the year ended March 31, 2026 by the board of directors.; and

ix. The Company has been correctly classified as Non- Banking Financial Company – Micro Finance Institution ("NBFC-MFI") as specified under the applicable RBI Directions.

4. We have no responsibility to update this report for events and circumstances occurring after the date of our audit opinion mentioned in paragraph 1.

5. This report is issued solely for reporting on the matters specified in paragraphs 3 and 4 of the Auditor's Report Directions, to the Board of Directors and is not to be used or distributed for any other purpose.

For S S Kothari Mehta & Co. LLP
Chartered Accountants
Firm's Registration No. 000756N/N500441

Vijay Kumar
Partner
Membership No. 092671
UDIN: 26092671NRXXAR7112

Place: New Delhi
Date: May 26, 2026

CIN: U65990UP2017PTC099006

Balance sheet as at March 31, 2026

(All amounts in INR Lakhs, unless otherwise stated)

Particulars	Notes	As at 31 March 2026	As at 31 March 2025
Assets			
Financial assets			
Cash and cash equivalents	4	7,258.09	13,512.19
Bank balances other than cash and cash equivalents	5	4,591.62	9,866.44
Derivative financial instruments	6	989.85	72.12
Trade receivables	7	370.58	240.13
Loans	8	82,337.74	68,984.06
Investments	10	317.59	-
Other financial asset	11	1,553.01	859.51
Total Financial assets		**97,418.48**	**93,534.45**
Non Financial assets			
Current tax assets (net)	12	132.46	475.88
Deferred tax assets (net)	9	3,038.58	2,038.01
Property plant and equipment	14	388.72	421.49
Right- of- use assets	15	621.49	147.39
Intangible assets	16	11.48	3.22
Intangible assets under development	17	129.67	86.93
Other non-financial assets	13	196.59	244.18
Total Non Financial assets		**4,518.99**	**3,417.10**
Total Assets		**101,937.47**	**96,951.55**
Liabilities & Equity			
Liabilities			
Financial liabilities			
Payables			
Trade payables	18		
(i) total outstanding dues of micro enterprises and small enterprises		7.36	18.41
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		32.45	114.67
Debt securities	19	22,290.89	19,813.68
Borrowings (other than debt securities)	20	52,646.82	49,112.31
Lease liability	21	604.55	169.79
Other financial liabilities	22	1,937.70	664.54
Total Financial liabilities		**77,519.77**	**69,893.40**
Non-Financial liabilities			
Provisions	23	393.99	323.50
Other non-financial liabilities	24	258.65	262.35
Total Non-financial liabilities		**652.64**	**585.85**
Total Liabilities		**78,172.41**	**70,479.25**

CIN: U65990UP2017PTC099006

Balance sheet as at March 31, 2026

(All amounts in INR Lakhs, unless otherwise stated)

Particulars	Notes	As at 31 March 2026	As at 31 March 2025
Equity			
Equity share capital	25	1,667.59	1,667.59
Compulsory Convertible Preference Shares		3,028.39	3,028.39
Other equity	26	19,069.08	21,776.32
Total Equity		**23,765.06**	**26,472.30**
Total Liabilities and Equity		**101,937.47**	**96,951.55**

Summary of material accounting policies 1 to 3

The accompanying notes are an integral part of the financial statements

As per our attached report of even date

For S S Kothari Mehta & Co. LLP

Chartered Accountants
Firm Registration No. 000756N / N500441

Vijay Kumar
Partner
Membership No : 092671

Place : New Delhi
Date: May 26, 2026

For and on behalf of the Board of Directors
Sindhuja Microcredit Private Limited

Abhisheka Kumar
Managing Director
DIN: 02972579

Malkit Singh Didyala
Whole Time Director
DIN: 07957488

Pankaj Kumar Sinha
Company Secretary
Membership No : 021971

Place : Noida
Date: May 26, 2026

Place : Noida
Date: May 26, 2026

CIN: U65990UP2017PTC099006

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

(All amounts in INR Lakhs, unless otherwise stated)

Particulars	Notes	For the year ended 31 March 2026	For the year ended 31 March 2025
Revenue from operations			
Interest income	27	19,336.79	23,013.69
Fees and commission income	28	1,889.73	2,157.74
Net gain on fair value changes	29	1,010.00	205.52
Net gain on derecognition of financial assets	30	1,172.08	87.23
Total Revenue from operation		**23,408.60**	**25,464.18**
Other income	31	72.67	226.67
Total Income		**23,481.27**	**25,690.85**
Expenses			
Finance costs	32	9,401.64	9,754.98
Impairment of financial instruments	33	6,542.52	11,285.39
Employee benefits expenses	34	8,300.38	7,333.28
Depreciation and amortization expense	35	241.79	224.03
Other expenses	36	2,870.82	2,077.78
Total Expenses		**27,357.15**	**30,675.46**
Loss before tax		**(3,875.88)**	**(4,984.61)**
Tax expense			
Current tax		-	18.42
Deferred tax		(1,040.85)	(1,438.81)
Earlier year tax adjustments		-	(20.59)
Total tax expense		**(1,040.85)**	**(1,440.98)**
Loss for the year		**(2,835.03)**	**(3,543.63)**
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss			
(i) Re-measurement gains on defined benefit plans		(160.04)	(68.99)
(ii) Income tax relating to items that will not be reclassified to profit or loss		40.28	17.36
Other comprehensive income for the year, net of tax		**(119.76)**	**(51.63)**
Total comprehensive loss for the year		**(2,715.27)**	**(3,492.00)**
Earnings per equity share (face value of Rs. 10 each)			
Basic earning per equity share (in Rs.)	44	(6.04)	(7.55)
Diluted earning per equity share (in Rs.)	44	(6.04)	(7.55)

Summary of material accounting policies **1 to 3**

The accompanying notes are an integral part of the financial statements

CIN: U65990UP2017PTC099006

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

(All amounts in INR Lakhs, unless otherwise stated)

As per our attached report of even date

For S S Kothari Mehta & Co. LLP

Chartered Accountants
Firm Registration No. 000756N / N500441

Vijay Kumar
Partner
Membership No : 092671

Place : New Delhi
Date: May 26, 2026

For and on behalf of the Board of Directors

Sindhuja Microcredit Private Limited

Abhisheka Kumar **Managing Director** **DIN: 02972579**	**Malkit Singh Didyala** **Whole Time Director** **DIN: 07957488**
Pankaj Kumar Sinha **Company Secretary** **Membership No : 021971**	
Place : Noida **Date: May 26, 2026**	**Place : Noida** **Date: May 26, 2026**

CIN: U65990UP2017PTC099006

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

(All amounts in INR Lakhs, unless otherwise stated)

Particulars	For the year ended 31 March 2026	For the year ended 31 March 2025
Cash flow from operating activities		
Loss before taxation	(3,875.88)	(4,984.61)
Adjustments for:		
Depreciation and amortisation expenses	241.79	224.03
Provision for gratuity	124.79	47.96
Provision for compensated absences	174.78	67.96
Income from unwinding of Excess interest spread (EIS) receivable	-	328.84
ECL on Loans & Advances Assets	434.47	(39.29)
Interest income on unwinding of loans	348.64	(108.98)
Finance cost on lease liability	22.53	27.96
Gain on sale of mutual fund	(92.27)	(110.37)
Gain on sale of loan portfolio through assignment	968.23	-
Gain on derecognition of lease asset	(13.88)	-
Loss on sale of property plant and equipment	0.64	0.09
Loans written off	5,021.32	10,810.38
Amount written back	-	(163.79)
Share based compensation expense	8.03	17.24
Gain on prepayment of loan assets	(203.85)	(87.23)
Changes in the fair value of derivative liability	(917.73)	(95.15)
Net (gain)/loss on foreign currency transaction	787.28	148.71
Unwinding of security deposits	(4.32)	(3.76)
Operating profit before working capital changes	**3,024.57**	**6,079.99**
Changes in working capital		
Increase / (Decrease) in trade payables	(93.27)	239.03
Increase / (Decrease) in other financial liabilities	1,273.16	(1,224.15)
Increase / (Decrease) in provision	(69.04)	(20.87)
Increase / (Decrease) in other non-financial liabilities	(3.70)	4.95
(Increase) / Decrease in bank balance other than cash and cash equivalents	5,274.82	(6,474.58)
(Increase) / Decrease in trade receivables	(130.45)	(46.21)
(Increase) / Decrease in loans	(18,954.26)	13,161.38
(Increase) / Decrease in other financial assets	(1,679.14)	(565.24)
(Increase) / Decrease in other non financial assets	47.59	(24.01)
Cash used in operations	**(11,309.72)**	**11,130.28**
Income tax paid	343.42	(340.57)
Net cash used in operating activities (A)	**(10,966.30)**	**10,789.71**
Cash flow from Investing activities		
Payment for property, plant and equipment and intangible assets	(104.33)	(203.26)
Purchase of Investments	(17,080.09)	(13,810.00)
Proceeds from Investments	16,854.77	13,920.37
Payment for Intangible assets under development	(42.74)	(50.40)
Proceeds from sale of property plant and equipment	0.90	0.41
Net cash flow used in investing activities (B)	**(371.49)**	**(142.88)**

CIN: U65990UP2017PTC099006

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

(All amounts in INR Lakhs, unless otherwise stated)

Particulars	For the year ended 31 March 2026	For the year ended 31 March 2025
Cash flow from Financing activities		
Proceeds from debt securities	11,532.81	9,508.97
Repayment of debt securities	(9,842.88)	(2,133.33)
Proceeds from other than debt securities	48,411.26	28,273.70
Repayment of other than debt securities	(44,876.75)	(53,844.37)
Payment of lease liabilities (including interest)	(140.75)	(128.30)
Proceeds from issue of equity shares (including security premium)	-	8.49
Proceeds from issue of optionally convertible redeemable preference shares (including security premium)	-	11.98
Net Cash Flows from Financing Activities	**5,083.69**	**(18,302.86)**
Net increase in cash and cash equivalents (A+B+C)	(6,254.10)	(7,656.03)
Cash and cash equivalents at the beginning of the year	13,512.19	21,168.22
Cash and cash equivalents at the end of the year	**7,258.09**	**13,512.19**
Cash and cash equivalents comprise		
Balances with banks		
In bank accounts	742.97	1,213.32
Fixed deposits with maturity of less than 3 months	6,514.70	12,284.28
Cash on hand	0.42	14.59
Total cash and cash equivalents at end of the year	**7,258.09**	**13,512.19**

The accompanying notes are an integral part of the financial statements

As per our attached report of even date

For S S Kothari Mehta & Co. LLP

Chartered Accountants
Firm Registration No. 000756N / N500441

Vijay Kumar
Partner
Membership No : 092671

Place : New Delhi
Date: May 26, 2026

For and on behalf of the Board of Directors

Sindhuja Microcredit Private Limited

Abhisheka Kumar
Managing Director
DIN: 02972579

Malkit Singh Didyala
Whole Time Director
DIN: 07957488

Pankaj Kumar Sinha
Company Secretary
Membership No : 021971

Place : Noida
Date: May 26, 2026

Place : Noida
Date: May 26, 2026

CIN: U65990UP2017PTC099006

Statement of Changes in Equity for the year ended 31 March 2026

(All amounts in INR Lakhs, unless otherwise stated)

(A) Equity share capital

Particulars	As at 31 March 2026		As at 31 March 2025	
	No. of shares	Amount	No. of shares	Amount
Equity shares of INR 10 each issued, subscribed and fully paid up				
Opening balance	16,675,923	1,667.59	16,650,827	1,665.08
Add: Issued during the year	-	-	25,096	2.51
Closing balance	**16,675,923**	**1,667.59**	**16,675,923**	**1,667.59**

(B) Compulsorily Convertible Cumulative Preference Shares

Particulars	As at 31 March 2026		As at 31 March 2025	
	No. of shares	Amount	No. of shares	Amount
Outstanding at the beginning of the year	30,283,858	3,028.39	30,283,858	3,028.39
Add: Issued during the year	-	-	-	-
Less: Preference shares converted into equity shares	-	-	-	-
Less: Bought back during the year	-	-	-	-
Outstanding at the end of the year	**30,283,858**	**3,028.39**	**30,283,858**	**3,028.39**

(C)Optionally Convertible Redeemable Preference shares (OCRPs)

Particulars	As at 31 March 2026		As at 31 March 2025	
	No. of shares	Amount	No. of shares	Amount
Outstanding at the beginning of the year	1,295,724	12.96	-	-
Add: Issued during the year	-	-	1,295,724	12.96
Less: Preference shares converted into equity shares	-	-	-	-
Less: Bought back during the year	-	-	-	-
Outstanding at the end of the year	**1,295,724**	**12.96**	**1,295,724**	**12.96**

CIN: U65990UP2017PTC099006

Statement of Changes in Equity for the year ended 31 March 2026

(All amounts in INR Lakhs, unless otherwise stated)

(D) Other equity

Particulars	Securities premium	Reserve fund [u/s 45(IC) of the Reserve Bank of India Act, 1934	Retained earnings	Other comprehensive income	Share based payment reserve	Equity component of OCRPS	Total
Balance as at 31 March, 2024	**20,192.90**	**1,146.79**	**3,887.73**	**(35.49)**	**45.33**	**-**	**25,237.26**
Profit for the year	-	-	(3,543.63)	-	-	-	(3,543.63)
Issue of Optionally Convertible Redeemable Preference Shares (OCRPS)	-	-	-	-	-	8.82	8.82
Share issue expenses	(0.98)	-	-	-	-	-	(0.98)
Transfer to / (from) statutory reserve under 45IC of RBI Act 1934	-	-	-	-	-	-	-
Transferred from ESOP Reserve due to cancellation of ESOP after vesting (net of deferred tax)	-	-	4.16	-	(4.16)	-	-
Transfer to Share based payment reserve	-	-	-	-	17.24	-	17.24
Share option exercised during the year	10.77				(4.79)		5.98
Other comprehensive income / (loss) for the year	-	-	-	51.63	-	-	51.63
Total comprehensive income for the year	**9.79**	**-**	**(3,539.47)**	**51.63**	**8.29**	**8.82**	**(3,460.94)**
Balance as at 31 March, 2025	**20,202.69**	**1,146.79**	**348.26**	**16.14**	**53.62**	**8.82**	**21,776.32**
Profit for the year	-	-	(2,835.03)	-	-	-	(2,835.03)
Transfer to / (from) statutory reserve under 45IC of RBI Act 1934	-	-	-	-	-	-	-
Transferred from ESOP Reserve due to cancellation of ESOP after vesting (net of deferred tax)	-	-	10.30	-	(10.30)	-	-
Transfer to share based payment reserve	-	-	-	-	8.03	-	8.03
Other comprehensive income / (loss) for the year	-	-	-	119.76	-	-	119.76
Total comprehensive income for the year	**-**	-	**(2,824.73)**	**119.76**	**(2.27)**	-	**(2,707.24)**
Balance as at 31 March, 2026	**20,202.69**	**1,146.79**	**(2,476.47)**	**135.90**	**51.35**	**8.82**	**19,069.08**

The accompanying notes are an integral part of the financial statements

CIN: U65990UP2017PTC099006

Statement of Changes in Equity for the year ended 31 March 2026

(All amounts in INR Lakhs, unless otherwise stated)

As per our attached report of even date

For S S Kothari Mehta & Co. LLP

Chartered Accountants
Firm Registration No. 000756N / N500441

Vijay Kumar
Partner
Membership No : 092671

Place : New Delhi
Date: May 26, 2026

For and on behalf of the Board of Directors
Sindhuja Microcredit Private Limited

Abhisheka Kumar
Managing Director
DIN: 02972579

Place : Noida
Date: May 26, 2026

Malkit Singh Didyala
Whole Time Director
DIN: 07957488

Place : Noida
Date: May 26, 2026

Pankaj Kumar Sinha
Company Secretary
Membership No : 021971

Place : Noida
Date: May 26, 2026

CIN: U65990UP2017PTC099006

Notes to the Material accounting policies and other explanatory information

(All amounts in INR Lakhs, unless otherwise stated)

1. Corporate Information

Sindhuja Microcredit Private Limited ("the Company") is a private limited Company incorporated under the provisions of the Companies Act, 2013 (the "Act") and having its registered office at Noida Uttar Pradesh, India. The Company is a non-deposit accepting Non-Banking Financial Company ('NBFC-ND') and is registered as a Non-Banking Financial Company – Micro Finance Institution ('NBFC-MFI') with the Reserve Bank of India ("RBI") on 11 September 2018. The Company is engaged primarily in providing micro finance services to women in the rural and semi-rural areas of India who are enrolled as members and organized as Joint Liability Groups ('JLG').

2. Basis of Preparation of Financial Statements

2.01. Statement of compliance with Ind AS

The financial statements of the Company as at and for the year ended March 31, 2026, have been prepared in accordance with requirements of Indian Accounting Standards ("Ind AS") notified by under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) as prescribed under Section 133 of the Companies Act, 2013 ('Act') , guideline issued by RBI, other accounting principles generally accepted in India and presentation requirements of Division III of Schedule III of the Act (Ind AS compliant Schedule III) as applicable to the Company.

In addition, the guidance notes/announcements issued by the Institute of Chartered Accountants of India (ICAI) are also applied along with compliance with other statutory promulgations which require a different treatment. The notified Accounting Standards (AS) are followed by the Company insofar as they are not inconsistent with the NBFC Regulations. Any directions issued by the RBI or other regulators are implemented as and when they become applicable.

The financial statements have been prepared using the material accounting policies and measurement bases summarized below. The accounting policies have been used throughout all periods presented in these financial statements. These financial statements have been prepared on a going concern basis.

i. Going Concern

Management is of the view that having regard to the projections of the business prospects, Company shall be able to continue as a going concern. Accordingly, management considers it appropriate to prepare these financials statements on a going concern basis.
The financial statements have been prepared using the material accounting policies and measurement bases summarized as below. These policies are applied consistently for all the periods presented in the financial statements.

ii. Presentation of financial statement

The financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time and notified under section 133 of the Companies Act, 2013 (the Act) along with other relevant provisions of the Act and the Master Direction – Non-Banking Financial Company – Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions,

2020 , as amended ('the NBFC Master Directions') issued by RBI. The financial statements have been prepared on a going concern basis.

The Company uses accrual basis of accounting except in case of significant uncertainties. The financial statements are presented in Indian Rupees (INR) and all values are rounded to the crores up to two decimals, except when otherwise indicated. The regulatory disclosures as required by RBI Master Directions to be included as a part of the Notes to Accounts are also prepared as per the Ind AS financial statements.

The Company presents its balance sheet in order of liquidity. Financial assets and financial liabilities are generally reported gross in the balance sheet. They are only offset and reported net when, in addition to having an unconditional legally enforceable right to offset the recognised amounts without being contingent on a future event, the parties also intend to settle on a net basis in all of the following circumstances:

(a) The normal course of business
(b) The event of default
(c) The event of insolvency or bankruptcy of the Group and / or its counterparties

iii. Historical cost convention

The financial statements have been prepared on a historical cost basis, except for certain financial instruments which are measured at fair value at the end of each reporting period, as explained in the accounting policies below. 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.

iv. Functional & presentation currency

The financial statements are presented in Indian Rupees which is the functional currency of the Company and the currency of the primary economic environment in which the Company operates and all values are rounded to the nearest lakhs, except when otherwise indicated.

v. Use of estimates, judgements and assumptions

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of Company's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Example: Business model assessment, effective rate of Interest.

CIN: U65990UP2017PTC099006

Notes to the Material accounting policies and other explanatory information

(All amounts in INR Lakhs, unless otherwise stated)

3. Material accounting policies

Material accounting policies adopted by the Company are as under:

3.01. Revenue Recognition

Revenue (other than for those items to which Ind AS 109 Financial Instruments are applicable) is measured at fair value of the consideration received or receivable. Ind AS 115 Revenue from contracts with customers outlines a single comprehensive model of accounting for revenue arising from contracts with customers and supersedes current revenue recognition guidance found within Ind Ass.

The Company's revenue primarily consists of interest income on loans, interest income on fixed deposit, Interest income in business correspondent arrangement, Income from direct assignment and dividend Income.

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

Step 1: Identify contract(s) with a customer: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.

Step 2: Identify performance obligations in the contract: A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.

Step 3: Determine the transaction price: The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Step 4: Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the Company allocates the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Company expects to be entitled in exchange for satisfying each performance obligation.

Step 5: Recognise revenue when (or as) the Company satisfies a performance obligation.

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services.

Income from other financial charges including cheque bouncing charges, foreclosure charges are collected from loan customers for early payment/closure of loan and are recognised on realisation.

i. Interest and similar Income

Under Ind AS 109 interest income is recorded using the Effective Interest Rate (EIR) method for all financial instruments measured at amortised cost, debt instrument measured at FVTOCI and debt instruments designated at FVTPL. 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 gross carrying amount of the financial asset.

The EIR (and therefore, the amortised cost of the asset) is calculated by taking into account any discount or premium on acquisition, fees and costs that are an integral part of the EIR. The Company recognises 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 instrument. Hence, it recognises the effect of potentially different interest rates charged at various stages, and other characteristics of the product life cycle (including prepayments, penalty interest and charges).

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 amortised through Interest income in the statement of profit and loss.

The Company calculates interest income by applying the EIR i.e. Spreading the processing fees over the period of loan term and recognising the time-based proportionate processing fees to the gross carrying amount of financial assets other than credit-impaired assets. When a financial asset becomes credit-impaired and is, therefore, regarded as 'Stage 3', the company calculates interest income by applying the effective interest rate to the net amortised cost of the financial asset. If the financial assets cures and is no longer credit-impaired, the company reverts to calculating interest income on a gross basis.

Gains arising out of direct assignment transactions comprise the difference between the interest on the loan portfolio and the applicable rate at which the transaction is entered into with the assignee, also known as the right of Excess Interest Spread (EIS). The future EIS basis the scheduled cash flows on execution of the transaction, discounted at the applicable rate is recorded upfront in the statement of profit and loss. EIS is evaluated and adjusted for ECL, expected prepayment & expected collection cost.

ii. Income from assignment transactions

The Company considers direct Assignment or transfer of loan assets as one of the alternative mode of revenue. Income from assignment transactions i.e. present value of excess interest spread is recognised when the related loan assets are de-recognised.

CIN: U65990UP2017PTC099006

Notes to the Material accounting policies and other explanatory information

(All amounts in INR Lakhs, unless otherwise stated)

iii. Interest Income on deposit with bank

Interest income on fixed deposits with bank is recognised on a time proportion accrual basis taking into account the amount outstanding and the interest rate applicable.

iv. Gain / (loss) on fair value changes of financial asset

The Company designates certain financial assets for subsequent measurement at Fair Value Through Profit or Loss (FVTPL). The Company recognises unrealised gains/(loss) on fair value change of financial assets measured at FVTPL and realised gains/(loss) on derecognition of financial asset measured at FVTPL on net basis.

v. Income from business correspondent arrangements

The company entered into a contract to guarantee third-party loans, agreeing to reimburse losses if end customers default. In return, it earns a fee and recognizes both a financial asset and liability. Interest income from the asset is recognized over time as and when the services are rendered as per agreed terms and conditions of contract, while the liability is amortized on a straight-line basis.

vi. Other Income

All other income is recognised on an accrual basis, when there is no uncertainty in the ultimate realization/collection.

3.02. Property, Plant and equipment (PPE)

An item is recognised as an asset, if and only if, it is probable that the future economic benefits associated with the item will flow to the Company and its cost can be measured reliably. PPE are initially recognised at cost. The initial cost of PPE comprises its purchase price (including non-refundable duties and taxes but excluding any trade discounts and rebates), and any directly attributable cost of bringing the asset to its working condition and location for its intended use. Subsequent to initial recognition, PPE are stated at cost less accumulated depreciation and any

impairment losses. When significant parts of property, plant and equipment are required to be replaced in regular intervals, the Company recognises such parts as separate component of assets. When an item of PPE is replaced, then its carrying amount is de-recognised from the balance sheet and cost of the new item of PPE is recognised. The expenditures that are incurred after the item of PPE has been put to use, such as repairs and maintenance, are normally charged to the statement of profit and loss in the period in which such costs are incurred. However, in situations where the said expenditure can be measured reliably and is probable that future economic benefits associated with it will flow to the Company, it is included in the asset's carrying value or as a separate asset, as appropriate.

Capital work in progress includes the cost of property, plant and equipment that are not yet ready for their intended use and the cost of assets not put to use before the Balance Sheet date.

Based on technical assessment by the management or as useful life prescribed in Schedule II of the Companies Act, 2013 represent actual useful life of property, plant and equipment. We have used following useful lives to provide depreciation of different class of its property, plant and equipment:

Type of Asset	Type of Asset
Vehicle	8 years
Electrical equipment	10 years
Office equipment	5 years
Furniture & fixture	10 years
Computer equipment	3 years

Depreciation is calculated on pro-rata basis from the date on which the asset is ready for use or till the date asset is sold or disposed.
The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

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.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

(ii) De-Recognition

Property 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 operating income in the Statement of profit and loss in the year in which 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.

CIN: U65990UP2017PTC099006

Notes to the Material accounting policies and other explanatory information

(All amounts in INR Lakhs, unless otherwise stated)

3.03 Intangible assets

'Intangible assets are recognized only if it is probable that future economic benefits that are attributable to the assets will flow to the enterprise and the cost of assets can be measured reliably. The intangible assets are recorded at cost and are carried at cost less accumulated amortization and accumulated impairment losses, if any.

Intangible assets are derecognised on disposal or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset are determined as the difference between the net disposal proceeds and the carrying amount of the asset and recognised in the Statement of Profit and Loss when the asset is derecognised.

Intangible assets are assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

Intangible assets include computer software, which are acquired, capitalized and amortized on a useful life of assets prescribed under Schedule II of the Companies Act, 2013.

Type of Asset	Estimated Useful Life
Computer software	3 Years

Intangible assets under development

Intangible assets under development represents expenditure incurred in respect of intangible assets under development and are carried at cost. Cost includes development cost, borrowing costs and other direct expenditure necessary to create, produce and prepare the asset to be capable of operating in the manner intended by management. These are recognized as assets when the Company can demonstrate following recognition requirements:
1. The development costs can be measured reliably
2. The project is technically and commercially feasible
3. The Company intends to and has sufficient resources to complete the project
4. The Company has the ability to use or sell such intangible asset
5. The asset will generate probable future economic benefits

Amortization of the asset begins when development is complete and the asset is available for use

3.04 Impairment of non-financial assets

The carrying values of assets / cash generating units at each balance sheet date are reviewed for impairment. If any indication of impairment exists, the recoverable amount of such assets is estimated and impairment is recognised, if the carrying amount of these assets exceeds their recoverable amount. The reduction is treated as an impairment loss and is recognized in the Statement of Profit & Loss. The recoverable amount is the greater of the asset's fair value less costs of disposal and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate pre-tax discount rate to determine whether there is any indication that those assets have suffered any impairment loss. When there is an indication that an impairment loss recognised for an asset in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the Statement of Profit and Loss, except in case of revalued assets.

3.05 Leases

The Company evaluates each contract or arrangement, whether it qualifies as lease as defined under Ind AS 116.

Company as a lessee

A lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration'. To apply this definition the Company assesses whether the contract meets three key evaluations which are whether:
the contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to the Company
The Company has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract the Company has the right to direct the use of the identified asset throughout the period of use.
The Company assess whether it has the right to direct 'how and for what purpose' the asset is used throughout the period of use.

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

The Company depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The Company also assesses the right-of-use asset for impairment when such indicators exist.

CIN: U65990UP2017PTC099006

Notes to the Material accounting policies and other explanatory information

(All amounts in INR Lakhs, unless otherwise stated)

At the commencement date, the Company measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available or the Company's incremental borrowing rate. Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification, or if there are changes in in-substance fixed payments. When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or profit and loss if the right-of-use asset is already reduced to zero.

The Company has elected to account for short-term leases and leases of low-value assets using the practical expedients. Instead of recognising a right-of-use asset and lease liability, the payments in relation to these are recognized as an expense in profit or loss on a straight-line basis over the lease term.

Determining the lease term of contracts with renewal and termination options where Company is lessee -

The Company determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Company has several lease contracts that include extension and termination options. The Company applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination.

3.06 Retirement and other employee benefits

a. Short-term obligations

All employee benefits payable wholly within twelve months of rendering the services are classified as short-term employee benefits. These benefits include salaries and wages, bonus and ex-gratia. The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees is charged to the Statement of Profit and Loss in the period in which such services are rendered.

b. Other long-term employee benefit obligations

(i) Defined contribution plans

The Company's contribution to employee provident fund and employee state insurance scheme are considered as defined contribution plans and are charged as an expense as they fall due based on the amount of contribution required to be made.

(ii) Defined benefit plan

Benefits payable to eligible employees of the Company with respect to gratuity, a defined benefit plan is accounted for on the basis of an actuarial valuation as at the balance sheet date. In accordance with the Payment of Gratuity Act, 1972, the plan provides for lump sum payments to vested employees on retirement, death while in service or on termination of employment in an amount equivalent to 15 days basic salary for each completed year of service. Vesting occurs upon completion of five years of service. The present value of such obligation is determined by the projected unit credit method and adjusted for past service cost and fair value of plan assets as at the balance sheet date through which the obligations are to be settled. The resultant actuarial gain or loss on change in present value of the defined benefit obligation is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur.

3.07 Taxes

Income tax expense comprises of current and deferred tax. Current / Deferred tax is recognized in the Statement of Profit and Loss except to the extent it relates to a business combination or to an item which is recognized directly in equity or in other comprehensive income in which case the related income tax is also recognised accordingly. Deferred tax assets and deferred tax liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities; and the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority. The Company only off-sets its deferred tax assets against liabilities when there is both a legal right to offset and it is the Company's intention to settle on a net basis.

i. Current tax

Current tax is the amount of income taxes payable/ receivable in respect of taxable profit/ loss for a period. Taxable profit differs from 'profit before tax' as reported in the Statement of Profit and Loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible in accordance with applicable tax laws. Current tax assets and liabilities for the current and prior years are measured at the amount expected to be recovered from, or paid to, the taxation authorities. Interest income / expenses and penalties, if any, related to income tax are included in current tax expense. The tax rates and tax laws used to compute the amount are those that are enacted, or substantively enacted, by the end of reporting date in India where the Company operates and generates taxable income.

CIN: U65990UP2017PTC099006

Notes to the Material accounting policies and other explanatory information

(All amounts in INR Lakhs, unless otherwise stated)

ii. Deferred taxes

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognised in respect of carried forward tax losses and tax credits.
Deferred tax is recognized based on the expected manner of realization or settlement of the carrying amount of assets and liabilities using tax rates enacted or substantially enacted by the end of the reporting period.

Deferred tax assets are recognized only to the extent that is probable that future taxable profits will be available against which the assets can be utilized. Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefits will be realized.

iii. Current tax and deferred tax for the year

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

3.08 Provisions, Contingent liabilities and Contingent assets

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of past events, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. When the effect of the time value of money is material, the Company determines the level of provision by discounting the expected cash flows at a pre-tax rate reflecting the current rates specific to the liability. The increase in the provision due to un-winding of discount over passage of time is recognised within finance costs. The expense relating to any provision is presented in the statement of profit and loss net of any reimbursement in other operating expenses.

Where it is more likely that no present obligation exists at the end of the reporting period, the entity discloses a contingent liability, unless the possibility of an outflow of resources embodying economic benefits is remote.

Contingent assets are not recognized in the financial statements, however they are disclosed when an inflow of economic benefits is probable.

3.09 Determination of Fair Value

The Company measures financial instruments at fair value in accordance with the accounting policies mentioned above at each balance sheet date.

Fair value is the price at the measurement date, at which an asset can be sold or paid to transfer a liability, in an orderly transaction between market participants at the measurement date.

The Company's accounting policies require, measurement of certain financial / non-financial assets and liabilities at fair values (either on a recurring or non-recurring basis). Also, the fair values of financial instruments measured at amortised cost are required to be disclosed in the said financial statements.

The Company is required to classify the fair valuation method of the financial / non-financial assets and liabilities, either measured or disclosed at fair value in the financial statements, using a three-level fair value-hierarchy (which reflects the significance of inputs used in the measurement).

Accordingly, 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.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy described as follows:

-Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
-Level 2: inputs other than quoted prices included in 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 for the asset or liability that are not based on observable market data (unobservable inputs).

Notes to the Material accounting policies and other explanatory information

(All amounts in INR Lakhs, unless otherwise stated)

3.10 Financial instrument

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial assets and financial liabilities are recognised when the Entity becomes a party to the contractual provisions of the instruments.

1. Financial

Initial Recognition

All financial assets are recognised initially at fair value, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the company commits to purchase or sell the asset.

Subsequent measurement

Financial assets at amortised cost are subsequently measured at amortised cost using effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in Statement of profit and loss. Any gain and loss on derecognition is recognised in statement of profit and loss.

Financial investment at FVTOCI are subsequently measured at fair value. Interest income under effective interest method, foreign exchange gains and losses and impairment are recognised in Statement of profit and loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to statement of profit and loss.

Financial assets at FVTPL are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in statement of profit and loss.

All other equity investments are measured at fair value, with value changes recognised in Profit and loss, except for those equity investments for which the company has elected to present the changes in fair value through OCI.

Financial assets measured at amortised cost

A 'debt instrument' is measured at amortised cost if both the following conditions are met:

a. The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows.
b. The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement at fair value plus directly attributable costs, these financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the Statement of Profit and Loss. The losses arising from impairment are recognised in the Statement of Profit and Loss.

The measurement of credit impairment is based on the three-stage expected credit loss model described below.

Business model

The business model reflects how the company manages the assets in order to generate cash flows. That is, whether the company's objective is solely to collect the contractual cash flows from the assets or is to collect both the contractual cash flows and cash flows arising from the sale of assets. If neither of these is applicable (e.g. financial assets are held for trading purposes), then the financial assets are classified as part of 'other' business model and measured at FVTPL.

SPPI (Solely payments of principal and interest)

Where the business model is to hold assets to collect contractual cash flows or to collect contractual cash flows and sell, the Company assesses whether the financial instruments' cash flows represent solely payments of principal and interest (the 'SPPI test'). In making this assessment, the Company considers whether the contractual cash flows are consistent with a basic lending arrangement i.e. interest includes only consideration for the time value of money, credit risk, other basic lending risks and a profit margin that is consistent with a basic lending arrangement. Where the contractual terms introduce exposure to risk or volatility that are inconsistent with a basic lending arrangement, the related financial asset is classified and measured at fair value through profit or loss. The amortised cost, as mentioned above, is computed using the effective interest rate method.

CIN: U65990UP2017PTC099006

Notes to the Material accounting policies and other explanatory information

(All amounts in INR Lakhs, unless otherwise stated)

Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the gross carrying amount on initial recognition. Transaction cost and income which is directly attributable to financial assets are amortised over the tenor of the loan. The amortised cost of the financial asset is adjusted if the company revises its estimates of payments or receipts. The adjusted amortised cost is calculated based on the original or latest re-estimated EIR and the change is recorded as 'Interest and similar income' for financial assets. Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL.

Financial Instrument measured at fair value through profit or loss

Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL. In addition, debt instruments that meet the amortised cost criteria or the FVTOCI criteria but are designated as at FVTPL are measured at FVTPL.

ii. Equity instruments

Equity instruments are instruments that meet the definition of equity from the issuer's perspective; that is, instruments that do not contain a contractual obligation to pay and that evidence a residual interest in the issuer's net assets. Examples of equity instruments include basic ordinary shares.

iii. Financial liabilities

Initial Measurement

Financial liabilities are classified and measured at amortized cost. All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts and derivative financial instruments.

Subsequent Measurement

Subsequent to initial recognition, all liabilities are measured at amortized cost using the effective interest method except for derivatives, financial liabilities designated for measurement at FVTPL which are measured at fair value.

Impairment of financial assets

The company applies the expected credit loss (ECL) model for recognising impairment loss as against norms of RBI.

ECL is the difference between all contractual cash flows that are due to the company in accordance with the contract and all the cash flows that the company expects to receive (i.e., all cash shortfalls), discounted at the original effective interest rate.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial asset. 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months from the reporting date.

The company assesses at each reporting date whether a financial asset such as investments, loans and advances, non-fund-based limits not designated as FVTPL and security deposits held at amortised cost and financial assets that are measured at fair value through other comprehensive income are tested for impairment based on evidence or information that is available without undue cost or effort. Lifetime Expected credit losses are assessed and loss allowances recognised if the credit quality of the financial asset has deteriorated significantly since initial recognition.

No ECL is recognised on equity investments.

Definition of default

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.

PD estimation process

Probability of Default (PD) is an estimate of the likelihood of default in a homogenous pool of loans, over it's performance period of following 12 month / lifetime horizon. PD estimation process is done based on historical & empirical internal data available with the company. 'Company calculates the 12-month PD by taking into account the past historical trends of the portfolio, credit performance including actual default data and Macro economic variables. For credit impaired assets (Stage 3), a PD of 100% is applied.

Exposure at Default (EAD)

EAD refers to the expected exposure to a borrower in the event of default. The Company considers the historical prepayments and uses the behavioural maturity of loans while calculating lifetime ECL for loans. The asset maturity pattern of the loans is used to estimate the expected balance at the end of each year after the reporting date. The asset maturity pattern of the loans is adjusted for prepayments using the historical prepayment rate.

CIN: U65990UP2017PTC099006

Notes to the Material accounting policies and other explanatory information

(All amounts in INR Lakhs, unless otherwise stated)

Loss Given Default (LGD)

It is defined as the percentage risk of exposure that is not expected to be recovered in the event of default. Workout method is used to calculate the LGD by considering post default recoveries from all defaulted loans and comparing them with the balance outstanding at default. Such recoveries are discounted to the date of default using the interest rate of the loan. LGD is then calculated as the % of exposure not recovered at the date of default.

Financial assets are classified through the following three stages based on the change in credit risk since initial recognition:

Stage 1: This includes financial instruments that have not had a significant increase in credit risk since initial recognition or that have low credit risk at the reporting date. For these assets, 12-month expected credit losses ('ECL') are recognized and interest revenue is calculated on the gross carrying amount of the asset (that is, without deduction for credit allowance). 12-month ECL are the expected credit losses that result from default events that are possible within 12 months after the reporting date.

Stage 2: Includes financial instruments that have had a significant increase in credit risk since initial recognition (unless they have low credit risk at the reporting date) but that do not have objective evidence of impairment. For these assets, lifetime ECL is recognized, but interest revenue is still calculated on the gross carrying amount of the asset. Lifetime ECL are the expected credit losses that result from all possible default events over the expected life of the financial instrument.

Stage 3: Includes financial instruments that have objective evidence of impairment at the reporting date. This stage has obligors that already are impaired (defaulted). For these assets, lifetime ECL is recognized. And interest revenue is calculated by applying the effective interest rate to the amortised cost (net of provision) rather than the gross carrying amount.

Credit-impaired financial assets:

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

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

a) Significant financial difficulty of the borrower or issuer;
b) A breach of contract such as a default or past due event;
c) The restructuring of a loan or advance by the company on terms that the company would not consider otherwise;
d) It is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
e) The disappearance of an active market for a security because of financial difficulties.

Measurement of ECLs

The measurement of ECL reflects:

a) An unbiased and probability weighted amount that is determined by evaluating a range of possible outcomes
b) The time value of money
c) Reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

ECLs are derived from unbiased and probability weighted estimates of expected loss, and are measured as follows:

- Financial assets that are not credit-impaired at the reporting date: as the present value of all cash shortfalls over the expected life of the financial asset discounted by the effective interest rate. The cash shortfall is the difference between the cash flows due to the company in accordance with the contract and the cash flows that the company expects to receive.

- Financial assets that are credit-impaired at the reporting date: as the difference between the gross carrying amount and the present value of estimated future cash flows discounted by the effective interest rate.

- Undrawn loan commitments: as the present value of the difference between the contractual cash flows that are due to the company if the commitment is drawn down and the cash flows that the company expects to receive.

ECLs are recognised using a provision for doubtful debts account in profit and loss. In the case of debt instruments measured at fair value through other comprehensive income, the measurement of ECLs is based on the three-stage approach as applied to financial assets at amortised cost. The company recognises the provision charge in profit and loss, with the corresponding amount recognised in other comprehensive income, with no reduction in the carrying amount of the asset in the balance sheet.

Write-off

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

CIN: U65990UP2017PTC099006

Notes to the Material accounting policies and other explanatory information

(All amounts in INR Lakhs, unless otherwise stated)

Derecognition of financial assets and financial liabilities

Financial assets

The Company derecognizes a financial asset when the contractual cash flows from the asset expire or it transfers its rights to receive contractual cash flows from the financial asset in a transaction in which substantially all the risks and rewards of ownership are transferred. Any interest in transferred financial assets that is created or retained by the Company is recognized as a separate asset or liability.
On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in the statement of profit and loss.

Financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as derecognition of the original liability and the recognition of a new liability. The difference between the carrying value of the original financial liability and the consideration paid is recognised in profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are generally reported gross in the balance sheet. Financial assets and liabilities are offset and the net amount is presented in the balance sheet when the Company has a legal right to offset the amounts and intends to settle on a net basis or to realise the asset and settle the liability simultaneously in all of the following circumstances:

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

3.11 Financial guarantee

Financial guarantee are contracts that require the Company to make specified payments to reimburse the holder for loss that it incur because a specified debtor fails to make payment when it is due in accordance with the terms of a debt instrument.

Financial Guarantee contract is initially recognised at Fair Value. Subsequently, this guarantee is to be measured at the higher of an amount determined based on the expected loss method (as per guidance in Ind AS 109) or the amount originally recognised less, the cumulative amount recognised as income on a straight-line basis.

3.12 Derivative Financial Instruments

The Company enters into derivative financial instruments, primarily foreign exchange forward contracts, currency swaps and interest rate swaps, to manage its borrowing exposure to foreign exchange and interest rate risks. Derivatives embedded in non-derivative host contracts are treated as separate derivatives when their risks and characteristics are not closely related to those of the host contracts and the host contracts are not measured at FVTPL. Derivatives are initially recognised at fair value at the date the contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain/loss is recognised in statement of profit and loss.

Hedge accounting

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

Hedges that meet the criteria for hedge accounting are accounted for, as described below:
Fair value hedges the exposure to changes in the fair value of a recognised asset or liability, or an identified portion of such an asset, liability, that is attributable to a particular risk and could affect profit or loss.

For designated and qualifying fair value hedges, the cumulative change in the fair value of a hedging derivative is recognised in the statement of profit and loss in net gain/(loss) on fair value changes. Meanwhile, the cumulative change in the fair value of the hedged item attributable to the risk hedged is recorded as part of the carrying value of the hedged item in the balance sheet and is also recognised in the statement of profit and loss in net gain/(loss) on fair value changes.

3.13 Share-based payment arrangements

The stock options granted to employees pursuant to the Company's Stock Options Schemes, are measured at the fair value of the options at the grant date in accordance with IND AS 102, Share-based payments. The fair value of the options is treated as discount and accounted as employee compensation cost over the vesting period on a straight-line basis. The amount recognised as expense in each year is arrived at based on the number of grants expected to vest. If a grant lapses after the vesting period, the cumulative discount recognised as expense in respect of such grant is transferred to the general reserve within equity.

CIN: U65990UP2017PTC099006

Notes to the Material accounting policies and other explanatory information

(All amounts in INR Lakhs, unless otherwise stated)

Fair value of share-based payments

Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which depends on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option or appreciation right, volatility and dividend yield and making assumptions about them. For the measurement of the fair value of equity-settled transactions with employees at the grant date, the Company uses a Black-Scholes model.

3.14 Recent pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Rules, 2015 by issuing the Companies (Indian Accounting Standards) Amendment Rules, 2023, applicable from April 1, 2023, as below:

Ind AS 1 – Presentation of Financial Statements

The amendments require companies to disclose their material accounting policies rather than their significant accounting policies. Accounting policy information, together with other information, is material when it can reasonably be expected to influence decisions of primary users of general purpose financial statements. The Company does not expect this amendment to have any significant impact in its financial statements.

Ind AS 12 – Income Taxes

The amendments clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. The amendments narrowed the scope of the recognition exemption in paragraphs 15 and 24 of Ind AS 12 (recognition exemption) so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences.

Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors

The amendments will help entities to distinguish between accounting policies and accounting estimates. The definition of a change in accounting estimates has been replaced with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. The Company does not expect this amendment to have any significant impact in its financial statements.

CIN: U65990UP2017PTC099006

Notes to financial statements for the year ended 31 March 2026

(All amounts in INR Lakhs, unless otherwise stated)

4. Cash and cash equivalents

Particulars	As at 31 March 2026	As at 31 March 2025
Balances with banks:		
-In current accounts	742.97	1,213.32
-Fixed deposits with maturity of less than 3 months	6,514.70	12,284.28
Cash on hand	0.42	14.59
Total	**7,258.09**	**13,512.19**

5. Bank balances other than cash and cash equivalents

Particulars	As at 31 March 2026	As at 31 March 2025
Deposits with remaining maturity less than 12 months	3,323.33	4,953.96
Deposits with remaining maturity more than 12 months	1,268.29	4,912.48
Total	**4,591.62**	**9,866.44**

The amount under lien as security against term loan and overdraft facility availed, assets securitised, first loss default guarantee are as follows (included above in note-5):-

Particulars	As at 31 March 2026	As at 31 March 2025
Term loans	2,633.49	2,962.56
Securitisation (pass through certificates)	413.56	-
Overdraft facilities	161.28	151.21
Derivatives	43.86	41.24
Security against first loss default guarantee	**1,339.43**	**1,251.20**

6. Derivative financial instruments

Particulars	As at 31 March 2026	As at 31 March 2025
Carried at fair value (Assets)		
Cross currency swap rate contract not designated in hedge accounting relationship * (refer Note-56.3)	989.85	72.12
Total	**989.85**	**72.12**

Qualitative Disclosures

"The Company, in accordance with regulations set forth by the Reserve Bank of India for Non-Banking Financial Companies engaged in Microfinance (NBFC-MFIs), complies with FEMA Regulations, notifications, and circulars issued for External Commercial Borrowings.

Given the inherent volatilities and uncertainties in the global Foreign Exchange markets, the Company faces potential risk due to adverse currency movements as it holds foreign currency liabilities. Additionally, the Company is also exposed to interest rate risk on its long-term Foreign Currency Loans.

To mitigate these risks, the company has implemented a Forex Risk Management policy aimed at reducing the probability and potential costs of financial distress by achieving currency and interest rate neutrality. Under this policy, any exposure in foreign currency is fully hedged covering the currency risk as well as the interest rate risk on the day of the liability's emergence. The authority to make decisions regarding the quantum and tenor of hedging is delegated by the Board committee/Board of Directors as necessary.

Furthermore, the company adheres to accounting standards and guidance notes issued by the Institute of Chartered Accountants of India for the recognition of losses, gains, creation of assets or liabilities. The foreign currency exposure reporting is provided to the board on an annual basis to ensure comprehensive oversight."

CIN: U65990UP2017PTC099006

Notes to financial statements for the year ended 31 March 2026

(All amounts in INR Lakhs, unless otherwise stated)

Quantitative Disclosures*

Particulars	As at 31 March 2026		As at 31 March 2025	
	Currency Derivatives	Interest Rate Derivatives	Currency Derivatives	Interest Rate Derivatives
Derivatives (Notional Principal Amount)	5,960.10	-	5,960.10	-
For Hedging	-	-	-	-
Marked to Market Positions				
(a) Assets (+)	989.85	-	72.12	-
(b) Liability (-)	-	-	-	-
Credit Exposure	5,960.10	-	5,960.10	-
Unhedged Exposure	-	-	-	-

The Company has entered into Full Currency Swaps that allows to convert long term FCY liability (Interest and Principal) to a fixed INR liability.

7. Trade receivables

Particulars	As at 31 March 2026	As at 31 March 2025
Unsecured, considered good	370.58	240.13
Unsecured, considered doubtful	-	-
Total	**370.58**	**240.13**
Further classified as:		
Receivable from related parties	-	-
Receivable from others	370.58	240.13
Total	**370.58**	**240.13**

Trade receivables Ageing Schedule as on 31 March 2026	Outstanding for following year from due date of payment					Total
	Less than 6 Months	6 months – 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade Receivables – considered good	370.58	-	-	-	-	**370.58**
Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	**-**
Undisputed Trade receivable – credit impaired	-	-	-	-	-	**-**
Disputed Trade receivables - considered good	-	-	-	-	-	**-**
Disputed Trade receivables – which have significant increase in credit risk	-	-	-	-	-	**-**
Disputed Trade receivables – credit impaired	-	-	-	-	-	**-**
Less: Allowance for expected credit loss	-	-	-	-	-	**-**
	370.58	**-**	**-**	**-**	**-**	**370.58**

CIN: U65990UP2017PTC099006

Notes to financial statements for the year ended 31 March 2026

(All amounts in INR Lakhs, unless otherwise stated)

Trade receivables Ageing Schedule as on 31 March 2025	Outstanding for following year from due date of payment					Total
	Less than 6 Months	6 months – 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade Receivables – considered good	231.71	5.03	1.03	2.36	-	**240.13**
Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	**-**
Undisputed Trade receivable – credit impaired	-	-	-	-	-	**-**
Disputed Trade receivables - considered good	-	-	-	-	-	**-**
Disputed Trade receivables – which have significant increase in credit risk	-	-	-	-	-	**-**
Disputed Trade receivables – credit impaired	-	-	-	-	-	**-**
Less: Allowance for expected credit loss	-	-	-	-	-	**-**
	231.71	**5.03**	**1.03**	**2.36**	**-**	**240.13**

Note: No trade or other receivable are due from directors and other officers of the Company either severally or jointly with any other person. Nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member. Trade receivable are non-interest bearing and short term in nature, hence does not involve any significant credit risk.

8. Loans (at amortised cost)

Particulars	As at 31 March 2026	As at 31 March 2025
Term Loans		
Group lending loans	81,719.83	69,215.73
MSME loans	2,771.26	1,487.21
Total Gross	**84,491.09**	**70,702.94**
Less: Impairment loss on allowance	(2,153.35)	(1,718.88)
Total Net	**82,337.74**	**68,984.06**
(a) Secured	2,771.26	1,487.21
(b) Unsecured	81,719.83	69,215.73
Total Gross	**84,491.09**	**70,702.94**
Less: Impairment loss on allowance	(2,153.35)	(1,718.88)
Total Net	**82,337.74**	**68,984.06**
(a) Public sector		
(b) Other	84,491.09	70,702.94
Total Gross	**84,491.09**	**70,702.94**
Less: Impairment loss on allowance	(2,153.35)	(1,718.88)
Total Net	**82,337.74**	**68,984.06**
Above amount includes		
(a) Loans provided in India	84,491.09	70,702.94
(b) Loans provided outside India	-	-
Total Gross	**84,491.09**	**70,702.94**
Less: Impairment loss on allowance	(2,153.35)	(1,718.88)
Total Net	**82,337.74**	**68,984.06**

CIN: U65990UP2017PTC099006

Notes to financial statements for the year ended 31 March 2026

(All amounts in INR Lakhs, unless otherwise stated)

Note 1- The Company has not granted any loans or advances in the nature of loans to promoters, directors, KMPs and the related parties (as defined under the Companies Act, 2013), either severally or jointly with any other person that are - (a) repayable on demand or (b) without specifying any terms or period of repayment.

Note 2- The Company is primarily in the business of providing micro loans towards income generating activities with its operations spread out in different parts of India. The table below discloses credit quality of the Company's exposures as at reporting date.

Note 3- Loan portfolio amounting to Rs 65,628.35 lakhs (31 March 2025: 61,843.32 lakhs) is hypothecated with banks and financial institutions against amounts borrowed from the said banks and financial institutions.

Gross portfolio movement for the year ended 31 March 2026

Particulars	Stage I	Stage II	Stage III	Total
Gross carrying value of loans as at 1 April 2025	68,513.78	2,124.87	64.29	70,702.94
New loans originated during the year, net off for repayments and derecognised portfolio	18,432.68	(58.06)	173.76	18,548.38
Loans written off during the year	-	-	(4,760.23)	(4,760.23)
Movement between stages:				
Transfer from stage I	(4,723.74)	328.56	4,395.18	-
Transfer from stage II	1.31	(1,860.34)	1,859.03	-
Transfer from stage III	-	-	-	-
Gross carrying value of loans as at 31 March 2026	**82,224.03**	**535.03**	**1,732.03**	**84,491.09**

Gross portfolio movement for the year ended 31 March 2025

Particulars	Stage I	Stage II	Stage III	Total
Gross carrying value of loans as at 1 April 2024	92,603.90	433.37	1,441.20	94,478.47
New loans originated during the year, net off for repayments and derecognised portfolio	(14,650.12)	535.58	1,136.76	(12,977.78)
Loans written off during the year	(1.57)	(74.25)	(10,721.93)	(10,797.75)
Movement between stages:				
Transfer from stage I	(9,438.43)	1,586.45	7,851.98	-
Transfer from stage II	-	(356.28)	356.28	-
Transfer from stage III	-	-		-
Gross carrying value of loans as at 31 March 2025	**68,513.78**	**2,124.87**	**64.29**	**70,702.94**

Reconciliation of loss allowance provision from beginning to end of reporting period:

Particulars	Loans			Total
	Stage I	Stage II	Stage III	
ECL allowance on 1 April 2025	**523.15**	**1,146.74**	**48.99**	**1,718.88**
New assets originated during the year, net off for repayments and derecognised portfolio	(104.47)	160.90	4,005.49	4,061.92
Loans written off during the year	-	-	(3,627.45)	(3,627.45)
Movement between stages:				-
Transfer from stage I	(36.07)	2.51	33.56	-
Transfer from stage II	0.71	(1,003.99)	1,003.28	-
Transfer from stage III	-	-	-	-
ECL allowance on 31 March 2026	**383.32**	**306.16**	**1,463.87**	**2,153.35**

CIN: U65990UP2017PTC099006

Notes to financial statements for the year ended 31 March 2026

(All amounts in INR Lakhs, unless otherwise stated)

Particulars	Loans			Total
	Stage I	Stage II	Stage III	
ECL allowance on 1 April 2024	238.50	246.42	1,273.24	1,758.16
New loans originated during the year, net off for repayments and derecognised portfolio	308.96	1,141.04	8,025.34	9,475.34
Loans written off during the year	(0.00)	(42.22)	(9,472.40)	(9,514.62)
Movement between stages:	(24.31)	4.09	20.22	-
Transfer from stage I	-	(202.59)	202.59	-
Transfer from stage II	-	-	-	-
Transfer from stage III	-	-	-	-
ECL allowance on 31 March 2025	**523.15**	**1,146.74**	**48.99**	**1,718.88**

Refer Note 52 for disclosures related to credit risk, impairment of financial services receivables under expected credit loss model etc.

9. (A) Deferred tax assets (net)

Particulars	As at 31 March 2026	As at 31 March 2025
Deferred tax assets		
Provision for employee benefits	99.16	81.41
Impairment loss allowance	541.96	317.22
Carry forward losses	2,369.49	1,335.90
Right of use assets	1.61	7.12
Financial assets measured at amortised cost	253.85	244.25
Financial liabilities measured at amortised cost	-	31.79
Impact of ESOP charged at fair value	2.02	2.14
Others	31.35	56.05
Deferred tax liabilities		
Difference in written down value as per Companies Act and Income Tax Act	2.36	2.41
Deferment of excess interest spread	158.13	12.55
Impact of interest income on stage 3 loans	8.01	19.97
Impact of OCRPS	2.90	2.94
Financial liabilities measured at amortised cost	89.46	-
	3,038.58	**2,038.01**

(B) (i) Income tax expense

Particulars	As at 31 March 2026	As at 31 March 2025
- Current tax	-	18.42
- Adjustments in respect of current income tax of previous year	-	(20.59)
- Deferred tax charge / (income)	(1,040.85)	(1,438.81)
Income tax expense reported in the statement of profit or loss	**(1,040.85)**	**(1,440.98)**

The major components of tax expense and its reconciliation to expected tax expense based on the enacted tax rate applicable to the Company is 25.17% (March 31, 2025: 25.17%) and the reported tax expense in statement of profit and loss are as follows:

CIN: U65990UP2017PTC099006

Notes to financial statements for the year ended 31 March 2026

(All amounts in INR Lakhs, unless otherwise stated)

(B) (ii) Income tax expense charged to OCI

Particulars	As at 31 March 2026	As at 31 March 2025
- Net (gain)/loss on remeasurements of defined benefit plans	40.28	17.36
Income tax charged to OCI	**40.28**	**17.36**

(C) Reconciliation of tax

Particulars	As at 31 March 2026	As at 31 March 2025
Profit before tax	(3,875.88)	(4,984.61)
Applicable tax rate in India	25.17%	25.17%
Computed tax (gain)/ expense	(975.48)	(1,254.53)
Non deductible expenses	-	127.58
Allowable expenses	(20.00)	(287.06)
Others adjustments	(5.09)	(9.61)
Total income tax expense	**(1,000.57)**	**(1,423.62)**

(D) Movement in deferred tax assets (net)

Particulars	As at 1 April 2025	Recognised in statement of profit and loss Debit / (Credit)	Recognized in OCI	Recognised in equity	As at 31 March 2026
Deferred tax assets					
Provision for employee benefits	81.41	58.03	(40.28)	-	99.16
Impairment loss allowance	317.22	224.74	-	-	541.96
Carry forward losses	1,335.90	1,033.59	-	-	2,369.49
Right of use assets	7.12	(5.51)	-	-	1.61
Financial assets measured at amortised cost	244.25	9.60	-	-	253.85
Financial liabilities measured at amortised cost	31.79	(31.79)	-	-	-
Impact of ESOP charged at fair value	2.14	(0.12)	-	-	2.02
Others	56.05	(24.70)	-	-	31.35
					-
Deferred tax liabilities					-
Difference in written down value as per Companies Act and Income Tax Act	2.41	(0.05)	-	-	2.36
Deferment of excess interest spread	12.55	145.58	-	-	158.13
Impact of interest income on stage 3 loans	19.97	(11.96)	-	-	8.01
Impact of OCRPS	2.94	(0.04)	-	-	2.90
Financial liabilities measured at amortised cost	-	89.46	-	-	89.46
Total	**2,038.01**	**1,040.85**	**(40.28)**	**-**	**3,038.58**

CIN: U65990UP2017PTC099006

Notes to financial statements for the year ended 31 March 2026

(All amounts in INR Lakhs, unless otherwise stated)

10. Investments

Particulars	As at 31 March 2026	As at 31 March 2025
Investments carried at amortised Cost		
Pass through certificates	317.59	-
Total	**317.59**	**-**

Based on region	As at 31 March 2026	As at 31 March 2025
Investments outside India	-	-
Investments in India	317.59	-
Total	**317.59**	**-**

11. Other financial assets

Particulars	As at 31 March 2026	As at 31 March 2025
Security deposits	102.09	65.44
Receivable from insurance companies	150.57	158.19
Excess Interest Spread (EIS) receivable	628.29	-
Others*	672.06	635.88
Total	**1,553.01**	**859.51**

*Others includes INR 454.67 lakhs (31 march 2025 INR 454.67 lakhs) recoverable on account of penalty charged for not achieving milestones specified by the consultant

12. Current tax assets (net)

Based on region	As at 31 March 2026	As at 31 March 2025
Advance income tax/TDS (net of provisions)	132.46	475.88
Total	**132.46**	**475.88**

13. Other non-financial assets

Based on region	As at 31 March 2026	As at 31 March 2025
Balance with government authorities	146.57	196.94
Prepaid expenses	50.02	47.24
Total	**196.59**	**244.18**

CIN: U65990UP2017PTC099006

Notes to financial statements for the year ended 31 March 2026

(All amounts in INR Lakhs, unless otherwise stated)

14. Property, plant and equipment

Particulars	Furniture and fixture	Office equipment	Vehicle	Electrical Equipments	Computer Hardware	Total
Gross carrying value						
As at 31 March, 2024	**112.96**	**9.25**	**69.50**	**54.91**	**171.02**	**417.64**
Additions	68.39	5.41	-	17.91	111.55	**203.26**
Disposals	-	-	-	1.78	-	**1.78**
As at 31 March, 2025	**181.35**	**14.66**	**69.50**	**71.04**	**282.57**	**619.12**
Additions	24.84	3.05	-	15.59	49.07	**92.55**
Disposals	0.48	-	-	3.30	-	**3.78**
As at 31 March, 2026	**205.71**	**17.71**	**69.50**	**83.33**	**331.64**	**707.89**
Accumulated depreciation						
As at 31 March, 2024	**9.99**	**0.40**	**8.58**	**10.31**	**55.81**	**85.09**
Depreciation for the year	15.35	2.59	10.76	12.31	72.81	**113.82**
Deductions/Adjustments during the period	-	-	-	1.28	-	**1.28**
As at 31 March, 2025	**25.34**	**2.99**	**19.34**	**21.34**	**128.62**	**197.63**
Depreciation for the year	19.56	2.90	10.76	15.10	75.46	**123.78**
Deductions/Adjustments during the period	0.04	-	-	2.20	-	**2.24**
As at 31 March, 2026	**44.86**	**5.89**	**30.10**	**34.24**	**204.08**	**319.17**
Net carrying value as at 31 March, 2026	**160.84**	**11.82**	**39.40**	**49.09**	**127.56**	**388.72**
Net carrying value as at 31 March, 2025	**156.01**	**11.66**	**50.16**	**49.70**	**153.95**	**421.49**

CIN: U65990UP2017PTC099006

Notes to financial statements for the year ended 31 March 2026

(All amounts in INR Lakhs, unless otherwise stated)

15. Right- of- use assets

Particulars	Amount
Right-of use assets	
-Office building	
Gross block	
As at 31 March 2024	**357.62**
Additions	-
Deletions	-
As at 31 March 2025	**357.62**
Additions	631.38
Deletions	312.84
As at 31 March 2026	**676.16**
Accumulated depreciation	
As at 31 March 2024	**102.75**
Charge for the year	107.48
Disposals	-
As at 31 March 2025	**210.23**
Charge for the year	114.50
Disposals	270.06
As at 31 March, 2026	**54.67**
Net carrying value as at 31 March, 2026	**621.49**
Net carrying value as at 31 March, 2025	**147.39**

*Refer note 47 for disclosure relating to leases

CIN: U65990UP2017PTC099006

Notes to financial statements for the year ended 31 March 2026

(All amounts in INR Lakhs, unless otherwise stated)

16. Intangible assets

Particulars	Computer Software	Total
Gross carrying value		
As at 31 March, 2024	**8.70**	**8.70**
Additions	-	-
Disposals	-	-
As at 31 March, 2025	**8.70**	**8.70**
Additions	11.77	11.77
Disposals	-	-
As at 31 March, 2026	**20.47**	**20.47**
Accumulated depreciation		
As at 31 March, 2024	**2.75**	**2.75**
Charge for the year	2.73	2.73
Deductions/Adjustments during the period	-	-
As at 31 March, 2025	**5.48**	**5.48**
Charge for the year	3.51	3.51
Deductions/Adjustments during the period	-	-
As at 31 March, 2026	**8.99**	**8.99**
Net carrying value as at 31 March, 2026	**11.48**	**11.48**
Net carrying value as at 31 March, 2025	**3.22**	**3.22**

17. Intangible assets under development

Particulars	As at 31 March 2026	As at 31 March 2025
Opening balance	86.93	36.53
Addition during the year	42.74	50.40
Closing balance	**129.67**	**86.93**

As at 31 March 2026

Particulars	Amount of Intangible Assets under development for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Project in progress	42.74	50.40	36.53	-	**129.67**
Project temporarily suspended	-	-	-	-	**-**
	42.74	**50.40**	**36.53**	-	**129.67**

As at 31 March 2025

Particulars	Amount of Intangible Assets under development for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Project in progress	50.40	36.53	-	-	**86.93**
Project temporarily suspended	-	-	-	-	**-**
	50.40	**36.53**	**-**	**-**	**86.93**

CIN: U65990UP2017PTC099006

Notes to financial statements for the year ended 31 March 2026

(All amounts in INR Lakhs, unless otherwise stated)

18. Trade payables

Particulars	As at 31 March 2026	As at 31 March 2025
Total outstanding dues of micro and small enterprises (MSME)	7.36	18.41
Total outstanding dues of creditors other than micro and small enterprises	32.45	114.67
Total	**39.81**	**133.08**

(i) Ageing disclosure:
Trade payables Ageing Schedule

Particulars	Outstanding for following periods from due date of payment As at 31 March 2026					
	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Total outstanding dues of micro enterprises and small enterprises	7.36	-	-	-	-	**7.36**
Total outstanding dues of creditors other than micro enterprises & small enterprises	32.45	-	-	-	-	**32.45**
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	**-**
Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	**-**
	39.81	**-**	**-**	**-**	**-**	**39.81**

Particulars	Outstanding for following periods from due date of payment As at 31 March 2025					
	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Total outstanding dues of micro enterprises and small enterprises	18.41	-	-	-	-	**18.41**
Total outstanding dues of creditors other than micro enterprises & small enterprises	114.67	-	-	-	-	**114.67**
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	**-**
Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	**-**
	133.08	**-**	**-**	**-**	**-**	**133.08**

CIN: U65990UP2017PTC099006

Notes to financial statements for the year ended 31 March 2026

(All amounts in INR Lakhs, unless otherwise stated)

(ii) Disclosure under the Micro, Small and Medium Enterprises Development Act, 2006 ("MSMED Act, 2006"):

Particulars	As at 31 March 2026	As at 31 March 2025
Principal amount due to suppliers under MSMED Act, as at the year end (since paid)	7.36	18.41
Interest accrued and due to suppliers under MSMED Act, on the above amount as at the year end	-	-
Payment made to suppliers (other than interest) beyond the appointed day, during the year	-	-
Interest paid to suppliers under MSMED Act (section 16)	-	-
Amount of interest paid along with the amounts of payment made beyond the appointed day	-	-
Interest due and payable to suppliers under MSMED Act, for payments already made	-	-
Interest accrued and remaining unpaid at the year end to suppliers under MSMED Act	-	-

19. Debt securities

Particulars	As at 31 March 2026	As at 31 March 2025
Debt Securities measured at Amortised Cost		
Non Convertible Debentures - Secured*	14,149.27	12,736.75
Non Convertible Debentures - Unsecured	1,099.18	798.09
Add: Interest accrued but not due on borrowings from NCD	42.07	38.12
External Commercial Borrowings - Secured*	6,887.63	6,077.78
Add: Interest accrued but not due on borrowings from ECB	112.74	162.94
Total	**22,290.89**	**19,813.68**
Debt securities in India	4,617.74	3,599.21
Debt securities outside India**	17,673.15	16,214.47
Total	**22,290.89**	**19,813.68**

Refer Note 38 and 39 for detailed terms & conditions of debt securities

* NCD's and ECB's were secured by way of exclusive charge on the standard asset portfolio receivables pertaining to micro credit loans and cash collateral as per the respective agreements.

Includes amount guaranteed by two directors in their personal capacity of INR 14,223.79 Lakhs (March 31, 2025 : INR 7,216.67 Lakhs) [refer note 37]

** Includes Debt Securities having source of fund outside India amounting to INR 10,672.78 Lakhs (March 31, 2025 : INR 9,973.75 Lakhs) and Foreign currency liabilities amounting to INR 7,000.37 Lakhs (March 31, 2025 : INR 6,240.72 Lakhs)

CIN: U65990UP2017PTC099006

Notes to financial statements for the year ended 31 March 2026

(All amounts in INR Lakhs, unless otherwise stated)

20. Borrowing other than debt securities

Particulars	As at 31 March 2026	As at 31 March 2025
Borrowing measured at amortised cost		
(a) Term loans		
(i) From banks (secured)*	14,885.08	30,230.71
(ii) from financial institutions (secured)*	31,662.64	18,749.10
Add: Interest accrued but not due on borrowings from banks & financial institutions	147.45	131.23
Optionally Convertible Redeemable Preference Shares (OCRPS)	1.43	1.27
Liabilities in respect of Pass through certificate transactions		
From non-banking financial companies	5,935.93	-
Add: Interest accrued but not due on borrowings from PTC	14.29	-
Total	**52,646.82**	**49,112.31**
Based on region:		
Borrowing in India	52,646.82	49,112.31
Borrowing outside India	-	-
Total	**52,646.82**	**49,112.31**

Borrowing terms and conditions

* Term loans were secured by way of exclusive charge on the standard asset portfolio receivables pertaining to micro credit loans and cash collateral as per the respective agreements.

Includes amount guaranteed by two directors in their personal capacity of INR 46,741.00 Lakhs (March 31, 2025 : INR 47,762.98 Lakhs) [refer note 37]

There were no delay in repayment of borrowings as at 31 March, 2026 and 31 March, 2025.

Refer note 39 for detailed repayment terms of borrowings.

21. Lease liability

Based on region	As at 31 March 2026	As at 31 March 2025
Lease liability	604.55	169.79
Total	**604.55**	**169.79**

Refer note 47 for disclosure relating to leases

22. Other financial liabilities

Particulars	As at 31 March 2026	As at 31 March 2025
Employee related payable	332.47	348.31
Payable on assigned portfolio	1,295.73	160.23
Payable on business correspondence arrangement	8.53	3.06
Expenses payable	300.97	152.94
Total	**1,937.70**	**664.54**

CIN: U65990UP2017PTC099006

Notes to financial statements for the year ended 31 March 2026

(All amounts in INR Lakhs, unless otherwise stated)

23. Provision

Particulars	As at 31 March 2026	As at 31 March 2025
Provision for gratuity (refer note 46)	178.02	138.40
Provision for compensated absences (refer note 46)	215.97	185.10
Total	**393.99**	**323.50**

24. Other non-financial liabilities

Particulars	As at 31 March 2026	As at 31 March 2025
Statutory dues payable	258.65	262.35
Total	**258.65**	**262.35**

25. Equity share capital

Particulars	As at 31 March 2026	As at 31 March 2025
Authorized Share Capital		
Equity share capital		
1,86,00,000 Equity shares (31 March 2025: 1,86,00,000) of ₹ 10 each	1,860.00	1,860.00
Compulsory Convertible Preference shares (CCPS)		
5,18,00,000 Preference shares (31 March 2025: 3,17,50,000) of ₹ 10 each	5,180.00	3,175.00
Optionally Convertible Redeemable Preference shares (OCRPS)		
12,95,724 Optionally Convertible Redeemable preference shares (31 March 2025: 12,95,724) of ₹ 10 each	129.57	129.57
Total	**7,169.57**	**5,164.57**
Issued, Subscribed and Paid-up		
Equity share capital		
1,66,75,923 Equity shares (31 March 2025 : 1,66,75,923) of ₹ 10 each fully paid up	1,667.59	1,667.59
0.01% Compulsory Convertible Preference shares (CCPS)		
3,02,83,858 CCPS (31 March 2025 : 3,02,83,858) of ₹ 10 each fully paid up	3,028.39	3,028.39
Total issued and subscribed share capital	**4,695.98**	**4,695.98**

During the year ended 31 March 2026: company has increased the authorised share capital by 2,00,50,000 Compulsorily convertible preference shares of face value of ₹ 10 each (31 March 2025: Nil)

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

Equity shares of ₹ 10 each

Particulars	As at 31 March 2026		As at 31 March 2025	
	Number of shares	Amount	Number of shares	Amount
Outstanding at the beginning of the year	16,675,923	1,667.59	16,650,827	1,665.08
Add: Issued during the year (refer (i) below)	-	-	25,096	2.51
Outstanding at the end of the year	**16,675,923**	**1,667.59**	**16,675,923**	**1,667.59**

(i) During the year ended on 31 March 2026, Nil (31 March 2025, 25,096) Employee stock option Plan (ESOP) of face value of Rs 10 each were allotted to employees at a premium of Rs 23.83 each.

CIN: U65990UP2017PTC099006

Notes to financial statements for the year ended 31 March 2026

(All amounts in INR Lakhs, unless otherwise stated)

(b). Reconciliation of Compulsorily convertible preference shares outstanding at the beginning and at the end of the year

Particulars	As at 31 March 2026		As at 31 March 2025	
	Number of shares	Amount	Number of shares	Amount
Outstanding at the beginning of the year	30,283,858	3,028.39	30,283,858	3,028.39
Add: Issued during the year (refer (i) below)	-	-	-	-
Less: Preference shares converted into equity shares	-	-	-	-
Less: Bought back during the year	-	-	-	-
Outstanding at the end of the year	**30,283,858**	**3,028.39**	**30,283,858**	**3,028.39**

(i) During the year ended 31 March 2026: Nil, (31 March 2025: Nil).

(c). Reconciliation of Optionally Convertible Redeemable Preference Shares (OCRPs) outstanding at the beginning and at the end of the year

Particulars	As at 31 March 2026		As at 31 March 2025	
	Number of shares	Amount	Number of shares	Amount
Outstanding at the beginning of the year	1,295,724	12.96	-	-
Add: Issued during the year (refer (i) below)	-	-	1,295,724	12.96
Less: Preference shares converted into equity shares	-	-	-	-
Less: Bought back during the year	-	-	-	-
Outstanding at the end of the year	**1,295,724**	**12.96**	**1,295,724**	**12.96**

(i) During the year ended 31 March 2026: Nil and during the year ended 31 March 2025: 12,95,724 optionally convertible redeemable preference shares of face value of ₹ 10 each partly paid up of Re 1 were issued to, Mr. Abhisheka Kumar (6,47,862 shares) and Mr Malkit Singh Didyala (6,47,862shares) at the premium of Rs 81.20.

(d). Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company

Particulars	As at 31 March 2026		As at 31 March 2025	
	Number of shares	% of holding in the class	Number of shares	% of holding in the class
Equity shares of Rs. 10 each fully paid				
Mr. Abhisheka Kumar	3,072,600	18.43%	3,072,600	18.43%
Carpediem Capital Partners Fund I	7,389,890	44.31%	7,389,890	44.31%
Mr. Malkit Singh Didyala	2,420,000	14.51%	2,420,000	14.51%
Total	**12,882,490**	**77.25%**	**12,882,490**	**77.25%**

(e). Details of shareholders holding more than 5% compulsorily convertible preference shares in the Company

Particulars	As at 31 March 2026		As at 31 March 2025	
	Number of shares	% of holding in the class	Number of shares	% of holding in the class
Carpediem Capital Partners Fund II	5,877,578	19.41%	5,877,578	19.41%
NMI Fund IV KS	13,882,734	45.84%	13,882,734	45.84%
Huruma Fund S.C.A., SICAR-EuSEF	6,138,735	20.27%	6,138,735	20.27%
Oikocredit Ecumenical Development Cooperative Society U.A.	4,384,811	14.48%	4,384,811	14.48%
Total	**30,283,858**	**100.00%**	**30,283,858**	**100.00%**

CIN: U65990UP2017PTC099006

Notes to financial statements for the year ended 31 March 2026

(All amounts in INR Lakhs, unless otherwise stated)

(f). Details of shareholdings of Promoters

Particulars	As at 31 March 2026			As at 31 March 2025		
	Number of shares	% of holding	% Change during the year	Number of shares	% of holding	% Change during the year
Equity Shares						
Mr. Abhisheka Kumar	3,072,600	18.43%	0.00%	3,072,600	18.43%	(0.02%)
Mr. Malkit Singh Didyala	2,420,000	14.51%	0.00%	2,420,000	14.51%	(0.02%)
	5,492,600	**32.94%**	**0.00%**	**5,492,600**	**32.94%**	**(0.04%)**

(i) Terms rights attached to equity shares

"The Company has only one class of equity shares having the face value of ₹ 10 per share. Each holder of equity share is entitled to one vote per share. In the event of liquidation of the Company, the holder of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.
The Company declares and pays dividend in Indian Rupees. The dividend proposed by the Board of Directors if any, is subject to the approval of shareholders in the ensuing Annual General Meeting."

(ii) Terms rights attached to Preference shares

The holders of the Preference shares shall be entitled to attend meetings of all Shareholders of the Company and will be entitled to such voting rights on an As If Converted Basis. Upon conversion of the preference shares into Equity Shares, such Equity Shares shall rank pari passu in all respects with the then existing Equity Shares of the Company.

(iii) Terms of optionally convertible redeemable preference shares (OCRPs)

During the year ended 31 March 2026 Nil (31 March 2025, Optionally Convertible Redeemable Preference Shares (“OCRPS”) of face value INR 10 each were issued on a partly paid basis at a price of INR 91.20 (including a premium of INR 81.20) per share. The OCRPS shall be converted into equity shares upon being fully paid-up, at a conversion ratio as specified, through a written notice by the holders within 15 days of full payment. If not converted within 19 years and 11 months from the date of allotment, or upon an IPO or liquidation event, the OCRPS shall be mandatorily redeemed by the Company. Holders are entitled to a non-cumulative preferential dividend of 0.001% per annum on the face value, payable within 30 days of approval at the general meeting. During the year, the company have called Rs. 1 per Optionally Convertible Redeemable Preference Shares (“OCRPS”)

(iv) Terms of Employee Stock option plan

Under the employee Stock option Plan (ESOP) scheme, the total pool of options, which can be granted to eligible employees of the Company, not exceeding 4,25,082 (Four Lakh twenty-five thousand and eighty-two) equity shares (Number of employee Stock option Plan (ESOP) Options in aggregate). During the year ended 31 March 2026, the Company has granted Nil (31 March 2025, Nil) to the eligible employees of the Company.

(v) The Company, for the period of five years immediately preceding the balance sheet date, has not:

(i) allotted any fully paid up shares pursuant to contract(s) without payment being received in cash
(ii) allotted any fully paid up shares by way of bonus shares

26. Other equity

Particulars	As at 31 March 2026	As at 31 March 2025
Securities premium		
Balance at the beginning of the year	20,202.69	20,192.90
Add: Issue of Equity shares	-	10.77
Issue of compulsorily convertible preference shares	-	-
Less: Share issue expenses	-	(0.98)
Balance at the end of the year (A)	**20,202.69**	**20,202.69**
Reserve fund [u/s 45(IC) of the Reserve Bank of India Act, 1934 ('RBI')]		
Balance at the beginning of the year	1,146.79	1,146.79
Add: Amount transferred during the year	-	-
Balance at the end of the year (B)	**1,146.79**	**1,146.79**

CIN: U65990UP2017PTC099006

Notes to financial statements for the year ended 31 March 2026

(All amounts in INR Lakhs, unless otherwise stated)

26. Other equity

Particulars	As at 31 March 2026	As at 31 March 2025
Retained earnings		
Balance at the beginning of the year	348.26	3,887.73
Add : Profit/ (loss) for the year	(2,835.03)	(3,543.63)
Less: Amount transferred during the year to Reserve Fund [u/s 45(IC) of the RBI Act, 1934]	-	-
Add: Amount transferred from ESOP Reserve due to cancellation of ESOP after vesting (net of deferred tax)	10.30	4.16
Balance at the end of the year (C)	**(2,476.47)**	**348.26**
Other comprehensive income		
Re-measurement gains / (losses) on defined benefit plans		
Balance at the beginning of the year	16.14	(35.49)
Add: Other comprehensive income for the year	119.76	51.63
Balance at the end of the year (D)	**135.90**	**16.14**
Share based payment reserve		
Balance at the beginning of the year	53.62	45.33
Add: Amount transferred during the year	8.03	17.24
Less: Amount transferred from ESOP Reserve due to cancellation of ESOP after vesting	(10.30)	(4.16)
Less : Transfer to securities premium on account of options exercised	-	(4.79)
Balance at the end of the year (E)	**51.35**	**53.62**
Equity component of Optionally Convertible Redeemable Preference Shares (OCRPS)		
Balance at the beginning of the year	8.82	-
Add: Issue during the year*	-	8.82
Balance at the end of the year (F)	**8.82**	**8.82**
Total Other equity (A+B+C+D+E+F)	**19,069.08**	**21,776.32**

In terms of Section 45-IC of the RBI Act, 1934, the Company is required to transfer at least 20% of its net profits to a reserve before any dividend is declared. As at the year-end, the Company has transferred an amount of Nil (31 March 2025: Nil)

* The amount pertaining to Optionally Convertible Redeemable Preference Shares is net of deferred tax.

Nature and purpose of other reserve :

(I) Statutory reserves

The said reserve has been created under section 45-IC of Reserve Bank of India Act, 1934. As per the said section, every Non-banking financial Company shall create a reserve fund and transfer a sum of not less than 20% of net profit every period before declaration of dividend.

(ii) Securities premium reserves

Securities premium reserves is used to record the premium received on issue of shares. It is utilised in accordance with the provisions of the Companies Act, 2013.

CIN: U65990UP2017PTC099006

Notes to financial statements for the year ended 31 March 2026

(All amounts in INR Lakhs, unless otherwise stated)

(iii) Retained earnings

Retained earnings are the profits/(loss) that the Company has earned/incurred till date, less any transfers to statutory reserve, dividends or other distributions paid to shareholders. Retained earnings is a free reserve available to the Company and eligible for distribution to shareholders, in case where it is having positive balance representing net earnings till date.

(iv) Employee stock option plan reserve

"The said amount is used to recognise the grant date fair value of options issued to employees by the Company.
Remeasurements of defined benefit plans represents the following as per Ind AS 19, Employee Benefits:
(a) actuarial gains and losses on defined benefit obligations
(b) the return on plan assets, excluding amounts included in net interest on the net defined benefit liability (asset); and
(c) any change in the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability (asset)"

(v) Other comprehensive income -

The OCI arising from gratuity and leave encashment represents actuarial gains and losses on defined benefit obligations, recognized in the period in which they occur. These are not reclassified to profit or loss in subsequent periods, in line with Ind AS 19.

(vi) Equity component of OCRPS (net of deferred tax)

This represents the difference between the transaction value and the present value in case of interest free/ below Market rate borrowings - (i.e. Optionally convertible Redeemable Preference Shares (OCRPS).

27. Interest income

Particulars	For the year ended 31 March 2026	For the year ended 31 March 2025
On financial assets measured at amortised cost		
Interest income on loan portfolio	18,124.83	21,485.47
Interest on fixed deposits with banks	1,174.97	1,503.61
Income from unwinding of assigned portfolio	36.99	24.61
Total	**19,336.79**	**23,013.69**

28. Fees and commission income

Particulars	For the year ended 31 March 2026	For the year ended 31 March 2025
Documentation charges	54.12	27.67
Service fee	20.40	108.78
Income from business correspondent operations	1,815.21	2,021.29
Total	**1,889.73**	**2,157.74**

Particulars	31 March 2026	31 March 2025
Type of services or service		
Income from business correspondent operations	1,815.21	2,021.29
Total revenue from contracts with customers	**1,815.21**	**2,021.29**
Geographical markets		
India	1,815.21	2,021.29
Outside India		-
Total revenue from contracts with customers	**1,815.21**	**2,021.29**

CIN: U65990UP2017PTC099006

Notes to financial statements for the year ended 31 March 2026

(All amounts in INR Lakhs, unless otherwise stated)

Particulars	31 March 2026	31 March 2025
Timing of revenue recognition		
Services transferred at a point in time	-	-
Services transferred over time	1,815.21	2,021.29
Total revenue from contracts with customers	**1,815.21**	**2,021.29**

Particulars	31 March 2026	31 March 2025
Contract balances		
Trade receivables	198.00	213.32
Contract assets	-	-
Contract liabilities	-	-

Particulars	31 March 2026	31 March 2025
Revenue as per contract	1,815.21	2,021.29
Adjustments	-	-
Discount	-	-
Revenue from contract with customers	**1,815.21**	**2,021.29**

29. Net gain on fair value changes

Particulars	For the year ended 31 March 2026	For the year ended 31 March 2025
Net gain on fair value instruments at fair value through profit or loss		
Gain on fair value of cross currency interest rate swap	917.73	95.15
Realised gain on sale of mutual fund investment	92.27	110.37
Total	**1,010.00**	**205.52**

30. Net gain on derecognition of financial assets

Particulars	For the year ended 31 March 2026	For the year ended 31 March 2025
Gain on sale of loan portfolio through assignment	968.23	-
Gain on prepayment of loans assets	203.85	87.23
Total	**1,172.08**	**87.23**

31. Other income

Particulars	For the year ended 31 March 2026	For the year ended 31 March 2025
Interest on income tax refund	27.42	5.38
Gain on derecognition of lease asset	13.88	-
Unwinding of security deposit	4.32	3.76
Amount written back	-	163.79
Miscellaneous income	27.05	53.74
Total	**72.67**	**226.67**

CIN: U65990UP2017PTC099006

Notes to financial statements for the year ended 31 March 2026

(All amounts in INR Lakhs, unless otherwise stated)

32. Finance costs

Particulars	For the year ended 31 March 2026	For the year ended 31 March 2025
On financial liabilities measured at amortised cost		
- Interest on debt securities	2,358.88	1,350.72
- Interest on debt securities ECB	744.65	597.33
- Interest on liability component of OCRPS	0.16	0.10
- Interest on borrowings (other than debt securities)	5,488.14	7,630.16
Other interest exp		
- Interest on lease liabilities	22.53	27.96
Net (gain)/loss on foreign currency transaction and translation on external commercial borrowing	787.28	148.71
Total	**9,401.64**	**9,754.98**

33. Impairment of financial instruments

Particulars	For the year ended 31 March 2026	For the year ended 31 March 2025
On financial assets measured at amortised cost		
Impairment allowance on loans	434.47	(39.29)
Loans written off (net of recovery)	4,760.23	10,797.75
Write off on account of first loss default guarantee (net of recovery)	1,347.82	526.93
Total	**6,542.52**	**11,285.39**

34. Employee benefits expenses

Particulars	For the year ended 31 March 2026	For the year ended 31 March 2025
Salaries, wages and bonus*	7,610.56	6,686.93
Contribution to provident and other funds	573.44	510.47
Share based compensation expense	8.03	17.24
Staff welfare expenses	108.35	118.64
Total	**8,300.38**	**7,333.28**

*refer note 37 for payments of remuneration to related party

35. Depreciation and amortisation expense

Particulars	For the year ended 31 March 2026	For the year ended 31 March 2025
Depreciation of tangible assets	123.78	113.82
Amortization of intangible assets	3.51	2.73
Depreciation on right-of-use assets	114.50	107.48
Total	**241.79**	**224.03**

CIN: U65990UP2017PTC099006

Notes to financial statements for the year ended 31 March 2026

(All amounts in INR Lakhs, unless otherwise stated)

36. Other expenses

Particulars	For the year ended 31 March 2026	For the year ended 31 March 2025
Advertisement and recruitment expenses	34.24	35.24
Communication expenses	148.84	106.60
Printing & stationery	143.25	108.24
Repairs & maintenance	218.72	172.00
Conveyance and travelling expenses	136.74	145.08
Legal & professional charges*	1,162.94	524.41
Rent	595.45	501.77
Rates & taxes	34.79	16.34
Software and technology expenses	208.83	203.02
Corporate social responsibilities	-	51.44
Bank charges	42.67	12.15
Directors sitting fees (refer note 37)	13.08	13.90
Electricity expenses	87.07	58.92
Membership & Subscription	17.65	49.18
Miscellaneous expenses	26.55	79.49
Total	**2,870.82**	**2,077.78**

***Includes payment to auditors**

Audit fee	23.10	21.00
Out of Pocket Expenses #	3.12	2.73
Total	**26.22**	**23.73**

#includes payment made to previous auditor Rs. 2.34 lakhs for the year ended 31 Mar 2025

37. Related party transactions

In accordance with the requirements of Ind AS 24, 'Related Party Disclosures', the names of the related party where control exists/able to exercise significant influence along with the transactions and year-end balances with them as identified and certified by the management are given below:

a) Details of related parties:

Description of relationship	Names of related parties
Key management personnel (KMP)*	Mr. Abhisheka Kumar (Managing Director)
	Mr. Malkit Singh Didyala (C.E.O. and W.T.D.)
	Mr Yashvant Malhotra (Independent director) (up to 4th September 2024)
	Mr Sandeep Phanasgaonkar (Independent Director)
	Mr Diwakar Pundir (Independent Director)
	Mr. Pankaj Kumar Sinha (Company Secretary)
Key management personnel (KMP)*	Mrs. Shweta kumari (Director's Wife) (w.e.f. 15th Jan 2026)
	Mrs. Sindhu Singh (Director's Mother) (w.e.f. 15th Jan 2026)
	Mrs. Anamika Bhardwaj (Director's Sister) (w.e.f. 15th Jan 2026)

CIN: U65990UP2017PTC099006

Notes to financial statements for the year ended 31 March 2026

(All amounts in INR Lakhs, unless otherwise stated)

Description of relationship	Names of related parties
The Entities having significant influence in the company	1-Carpediem Capital Partners through Carpediem Capital Partners Fund I and Carpediem Capital Partners Fund II
	2-NMI Fund IV KS
	3-Huruma Fund S.C.A., SICAR-EuSEF
	4-Oikocredit Ecumenical Development Cooperative Society U.A.

b) Statement of transactions and outstanding balances with above related parties -

Particulars	For the year ended 31 March 2026	For the year ended 31 March 2025
Transaction during the year		
Issue of optionally convertible redeemable preference shares		
Mr. Abhisheka Kumar	-	6.48
Mr. Malkit Singh Didyala	-	6.48
Remuneration paid		
Mr. Abhisheka Kumar	126.50	149.79
Mr. Malkit Singh Didyala	126.50	149.79
Mr. Pankaj Kumar Sinha	13.05	14.02
Sitting fees paid		
Mr Yashvant Malhotra	-	2.45
Mr Sandeep Phanasgaonkar	6.81	6.00
Mr Diwakar Pundir	6.27	5.45
Reimbursement of expense		
Mr. Abhisheka Kumar	0.82	4.83
Mr. Malkit Singh Didyala	-	4.95
Contribution towards provident fund and other funds		
Mr. Abhisheka Kumar	7.59	6.90
Mr. Malkit Singh Didyala	7.59	6.90
Mr. Pankaj Kumar Sinha	0.22	0.22
Post employement benefits		
Gratuity		
Mr. Abhisheka Kumar	1.40	3.07
Mr. Malkit Singh Didyala	1.41	3.18
Mr. Pankaj Kumar Sinha	1.77	0.35
Earned Leave		
Mr. Abhisheka Kumar	-	1.64
Mr. Malkit Singh Didyala	-	1.54
Mr. Pankaj Kumar Sinha	-	0.23

CIN: U65990UP2017PTC099006

Notes to financial statements for the year ended 31 March 2026

(All amounts in INR Lakhs, unless otherwise stated)

Particulars	For the year ended 31 March 2026	For the year ended 31 March 2025
Personal guarantee given by Directors against borrowings		
Mr. Abhisheka Kumar	1,998.74	-
Mr. Abhisheka Kumar and Mr. Malkit Singh Didyala (jointly)	42,490.52	26,939.46
Personal guarantee withdrawn by Directors against borrowings		
Mr. Abhisheka Kumar	2,001.40	3,170.68
Mr. Abhisheka Kumar and Mr. Malkit Singh Didyala (jointly)	36,502.71	42,034.86
Rent expeneses paid/payable		
Mr. Abhisheka Kumar	3.69	-
Mrs. Shweta Kumari	3.69	-
Mrs. Sindhu Singh	2.37	-
Mrs. Anamika Bhardwaj	1.35	-
Security deposit		
Mr. Abhisheka Kumar	10.09	-
Mrs. Shweta Kumari	10.09	-
Mrs. Sindhu Singh	6.48	-
Mrs. Anamika Bhardwaj	3.69	-

Particulars	As at 31 March 2026	As at 31 March 2025
Outstanding balances as at the year ended		
Post employement benefits		
Gratuity		
Mr. Abhisheka Kumar	19.19	17.79
Mr. Malkit Singh Didyala	19.19	17.77
Mr. Pankaj Kumar Sinha	3.19	1.42
Earned leave		
Mr. Abhisheka Kumar	7.81	14.69
Mr. Malkit Singh Didyala	7.81	14.71
Mr. Pankaj Kumar Sinha	0.79	0.97
Compulsorily convertible preference shares		
NMI Fund IV KS	2,400.00	2,400.00
Carpediem Capital Partners Fund II	800.00	800.00
Huruma Fund S.C.A., SICAR-EuSEF	7,000.00	7,000.00
Oikocredit Ecumenical Development Cooperative Society U.A.	5,000.00	5,000.00

CIN: U65990UP2017PTC099006

Notes to financial statements for the year ended 31 March 2026

(All amounts in INR Lakhs, unless otherwise stated)

Particulars	As at 31 March 2026	As at 31 March 2025
Optionally convertible redeemable preference shares		
Mr. Abhisheka Kumar	6.48	6.48
Mr. Malkit Singh Didyala	6.48	6.48
Personal guarantee given by Directors against borrowings		
Mr. Abhisheka Kumar	2,061.46	2,064.12
Mr Abhisheka Kumar and Mr Malkit Singh Didyala (jointly)	58,903.33	52,915.53

*Key management personnel are those individuals who have the authority and responsibility for planning and exercising power to directly or indirectly control the activities of the Company and its employees. The Company considers the members of the Board of Directors which include independent directors and Executive Committee to be key management personnel for the purposes of Ind AS 24 Related Party Disclosures.

Terms and conditions with related parties

All transactions with related parties are made on the terms equivalent to those that prevail in arm's length transactions and within the ordinary course of business.

CIN: U65990UP2017PTC099006

Notes to financial statements for the year ended 31 March 2026

(All amounts in INR Lakhs, unless otherwise stated)

38. Terms and condition of repayment of debt securities

Terms of non-convertible debentures	Number of debentures		Face value	Amount	
	As at 31 March 2026	As at 31 March 2025		As at 31 March 2026	As at 31 March 2025
Non-convertible debentures (unsecured)					
Allotment Date: June 14, 2023; Redeemable at par on June 12, 2025; Interest Rate: 12% p.a., paid monthly	-	10,000.00	1,000.00	-	100.00
Allotment Date: June 14, 2023; Redeemable at par on June 12, 2025; Interest Rate: 12% p.a., paid monthly	-	10,000.00	1,000.00	-	100.00
Allotment Date: August 05, 2023; Redeemable at par on August 04, 2025; Interest Rate: 12% p.a., paid monthly	-	10,000.00	1,000.00	-	100.00
Allotment Date: August 05, 2023; Redeemable at par on August 04, 2025; Interest Rate: 12% p.a., paid monthly	-	20,000.00	1,000.00	-	200.00
Allotment Date: October 16, 2023; Redeemable at par on October 11, 2025; Interest Rate: 12% p.a., paid monthly	-	10,000.00	1,000.00	-	100.00
Allotment Date: January 02, 2025; Redeemable at par on January 01, 2027; Interest Rate: 12% p.a., paid monthly	20,000.00	20,000.00	1,000.00	199.18	198.09
Allotment Date: August 19, 2025; Redeemable at par on August 18, 2027; Interest Rate: 12% p.a., paid monthly	10,000.00	-	1,000.00	100.00	-
Allotment Date: August 19, 2025; Redeemable at par on August 18, 2027; Interest Rate: 12% p.a., paid monthly	10,000.00	-	1,000.00	100.00	-
Allotment Date: August 19, 2025; Redeemable at par on August 18, 2027; Interest Rate: 12% p.a., paid monthly	20,000.00	-	1,000.00	200.00	-
Allotment Date: November 21, 2025; Redeemable at par on August 18, 2027; Interest Rate: 12% p.a., paid monthly	50,000.00	-	1,000.00	500.00	-
Total Unsecured NCD (A)	**110,000.00**	**80,000.00**		**1,099.18**	**798.09**

CIN: U65990UP2017PTC099006

Notes to financial statements for the year ended 31 March 2026

(All amounts in INR Lakhs, unless otherwise stated)

Terms of non-convertible debentures	Number of debentures		Face value	Amount	
	As at 31 March 2026	As at 31 March 2025		As at 31 March 2026	As at 31 March 2025
"12.30% Secured Rated Non Convertible Debenture allotted on March 28, 2025, redeemable at par starting from October 23, 2025. (Secured by way of hypothecation of Book Debts maintained at all times at 110% of the value of the outstanding principal plus accrued interest obligations)"	-	4,000.00	100,000.00	3,238.13	3,927.93
"12.94% Secured Unrated Non Convertible Debenture allotted on December 28, 2023 redeemable at par starting from December 15, 2025. (Secured by way of hypothecation of Book Debts maintained at all times at 100% of the value of the outstanding principal plus accrued interest obligations)"	-	638.00	100,000.00	212.67	425.33
"12.94% Secured Unrated Non Convertible Debenture allotted on December 28, 2023, redeemable at par starting from December 15, 2025. (Secured by way of hypothecation of Book Debts maintained at all times at 100% of the value of the outstanding principal plus accrued interest obligations)"	-	2,462.00	100,000.00	820.67	1,641.33
"12.80% Secured Unrated Non Convertible Debenture allotted on December 16, 2022, redeemable at par on December 16, 2025. (Secured by way of hypothecation of Book Debts maintained at all times at 100% of the value of the outstanding principal plus accrued interest obligations)"	-	320.00	1,000,000.00	-	3,195.52
"12.80% Secured Unrated Non Convertible Debenture allotted on December 16, 2022, redeemable at par on December 16, 2025. (Secured by way of hypothecation of Book Debts maintained at all times at 100% of the value of the outstanding principal plus accrued interest obligations)"	-	240.00	1,000,000.00	-	2,396.64
"13.00% Secured Rated Non Convertible Debenture allotted on June 28, 2024, redeemable at par, 30% on December 25, 2025 and 70% on December 18, 2026. (Secured by way of hypothecation of Book Debts maintained at all times at 110% of the value of the outstanding principal plus accrued interest obligations)"	-	1,150.00	100,000.00	805.00	1,150.00

CIN: U65990UP2017PTC099006

Notes to financial statements for the year ended 31 March 2026

(All amounts in INR Lakhs, unless otherwise stated)

Terms of non-convertible debentures	Number of debentures		Face value	Amount	
	As at 31 March 2026	As at 31 March 2025		As at 31 March 2026	As at 31 March 2025
"13.30% Secured Rated Non Convertible Debenture allotted on December 15, 2025, redeemable at par, 20% on December 15, 2026, redeemable at par, 20% on December 15, 2027 and 60% on December 15, 2028. (Secured by way of hypothecation of Book Debts maintained at all times at 110% of the value of the outstanding principal)"	3,950.00	-	100,000.00	3,950.00	-
13.00% Secured Rated Non Convertible Debenture allotted on June 30, 2025, redeemable at par , starting from September 30, 2025 10% on quarterly basis. (Secured by way of hypothecation of Book Debts maintained at all times at 110% of the value of the outstanding principal)	2,700.00	-	100,000.00	1,887.24	-
"12.30% Secured Rated Non Convertible Debenture allotted on April 25, 2025, redeemable at par , in 11 equal quarterly installments starting from November 23, 2025. (Secured by way of hypothecation of Book Debts maintained at all times at 110% of the value of the outstanding principal plus accrued interest obligations)"	4,000.00	-	100,000.00	3,235.56	-
Total Secured NCD (B)	**10,650.00**	**8,810.00**		**14,149.27**	**12,736.75**
Total (A+B)	**120,650.00**	**88,810.00**		**15,248.45**	**13,534.84**

Terms of External Commercial Borrowing (ECB)	Amount	
	As at 31 March 2026	As at 31 March 2025
"11.43%, 2 million Euro ECB allotted on June 30, 2023, redeemable on June 30, 2026. (Secured by way of hypothecation of Book Debts maintained at all times at 110% of the value of the outstanding amount plus accrued interest obligations)."	2,178.30	1,837.41
"11.28%, 5 million USD ECB allotted on June 28, 2024 and redeemable on yearly payment 25% each on 03rd July 26 and 03rd July 27 and remaining 50% on 03rd July 2028. (Secured by way of hypothecation of Book Debts maintained at all times at 110% of the value of the outstanding principal plus accrued interest obligations)."	4,709.33	4,240.37
Total	**6,887.63**	**6,077.78**

CIN: U65990UP2017PTC099006

Notes to financial statements for the year ended 31 March 2026

(All amounts in INR Lakhs, unless otherwise stated)

39. Terms of Repayment of Debt Securities/Borrowings/ECB

39.1 Terms of Repayment of Debt Securities/Borrowings/ECB as on March 31, 2026

Frequency of repayment	Original maturity of loan	Interest rate	Due within 1 year		Due between 1-2 years		Due between 2-3 years		Due between 3-4 years		Total
			No. of install-ments	Amount	No. of install-ments	Amount	No. of install-ments	Amount	No. of install-ments	Amount	
Borrowings (other than debt securities)											
From bank (term loan)											
Monthly	1-3 years	9.5% - 11%	20	924.55	-	-	-	-	-	-	924.55
		11% - 11.5%	26	1,984.83	22	1,680.57	-	-	-	-	3,665.40
		11.5% - 12%	66	5,088.48	-	-	-	-	-	-	5,088.48
		12% - 12.5%	24	3,333.33	12	1,944.45	-	-	-	-	5,277.78
		12.5% - 13%	-	-	-	-	-	-	-	-	-
Quarterly	1-3 years	12.5% - 13%	-	-	-	-	-	-	-	-	-
From financial institutions (term loan)											
Monthly	1-3 years	10.5% - 11.5%	18	815.28	-	-	-	-	-	-	815.28
		11.5% - 12%	15	1,250.00	6	500.00	-	-	-	-	1,750.00
		12% - 12.5%	134	6,724.38	64	3,108.80	-	-	-	-	9,833.18
		12.5% - 13%	246	11,551.72	138	6,003.36	-	-	-	-	17,555.08
		13% - 13.5%	12	954.45	10	901.80	-	-	-	-	1,856.25
Quarterly	1-3 years	-	-	-	-	-	-	-	-	-	-
Debt securities											
Non-convertible debentures (secured)											
Yearly	1-3 years	12.5% - 13.5%	6	1,823.33	1	790.00	1	2,370.00	-	-	4,983.33
Half Yearly	1-3 years	12.5% - 13.5%	1	805.00	-	-	-	-	-	-	805.00
Quarterly	1-3 years	12.5% - 13.5%	4	1,080.00	3	810.00	-	-	-	-	1,890.00
Bullet	1-3 years	12.5% - 13.3%	-	-	-	-	-	-	-	-	-
Quarterly	above 3 years	12.3% - 13%	9	2,909.09	8	2,909.09	2	727.27	-	-	6,545.45
Non-convertible debentures (unsecured)											
Bullet	1-3 years	12% - 12.5%	1	200.00	4	900.00	-	-	-	-	1,100.00

CIN: U65990UP2017PTC099006

Notes to financial statements for the year ended 31 March 2026

(All amounts in INR Lakhs, unless otherwise stated)

39. Terms of Repayment of Debt Securities/Borrowings/ECB

39.1 Terms of Repayment of Debt Securities/Borrowings/ECB as on March 31, 2026

Frequency of repayment	Original maturity of loan	Interest rate	Due within 1 year		Due between 1-2 years		Due between 2-3 years		Due between 3-4 years		Total
			No. of install-ments	Amount	No. of install-ments	Amount	No. of install-ments	Amount	No. of install-ments	Amount	
External commercial borrowings											
Yearly	above 3 years	11% - 11.5%	1	1,043.13	1	1,043.13	1	2,086.25	-	-	4,172.51
Bullet	1-3 years	11% - 11.5%	1	1,787.60	-	-	-	-	-	-	1,787.60
Pass through certificate											
Monthly	1-3 years	11% - 11.5%	12	2,445.14	3	426.22	-	-	-	-	2,871.36
Monthly	1-3 years	11.5% - 12%	-	-	12	2,902.08	1	199.10	-	-	3,101.18
Total			**596.00**	**44,720.31**	**284.00**	**23,919.50**	**5.00**	**5,382.62**	**-**	**-**	**74,022.43**

Impact of EIR on Borrowings (Other than Debt Securities)	(218.28)
Impact of EIR on Debt Securities	(75.34)
Impact of EIR on External Commercial Borrowings	(25.22)
Impact of EIR on Pass Through Certificate	(36.60)
Impact of Accrued Interest	316.55
Impact of Foreign Exchange Fluctuations on ECBs	952.74
Impact of Liability component of Optionally Convertible Redeemable Preference Shares (OCRPS)	1.43
Grand Total	**74,937.71**

CIN: U65990UP2017PTC099006

Notes to financial statements for the year ended 31 March 2026

(All amounts in INR Lakhs, unless otherwise stated)

Terms of Repayment of Debt Securities/Borrowings/ECB as on March 31, 2025

Frequency of repayment	Original maturity of loan	Interest rate	Due within 1 year		Due between 1-2 years		Due between 2-3 years		Due between 3-4 years		Total
			No. of install-ments	Amount	No. of install-ments	Amount	No. of install-ments	Amount	No. of install-ments	Amount	
Borrowings (other than debt securities)											
From bank (term loan)											
Monthly	1-3 years	10.5% - 11%	44	3,000.00	7	348.82	-	-	-	-	3,348.82
		11% - 11.5%	93	5,502.38	26	1,512.88	4	277.78	-	-	7,293.03
		11.5% - 12%	58	3,675.60	20	1,103.87	-	-	-	-	4,779.47
		12% - 12.5%	97	7,772.55	36	3,568.45	-	-	-	-	11,341.00
		12.5% - 13%	22	2,552.08	12	531.26	-	-	-	-	3,083.33
Quarterly	1-3 years	12.5% - 13%	8	500.00	1	25.00	-	-	-	-	525.00
From financial institutions (term loan)											
Monthly	1-3 years	11% - 11.5%	24	1,191.12	14	615.28	-	-	-	-	1,806.40
		11.5% - 12%	35	1,963.50	7	450.00	-	-	-	-	2,413.50
		12% - 12.5%	49	3,044.72	14	1,064.17	3	240.00	-	-	4,348.89
		12.5% - 13%	133	6,003.52	18	1,751.55	-	-	-	-	7,755.07
		13% - 13.5%	28	1,855.84	-	-	-	-	-	-	1,855.84
Quarterly	1-3 years	12% - 12.5%	2	642.39	-	-	-	-	-	-	642.39
Debt securities											
Non-convertible debentures (secured)											
Yearly	1-3 years	12.5% - 13%	2	1,033.33	2	1,033.33	-	-	-	-	2,066.67
		13% - 13.5%	1	345.00	1	805.00	-	-	-	-	1,150.00
Quarterly	above 3 years	12% - 12.5%	2	727.27	4	1,454.55	4	1,454.55	1	363.64	4,000.00
Bullet	1-3 years	12.5% - 13%	2	5,600.00	-	-	-	-	-	-	5,600.00
Non-convertible debentures (unsecured)											
Bullet	1-3 years	12% - 12.5%	5	600.00	1	200.00	-	-	-	-	800.00

CIN: U65990UP2017PTC099006

Notes to financial statements for the year ended 31 March 2026

(All amounts in INR Lakhs, unless otherwise stated)

Terms of Repayment of Debt Securities/Borrowings/ECB as on March 31, 2025

Frequency of repayment	Original maturity of loan	Interest rate	Due within 1 year		Due between 1-2 years		Due between 2-3 years		Due between 3-4 years		Total
			No. of install-ments	Amount	No. of install-ments	Amount	No. of install-ments	Amount	No. of install-ments	Amount	
External Commercial Borrowings											
Yearly	Yearly	11% - 11.5%	-	-	1	1,043.13	1	1,043.13	1	2,086.25	4,172.50
Bullet	Bullet	11% - 11.5%	-	-	1	1,787.60	-	-	-	-	1,787.60
Total			**605.00**	**46,009.30**	**165.00**	**17,294.88**	**12.00**	**3,015.45**	**2.00**	**2,449.89**	**68,769.51**

Impact of EIR on Borrowings (other than debt securities)	(212.93)
Impact of EIR on Debt Securities	(81.82)
Impact of EIR on External Commercial Borrowings	(47.78)
Impact of Accrued Interest	332.29
Impact of Foreign Exchange Fluctuations on ECBs	165.46
Impact of Liability component of Optionally Convertible Redeemable Preference Shares (OCRPS)	1.27
Grand Total	**68,925.99**

CIN: U65990UP2017PTC099006

Notes to financial statements for the year ended 31 March 2026

(All amounts in INR Lakhs, unless otherwise stated)

39.2 Reconciliation of liabilities arising from financing activities

The changes in the group's liabilities arising from financing activities can be classified as follows:

Particulars	Debt securities	Borrowings (other than debt)	Borrowings (under securitisation)	Total
March 31, 2024	**12,289.43**	**74,681.71**	**-**	**86,971.14**
Cash flows:				
-Repayment	(2,133.33)	(53,844.37)	-	(55,977.70)
-Proceeds	9,522.48	28,199.99	-	37,722.47
-Interest accrued but not due	78.38	(96.03)	-	(17.65)
-Deferment of upfront processing fee	(91.99)	169.74	-	77.75
Non-cash:				
-Foreign exchange	148.71	-	-	148.71
-Others	-	1.27	-	1.27
March 31, 2025	**19,813.68**	**49,112.31**	**-**	**68,925.99**
Cash flows:				
-Repayment	(9,842.88)	(44,876.75)	-	(54,719.63)
-Proceeds	11,550.00	42,450.00	5,972.53	59,972.53
-Interest accrued but not due	(46.25)	16.22	14.29	(15.74)
-Deferment of upfront processing fees	29.06	(5.34)	(36.60)	(12.88)
Non-cash:				-
-Foreign exchange	787.28	-	-	787.28
-Others	-	0.16	-	0.16
March 31, 2026	**22,290.89**	**46,696.60**	**5,950.22**	**74,937.71**

40. Ratings assigned by credit rating agencies

The changes in the group's liabilities arising from financing activities can be classified as follows:

Particulars	As at 31 March 2026	As at 31 March 2025
(a) Micro Finance Institution Grading*	**CARE MFI 1**	**CARE MFI 1**
(b) Non-Convertible Debenture**	**"IND BBB"/ STABLE**	**"IND BBB"/ POSITIVE**
(c) Long Term Bank Loans**	**"IND BBB"/ STABLE**	**"IND BBB"/ POSITIVE and "CRISIL BBB"/STABLE**

*Care edge research rating report issued in the month of October 2025.
**India ratings & research rating letter dated May 21, 2025.

41. Employee share based payments

Pursuant to a resolution passed by the members holding equity shares vide Extra Ordinary General Meeting held on 30 October 2019, the Company introduced the Employee Stock Option Plan ("Employee Stock Option Plan (ESOP)") pursuant to the provisions of Section 62 and other applicable provisions, if any, of the Companies Act, 2013 read with the Guidance note on Accounting for Share-based payments. Under this scheme, the total pool of options, which can be granted to eligible employees of the Company, not exceeding 425,082 (Four Lakh twenty-five thousand and eighty-two) equity shares (Number of Employee Stock Option Plan (ESOP) Options in aggregate). During the year ended 31 March 2026, the Company granted Nil number of options (Previous year Nil) to the eligible employees of the Company.

There shall be a minimum period of one year between the grant of options and vesting of option. The vesting requirement of the options is to remain in the employment with the Company till the vesting period. These options shall vest on graded basis as follows, provided that the grant date may be different for different category of employees. The options are equity settled.

CIN: U65990UP2017PTC099006

Notes to financial statements for the year ended 31 March 2026

(All amounts in INR Lakhs, unless otherwise stated)

Time Period	Percentage	Vesting condition
On completion of one year	25%	Service
On completion of two years	25%	Service
On completion of three years	25%	Service
On completion of four years	25%	Service

A. Employee stock option schemes:

Details of grant and exercise of such options are as follows:

Particulars	SMPL Employee Stock Option Plan (ESOP)- 2019				
	Tranche I	Tranche II	Tranche III	Tranche IV	Tranche V
Date of grant of options	5-Nov-19	10-Nov-20	25-Nov-21	12-Nov-22	20-Nov-23
Number of options granted	82,917	140,934	90,000	96,968	64,000
Number of employees to whom such options were granted	19	45	25	23	17
Date of Board approval	30-Sep-19	10-Nov-20	25-Jun-21	28-Mar-22	20-Nov-23
Vesting period	5-Nov-20	10-Nov-21	25-Nov-22	12-Nov-23	20-Nov-24
Exercise period	5 November 2020 to 4 November 2027	10 November 2021 to 10 November 2028	25 November 2022 to 24 November 2029	12 November 2023 to 12 November 2030	20 November 2024 to 20 November 2031
Exercise price	33.83	33.83	33.83	33.83	33.83
Option life	4 years	4 years	4 years	4 years	4 years
Fair value of the option	8.45	14.70	14.69	55.56	87.63
Risk free interest rate	7.16%	6.92%	6.73%	6.54%	6.64%

Movement during the year

The number and weighted average exercise prices (WAEP) of, and movements in, share options during the year:

Particulars	Year ended 31 March 2026		Year ended 31 March 2025	
	Number of options (in lakhs)	Weighted average exercise price	Number of options (in lakhs)	Weighted average exercise price
Outstanding at the beginning of the year	1.89	33.83	2.65	33.83
Granted during the year	-		-	
Forfeited during the year	0.27	33.83	0.51	33.83
Exercised during the year	-	33.83	0.25	33.83
Lapsed during the year	-		-	
Outstanding at the end of the year	**1.62**	33.83	**1.89**	33.83

CIN: U65990UP2017PTC099006

Notes to financial statements for the year ended 31 March 2026

(All amounts in INR Lakhs, unless otherwise stated)

B. Summary of share based payments
For the year ended 31 March, 2026

Particulars	Tranche I	Tranche II	Tranche III	Tranche I	Tranche V	Total
Outstanding at the beginning of the year	0.06	0.26	0.40	0.65	0.51	1.88
Options granted during the year	-	-	-	-	-	-
Options forfeited during the year	-	0.03	0.08	0.12	0.03	0.26
Options exercised during the year	-	-	-	-	-	-
Options expired during the year	-	-	-	-	-	-
Options lapsed during the year	-	-	-	-	-	-
Options outstanding at the end of the period	**0.06**	**0.23**	**0.32**	**0.53**	**0.48**	**1.62**
For share options exercised:						
Weighted average exercise price at date of exercise	33.83	33.83	33.83	33.83	33.83	
Money realized by exercise of options	-	-	-	-	-	-
For share options outstanding:						
Exercise prices	33.83	33.83	33.83	33.83	33.83	
Average remaining contractual life of options (years)	-	-	0.65	1.62	2.64	

CIN: U65990UP2017PTC099006

Notes to financial statements for the year ended 31 March 2026

(All amounts in INR Lakhs, unless otherwise stated)

For the year ended 31 March, 2025

Particulars	Tranche I	Tranche II	Tranche III	Tranche I	Tranche V	Total
Outstanding at the beginning of the year	0.19	0.45	0.61	0.79	0.60	2.64
Options granted during the year	-	-	-	-	-	-
Options forfeited during the year	0.09	0.10	0.12	0.11	0.09	0.50
Options exercised during the year	0.04	0.09	0.09	0.03	-	0.25
Options expired during the year	-	-	-	-	-	-
Options lapsed during the year	-	-	-	-	-	-
Options outstanding at the end of the period	**0.06**	**0.26**	**0.40**	**0.65**	**0.51**	**1.88**
For share options exercised:						
Weighted average exercise price at date of exercise	33.83	33.83	33.83	33.83	33.83	
Money realized by exercise of options	1.35	3.02	3.00	1.12	-	8.49
For share options outstanding:						
Exercise prices	33.83	33.83	33.83	33.83	33.83	
Average remaining contractual life of options (years)	-	0.61	1.65	2.62	3.64	

CIN: U65990UP2017PTC099006

Notes to financial statements for the year ended 31 March 2026

(All amounts in INR Lakhs, unless otherwise stated)

C. Valuation of stock options

The fair value of the equity-settled options is estimated on the date of grant using Black-Scholes options pricing model taking into account the terms and conditions upon which the options were granted. The following table lists the inputs to the model used for equity-settled options:

For the year ended 31 March, 2026

Valuation of Stock options granted	Tranche I	Tranche II	Tranche III	Tranche I	Tranche V
Grant date	5-Nov-19	10-Nov-20	25-Nov-21	12-Nov-22	20-Nov-23
Number of options granted	82,917	140,934	90,000	96,968	64,000
Vesting dates	5-Nov-20	10-Nov-21	25-Nov-22	12-Nov-23	20-Nov-24
Fair value of option	8.45	14.70	14.69	55.56	87.63
Exercise price	33.83	33.83	33.83	33.83	33.83
Expected volatility	12.68%	19.64%	20.67%	21.75%	21.10%
Basis of determination of expected volatility:					
Contractual option life (years) (till exercise period)	4 years	4 years	4 years	4 years	4 years
Risk free interest rate	7.16%	6.92%	6.73%	6.54%	6.64%
Model used	Black Scholes Model	Black Scholes Model	Black Scholes Model	Black Scholes Model	Black Scholes Model

CIN: U65990UP2017PTC099006

Notes to financial statements for the year ended 31 March 2026

(All amounts in INR Lakhs, unless otherwise stated)

For the year ended 31 March, 2025

Valuation of Stock options granted	Tranche I	Tranche II	Tranche III	Tranche I	Tranche V
Grant date	5-Nov-19	10-Nov-20	25-Nov-21	12-Nov-22	20-Nov-23
Number of options granted	82,917	140,934	90,000	96,968	64,000
Vesting dates	5-Nov-20	10-Nov-21	25-Nov-22	12-Nov-23	20-Nov-24
Fair value of option	8.45	14.70	14.69	55.56	87.63
Exercise price	33.83	33.83	33.83	33.83	33.83
Expected volatility	12.68%	19.64%	20.67%	21.75%	21.10%
Basis of determination of expected volatility:					
Contractual option life (years) (till exercise period)	4 years	4 years	4 years	4 years	4 years
Risk free interest rate	7.16%	6.92%	6.73%	6.54%	6.64%
Model used	Black Scholes Model	Black Scholes Model	Black Scholes Model	Black Scholes Model	Black Scholes Model

The expected volatility was determined based on historical volatility data and the company expects the volatility of its share price may not differ from historical volatility. The measure of volatility used in the Black-Scholes options pricing model is the annualised standard deviation of the continuously compounded rates of return on the stock over a period of time.

CIN: U65990UP2017PTC099006

Notes to financial statements for the year ended 31 March 2026

(All amounts in INR Lakhs, unless otherwise stated)

42. Corporate Social Responsibility

Particulars	31 March 2026	31 March 2025
a). Gross amount required to be spent by the Company during the year	-	51.44
b). Amount spent during the year on	-	51.50
(I) Construction/acquisition of any asset	-	-
(ii) On purpose other than (i) above	-	51.50
c). Shortfall/(Excess) at the end of the year (a-b)	-	(0.06)
Reason for shortfall of CSR expenditure if any	NA	NA
d). Nature of CSR activities	NA	Rural Healthcare Program, Paediatric heart surgeries, Support for poor hearing-impaired Children and adults, Revamping under-privileged students' toilet blocks and benches for educational purposes at Balak Vrinda Education Society school, Anup Sridhar Badminton Academy
e). Details of related party transactions in relation to CSR expenditure as per relevant Ind-AS 24 " Related Parties Disclosure"	NA	NA
f). "Provision made with respect to liability incurred by entering into contractual obligation"	NA	NA

Note: The company has undertaken CSR activities as per schedule VII of the Companies Act, 2013 during the year ended 31 March 2025

CIN: U65990UP2017PTC099006

Notes to financial statements for the year ended 31 March 2026

(All amounts in INR Lakhs, unless otherwise stated)

43. Disclosures of Derivative Contracts

I. Assets	Foreign Currency	31 March 2026			31 March 2025		
		Exchange Rate	Amount in Foreign Currency	Amount	Exchange Rate	Amount in Foreign Currency	Amount
Receivables (trade & other)	-	-	-	-	-	-	-
Other Monetary assets (e.g. ICDs/Loans given in FC)	-	-	-	-	-	-	-
Total Receivables (A)	-	-	-	-	-	-	-
Hedges by derivative contracts (B)	-	-	-	-	-	-	-
Unhedged Receivables (C=A-B)	-	-	-	-	-	-	-
II. Liabilities	**Foreign Currency**	**31 March 2026**			**31 March 2025**		
		Exchange Rate	**Amount in Foreign Currency**	**Amount**	**Exchange Rate**	**Amount in Foreign Currency**	**Amount**
Payables (trade & other)	-						
Borrowings (ECB and Others)	Euro	108.92	20.00	2,178.30	91.87	20.00	1,837.41
	Dollar	94.19	50.00	4,709.33	84.81	50.00	4,240.37
Total Payables (D)	-	-	70.00	6,887.63	-	70.00	6,077.78
Hedges by derivative contracts (E)	-	-	**70.00**	**6,887.63**	-	**70.00**	**6,077.78**
Unhedged Payables (F=D-E)	-	-	-	-	-	-	-
III. Contingent liabilities and commitments	**Foreign Currency**	**31 March 2026**			**31 March 2025**		
		Exchange Rate	**Amount in Foreign Currency**	**Amount**	**Exchange Rate**	**Amount in Foreign Currency**	**Amount**
Contingent liabilities	-	-	-	-	-	-	-
Commitments	-	-	-	-	-	-	-
Total (G)	-	-	-	-	-	-	-
Hedges by derivative contracts (H)	-	-	-	-	-	-	-
Unhedged Payables (I=G-H)	-	-	-	-	-	-	-
Total Unhedged FC Exposures (J=C+F+I)	-	-	-	-	-	-	-

The Company does not have any long term contracts including derivative contracts for which there are any material foreseeable losses as at March 31, 2026 and March 31, 2025.

CIN: U65990UP2017PTC099006

Notes to financial statements for the year ended 31 March 2026

(All amounts in INR Lakhs, unless otherwise stated)

44. Earning per share

Basic earnings /(loss) per share amounts are calculated by dividing the profit/loss for the year attributable to equity holders by the weighted average number of equity shares outstanding during the year. Diluted earnings/(loss) per share is computed using the weighted average number of common and dilutive common equivalent shares outstanding during the year, except where the result would be anti-dilutive.

The following reflects the income and share data used in the basic and diluted EPS computations:

Particulars	For the year ended 31 March 2026	For the year ended 31 March 2025
Ordinary equity shareholders		
Loss attributable to ordinary equity holders	(2,835.03)	(3,543.63)
Weighted average number of equity shares for basic EPS	46,959,781	46,944,833
Weighted average number of equity shares for diluted EPS	46,959,781	46,944,833
Face value per share	10.00	10.00
Basic earning per share (INR)	(6.04)	(7.55)
Diluted earning per share (INR)	(6.04)	(7.55)

Notes:
i. For the year ended March 31, 2026 and March 31,2025: the computation of diluted EPS does not include the effect of employee stock options, as these potential equity shares are antidilutive hence, weighted average number of equity shares and diluted earning per share are restricted to Basic weighted number of equity shares and basic earning per share respectively .
ii. Weighted average shares mentioned above are numbers.
iii. As per Ind AS 33, Para 23 " Ordinary shares that will be issued upon the conversion of a mandatorily convertible instrument are included in the calculation of basic earnings per share from the date the contract is entered into". Consequently CCPS have been included in the computation of Basic EPS.

45. Contingent liabilities and commitments (to the extent not provided for)

Particulars	As at 31 March 2026	As at 31 March 2025
(a) Contingent liabilities		
Claims against the company not acknowledged as debts	-	-
Corporate guarantee towards loans	-	-
FLDG against business correspondence	102.60	1,538.81
(b) Commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for	-	-
Commitments related to loans sanctioned but not disbursed	-	-
Total	**102.60**	**1,538.81**

The Company believes that the amount or estimable range of reasonably possible loss, will not, either individually or aggregate, have a material adverse effect on its business, financial position, results of the Company, or cash flows with respect to loss contingencies for legal and other contingencies as at March 31, 2026

CIN: U65990UP2017PTC099006

Notes to financial statements for the year ended 31 March 2026

(All amounts in INR Lakhs, unless otherwise stated)

46. Employee benefits

(A) Defined contribution plans - The Company makes provident fund which are defined contribution plans for qualifying employees. Under the schemes, the Group is required to contribute a specified percentage of the basic salary to fund the benefits.

During the year, the Company has recognized the following amounts in the Statement of Profit and Loss –

Particulars	For the year ended 31 March 2026	For the year ended 31 March 2025
Employers' contribution to provident fund and other funds.	573.44	510.47
Employers' contribution to ESIC	83.78	71.63

(B) Defined benefit plans

a) Gratuity payable to employees The Company provides for the gratuity, a defined benefit retirement plan covering qualifying employees. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied by the number of years of service.

Risks associated with plan provisions

Risks associated with the plan provisions are actuarial risks. These risks are:- (i) investment risk, (ii) interest risk (discount rate risk), (iii) mortality risk and (iv) salary risk

Investment risk	The present value of the defined benefit plan liability is calculated using a discount rate determined by reference to Government Bonds Yield. If plan liability is funded and return on plan assets is below this rate, it will create a plan deficit.
Interest risk (discount rate risk)	A decrease in the bond interest rate (discount rate) will increase the plan liability.
Mortality risk	The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants. For this report we have used Indian Assured Lives Mortality (2012-14) ultimate table. A change in mortality rate will have a bearing on the plan's liability.
Salary risk	The present value of the defined benefit plan liability is calculated with the assumption of salary increase rate of plan participants in future. Deviation in the rate of increase of salary in future for plan participants from the rate of increase in salary used to determine the present value of obligation will have a bearing on the plan's liability.

i) Actuarial assumptions

Particulars	As at 31 March 2026	As at 31 March 2025
Assumptions - Economic		
Discount rate (per annum)	5.80%	6.50%
Salary escalation rate	7%	10%
Assumptions - Demographic		
Retirement age	60.00	60.00
Attrition rate	80%	40%
Mortality rate	Indian assured lives mortality (2012- 14) Ult.	Indian assured lives mortality (2012- 14) Ult.

CIN: U65990UP2017PTC099006

Notes to financial statements for the year ended 31 March 2026

(All amounts in INR Lakhs, unless otherwise stated)

ii) Changes in the present value of defined benefit obligation

Particulars	As at 31 March 2026	As at 31 March 2025
Present value of obligation at the beginning of the year	138.40	142.55
Current service cost	29.03	37.84
Interest cost	9.00	10.12
Past service cost	86.76	-
Benefits paid	(8.33)	(3.71)
Actuarial (gain)/ loss from change in financial assumptions	(2.44)	2.21
Actuarial gain from change in demographic assumptions	(81.54)	(63.53)
Actuarial loss arising from experience adjustments	7.14	12.92
Present value of obligation at the end of the year*	**178.02**	**138.40**

*refer note 37 for balance due to related party

Bifurcation of present value of benefit obligation

Particulars	As at 31 March 2026	As at 31 March 2025
Current amount due within a year	132.31	37.44
Non current - amount due after one year	45.71	100.96
Total	**178.02**	**138.40**

iii) Expense recognized in the Statement of Profit and Loss

Particulars	For the year ended 31 March 2026	For the year ended 31 March 2025
Current service cost	29.03	37.84
Past service cost including curtailment gains/losses	86.76	-
Net interest on net defined liability	9.00	10.12
Total expenses recognized in the Statement Profit and Loss	**124.79**	**47.96**

iv) Expense recognized in Other comprehensive income

Particulars	For the year ended 31 March 2026	For the year ended 31 March 2025
Actuarial gain on liability for the period	(160.04)	(68.99)
Return on plan assets excluding interest income	-	-
Net actuarial gains recognised in OCI	**(160.04)**	**(68.99)**

v) Assets and liabilities recognized in the Balance Sheet:

Particulars	As at 31 March 2026	As at 31 March 2025
Present value of unfunded obligation as at the end of the year	178.02	138.40
Fair Value of Plan Assets at the end of the year	-	-
Net Liability recognized in Balance Sheet	**178.02**	**138.40**

CIN: U65990UP2017PTC099006

Notes to financial statements for the year ended 31 March 2026

(All amounts in INR Lakhs, unless otherwise stated)

vi) A quantitative sensitivity analysis for significant assumption as at 31 March 2026 is as shown below:

Particulars	As at 31 March 2026	As at 31 March 2025
Defined benefit obligation on Current Assumptions	178.02	138.40
a) Impact due to change in discount rate		
Impact due to increase of 1%	1.41	3.65
Impact due to decrease of 1%	1.44	3.85
b) Impact due to change in salary escalation rate		
Impact due to increase of 1%	1.15	3.11
Impact due to decrease of 1%	1.15	3.00

vii) Maturity profile of defined benefit obligation

Particulars	As at 31 March 2026	As at 31 March 2025
Expected Outgo First year	136.09	36.53
Expected Outgo Second year	36.49	28.47
Expected Outgo Third year	10.50	25.66
Expected Outgo Fourth year	2.88	22.88
Expected Outgo Fifth year	0.71	19.02
Above 5 years	0.19	35.44
	186.86	**168.00**

b) Compensated absences

i) Actuarial assumptions

Particulars	As at 31 March 2026	As at 31 March 2025
Assumptions - Economic		
Discount rate (per annum)	5.80%	6.50%
Assumptions - Demographic		
Attrition rate	80.00%	40.00%
Retirement age	60 years	60 years
Mortality rate	IALM (2012-14) Ult.	IALM (2012-14) Ult.

CIN: U65990UP2017PTC099006

Notes to financial statements for the year ended 31 March 2026

(All amounts in INR Lakhs, unless otherwise stated)

ii) Changes in the present value of defined benefit obligation

Particulars	As at 31 March 2026	As at 31 March 2025
Present value of obligation at the beginning of the year	185.10	154.89
Current service cost	79.79	77.55
Interest cost	12.03	11.00
Past service cost	82.95	-
Benefits paid	(60.71)	(37.75)
Actuarial (gain)/ loss from change in financial assumptions	(3.35)	2.10
Actuarial gain from change in demographic assumptions	(10.01)	(19.91)
Actuarial gain arising from experience adjustments	(69.83)	(2.78)
Present value of obligation at the end of the year*	**215.97**	**185.10**

*refer note 37 for balance due to related party

iii) Expense recognized in the Statement of Profit and Loss

Particulars	For the year ended 31 March 2026	For the year ended 31 March 2025
Current service cost	79.79	77.55
Past Service Cost including curtailment gains/losses	82.96	-
Interest cost	12.03	11.00
Remeasurements	(83.20)	(20.59)
Total expenses recognized in the Statement Profit and Loss	**91.58**	**67.96**

iv) Assets and liabilities recognized in the Balance Sheet:

Particulars	As at 31 March 2026	As at 31 March 2025
Defined Benefit Obligation	215.97	185.10
Fair Value of Plan Assets at the end of the year	-	-
Funded Status (Surplus / (Deficit))	-	-
Net Liability recognized in Balance Sheet	**215.97**	**185.10**

v) A quantitative sensitivity analysis for significant assumption as at 31 March 2025 is as shown below:

Particulars	As at 31 March 2026	As at 31 March 2025
Defined benefit obligation on Current Assumptions		
a) Impact on change in discount rate		
Impact due to increase of 1 %	1.49	3.48
Impact due to decrease of 1 %	1.52	3.64
b) Rate of increase in salary		
Impact due to increase of 1 %	1.48	3.49
Impact due to decrease of 1 %	1.48	3.40

CIN: U65990UP2017PTC099006

Notes to financial statements for the year ended 31 March 2026

(All amounts in INR Lakhs, unless otherwise stated)

vi) Maturity profile of defined benefit obligation

Particulars	As at 31 March 2026	As at 31 March 2025
Expected Outgo First year	179.80	74.93
Expected Outgo Second year	36.27	48.51
Expected Outgo Third year	7.31	31.42
Expected Outgo Fourth year	1.48	20.32
Expected Outgo Fifth year	0.29	13.20
Above 5 year	0.07	23.97
Total	**225.22**	**212.35**

47. Leases

Company is a lessee:

The Company has entered into lease agreements for office facility and such lease is generally non-cancellable in nature. Certain non-cancellable leases extend up to a maximum of three to five years from their respective dates of inception. The Company has applied short term lease exemption for leasing arrangements where the period of lease is less than 12 months.

A. The following is the movement in lease liabilities during the year ended 31 March 2026 and 31 March 2025:

Particulars	As at 31 March 2026	As at 31 March 2025
Opening balance	169.79	270.13
Additions during the year	607.77	-
Add: Interest Expenses	22.53	27.96
Less: Payments during the year*	(140.75)	(128.30)
Less: Lease derecognised during the year	(54.79)	-
Closing balance	**604.55**	**169.79**
Current	86.17	115.06
Non-current	518.38	54.73
Closing balance	**604.55**	**169.79**

*refer note 37 for lease payment made to related parties

B. The following are amounts recognised in statement of profit and loss:

Particulars	For the year ended 31 March 2026	For the year ended 31 March 2025
Depreciation expense of right-of-use assets	114.50	107.48
Interest expense on lease liabilities	22.53	27.96
Expenses relating to short-term leases	595.45	501.77
Total	**732.48**	**637.21**

The Company's obligations under its leases are secured by the lessor's title to the leased assets. Generally, the Company is restricted from assigning and subleasing the leased assets. There are several lease contracts that include extension, termination options, non financial restrictions and non financial covenants. These options are negotiated by management to provide flexibility in managing the leased-asset portfolio and align with the Company's business needs. Management exercises significant judgement in determining whether these extension and termination options are reasonably certain to be exercised. The Company does not have any lease contracts that contains variable payments.

C. The following are amounts recognised in cash flow statement:

Particulars	For the year ended 31 March 2026	For the year ended 31 March 2025
Total cash outflow for leases	140.75	128.30

CIN: U65990UP2017PTC099006

Notes to financial statements for the year ended 31 March 2026

(All amounts in INR Lakhs, unless otherwise stated)

D. Maturity of lease liabilities
The undiscounted maturity analysis of lease liabilities is as follows:

As at 31 March 2026	Minimum lease payments due				
	Less than 1 year	1-2 years	3-4 years	More than 3 years	Total
Lease payments	157.42	158.81	166.75	335.17	**818.15**

As at 31 March 2025	Minimum lease payments due				
	Less than 1 year	1-2 years	3-4 years	More than 3 years	Total
Lease payments	129.10	57.21	-	-	**186.31**

48. Segment Reporting

The Company operates in a single reportable segment i.e. financing which has similar risks and returns for the purpose of Ind AS 108 "Operating segments" is considered to be the only reportable business segment. The Company derives its major revenue from financing activities and its custumers are widespread, Further, the company operates only in India which is considered as a single geographical segment.

49. Maturity analysis of asset & liabilities

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
Assets			-			
Financial assets						
Cash and cash equivalents	7,258.09	-	7,258.09	13,512.19	-	13,512.19
Bank balances other than cash and cash equivalents	3,323.33	1,268.29	4,591.62	4,953.96	4,912.48	9,866.44
Derivative financial instruments	989.85	-	989.85	72.12	-	72.12
Trade receivables	370.58	-	370.58	240.13	-	240.13
Loans	50,422.90	31,914.84	82,337.74	51,111.72	17,872.34	68,984.06
Investments	-	317.59	317.59	-	-	-
Other financial asset	1,469.78	83.23	1,553.01	794.07	65.44	859.51
Total Financial assets	**63,834.53**	**33,583.95**	**97,418.48**	**70,684.18**	**22,850.27**	**93,534.45**
Non Financial assets			-			
Current tax assets (net)	132.46	-	132.46	475.88	-	475.88
Deferred tax assets (net)	-	3,038.58	3,038.58	-	2,038.01	2,038.01
Property, plant and equipment	-	388.72	388.72	-	421.49	421.49
Right- of- use assets	-	621.49	621.49	-	147.39	147.39
Intangible assets	-	141.15	141.15	-	90.15	90.15
Other non-financial assets	196.59	-	196.59	244.18	-	244.18
Total Non Financial assets	**329.05**	**4,189.94**	**4,518.99**	**720.06**	**2,697.04**	**3,417.10**
Total Asset	**64,163.58**	**37,773.89**	**101,937.47**	**71,404.24**	**25,547.31**	**96,951.55**

CIN: U65990UP2017PTC099006

Notes to financial statements for the year ended 31 March 2026

(All amounts in INR Lakhs, unless otherwise stated)

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
Liabilities and Equity			-			
Liabilities						
Financial liabilities						
Payables						
(I) Trade payables			-			-
(i) total outstanding dues of micro enterprises and small enterprises	7.36	-	7.36	18.41	-	18.41
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	32.45	-	32.45	114.67	-	114.67
Debt securities*	10,195.49	12,095.40	22,290.89	8,506.67	11,307.01	19,813.68
Borrowings (other than Debt securities)*	35,233.90	17,412.92	52,646.82	37,834.93	11,277.38	49,112.31
Lease Liabilities	86.17	518.38	604.55	115.06	54.73	169.79
Other financial liabilities	1,937.70	-	1,937.70	664.54	-	664.54
Total financial liabilities	**47,493.07**	**30,026.70**	**77,519.77**	**47,254.28**	**22,639.12**	**69,893.40**
Non-Financial liabilities						
Provisions	307.11	86.88	393.99	55.68	267.82	323.50
Other non-financial liabilities	258.65	-	258.65	262.35	-	262.35
Total non-financial liabilities	565.76	86.88	652.64	318.03	267.82	585.85
Total Liabilities	**48,058.83**	**30,113.58**	**78,172.41**	**47,572.31**	**22,906.94**	**70,479.25**
Net assets	**16,104.75**	**7,660.31**	**23,765.06**	**23,831.93**	**2,640.37**	**26,472.30**

*EIR on borrowings has been included in more than 12 months and interest accrued but not due has been included in less than 12 months.

50. Fair values of financial assets and financial liabilities

The fair value of other current financial assets, cash and cash equivalents, trade receivables, trade payables and other financial liabilities approximate the carrying amounts because of the short term nature of these financial instruments.
The amortized cost using effective interest rate (EIR) of non-current financial - term deposits is not significantly different from the carrying amount.

Financial assets that are neither past due nor impaired include cash and cash equivalents, security deposits, term deposits and other financial assets.

The amortized cost using effective interest rate (EIR) of financial liabilities including borrowing, trade payable is not significantly different from the carrying amount.

CIN: U65990UP2017PTC099006

Notes to financial statements for the year ended 31 March 2026

(All amounts in INR Lakhs, unless otherwise stated)

Fair value measurement of assets and liabilities

Particulars	As at 31 March 2026		As at 31 March 2025	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Financial assets				
Cash and cash equivalents	7,258.09	7,258.09	13,512.19	13,512.19
Bank balances other than cash and cash equivalent	3,323.33	3,323.33	4,953.96	4,953.96
Trade receivables	370.58	370.58	240.13	240.13
Loans (at amortised cost)	82,337.74	82,337.74	68,984.06	68,984.06
Investments	317.59	317.59	-	-
"Fixed deposit accounts with maturity for more than 12 months"	1,268.29	1,268.29	4,912.48	4,912.48
Other financial assets	1,553.01	1,553.01	859.51	859.51
Derivative financial asset	989.85	989.85	72.12	72.12
Total financial assets	**97,418.48**	**97,418.48**	**93,534.45**	**93,534.45**
Financial liabilities				
Trade payables	39.81	39.81	133.08	133.08
Debt securities	22,290.89	22,290.89	19,813.68	19,813.68
Borrowing other than debt securities	52,646.82	52,646.82	49,112.31	49,112.31
Lease liability	604.55	604.55	169.79	169.79
Other financial liabilities	1,937.70	1,937.70	664.54	664.54
Total financial liabilities	**77,519.77**	**77,519.77**	**69,893.40**	**69,893.40**

51. Fair value hierarchy

The following is the hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

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

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

•Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

A. The following table presents fair value hierarchy of assets and liabilities measured at fair value on a recurring basis:

As at 31 March 2026

Particulars	Level 1	Level 2	Level 3
Financial assets			
(a) Financial assets measured at fair value through profit or loss			
Derivative financial assets	-	989.85	-

As at 31 March 2025

Particulars	Level 1	Level 2	Level 3
Financial assets			
(a) Financial assets measured at fair value through profit or loss			
Derivative financial assets	-	72.12	-

Note:

i. There have been no transfers between Level 1 and Level 2 during the period.

ii. The carrying amount of cash and cash equivalents, trade receivables, other receivable, loans, other financial assets, trade payables, borrowing, lease liability, other payables, debt securities, other financial liabilities are considered to be the Same as their fair values.

CIN: U65990UP2017PTC099006

Notes to financial statements for the year ended 31 March 2026

(All amounts in INR Lakhs, unless otherwise stated)

Valuation techniques and significant unobservable inputs

The Cross Currency Interest Rate Swaps (CCIRS) are measured at fair value using the mark-to-market (MTM) value shared by the contracting bank at balance sheet date.

52. Financial risk management objectives and policies

Introduction and risk profile -

The Company is exposed to various financial risks. These risks are categorized into credit risk and liquidity risk. The Company's risk management is coordinated by the Board of Directors and focuses on securing long term and short term cash flows. The Company does not engage in trading of financial assets for speculative purposes.

Sindhuja Microcredit Private Limited is one of the leading microfinance institutions in India focused on providing financial support to women from low income households engaged in economic activity with limited access to financial services. The Company predominantly offers collateral free loans to women from low income households, willing to borrow in a group and agreeable to take joint liability. The wide range of lending products address the critical needs of customers throughout their lifecycle and mainly include income generation Loans. With a view to diversifying the product profile, the company has introduced individual loans for matured group lending customers.

The major risks for the company are credit, operational, market, business environment, political, regulatory, concentration, expansion and liquidity.

(a) Risk management framework

"The Board of Directors are responsible for the overall risk management approach and for approving the risk management strategies and principles. The Risk Management framework approved by the Board has laid down the governance structure supporting the identification, assessment, monitoring, reporting and mitigation of risk throughout the Company. The objective of the risk management platform is to make a conscious effort in developing risk culture within the organisation and having appropriate systems and tools for timely identification, measurement and reporting of risks for managing them.

The Board has a Risk Management committee which is responsible for monitoring the overall risk process within the Company and reports to the Board of Directors.

The Risk Management guidelines will be implemented through the established organization structure of Risk Department. The overall monitoring of the Risks is done by the Managing Director) with the support from all the department heads of the Company. The Board reviews the status and progress of the risk and risk management system, on a quarterly and half yearly basis through the Audit Committee and Risk Management Committee. The individual departments are responsible for ensuring implementation of the risk management framework and policies, systems and methodologies as approved by the Board. Assignment of responsibilities in relation to risk management is prerogative of the Heads of Departments. While each department focuses on its specific area of activity, the Risk Management Unit operates in coordination with all other departments, utilising all significant information sourced to ensure effective management of risks in accordance with the guidelines approved by the Board. The unit works closely with and reports to the Risk Committee, to ensure that procedures are compliant with the overall framework."

(b) Risk mitigation and risk culture

Risk assessments are conducted for all business activities. The assessments are to address potential risks and to comply with relevant legal and regulatory requirements. Risk assessments are performed by competent personnel from individual departments and risk management department including, where appropriate, expertise from outside the Company. The risk mitigation is planned using the following key strategies:

Risk avoidance: By not performing an activity that could carry risk. Avoidance may seem the answer to all risks, but avoiding risks also means losing out on the potential gain that accepting (retaining) the risk may have allowed.

Risk transfer: Mitigation by having another party to accept the risk, either partial or total, typically by contract or by hedging

Risk reduction: Employing methods/solutions that reduce the severity of the loss.

Risk retention: Accepting the loss when it occurs. Risk retention is a viable strategy for small risks where the cost of insuring against the risk would be greater over time than the total losses sustained. All risks that are not avoided or transferred are retained by default. This includes risks that are so large or catastrophic that they either cannot be insured against or the premiums would be infeasible.

CIN: U65990UP2017PTC099006

Notes to financial statements for the year ended 31 March 2026

(All amounts in INR Lakhs, unless otherwise stated)

(c) Risk measurement and reporting systems

The heads of all the departments in association with risk management are responsible for coordinating the systems for identifying risks within their own department or business activity.

The Management Level Risk Committee meetings are held as necessary . The Management Level Risk Committee would monitor the management of major risks specifically and other risks of the Company in general. The Committee takes an integrated view of the risks facing the entity and monitor implementation of the directives received from Risk Management Committee and actionable items drawn from the risk management framework.

Accordingly, the Management Level Risk Committee reviews the following aspects of business specifically from a risk indicator perspective .- Review of business growth and portfolio quality, Review of process compliances across organisation, Review, where necessary, policies that have a bearing on the operational & credit risk management and recommend amendments.

(d) Risk Management Strategies

Excessive risk concentrations

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Company's performance to developments affecting a particular industry or geographical location. The following management strategies and policies are adopted by the Company to manage the various key risks.

A. Political risk mitigation measures:

High social focused activities

Low cost operations and low pricing for customers

Robust grievance redressal mechanism

B. Concentration risk mitigation measures:

District centric approach

Maximum disbursement cap per loan account

Maximum loan exposure cap per customer

Diversified funding resources

C. Operational & HR Risk mitigation measures

Stringent customer enrolment process

Strong IT system with access to real time client and loan data

Proper recruitment policy and appraisal system

D. Liquidity risk mitigation measures:

Diversified funding resources

Asset liability management

Effective fund management

Maximum cash holding cap

(B) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include borrowings.

(i) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is not exposed to the risk of changes in market interest rates.

Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings. With all other variables held constant, the Company's profit before tax is not affected through the impact on floating rate borrowings, as follows:

CIN: U65990UP2017PTC099006

Notes to financial statements for the year ended 31 March 2026

(All amounts in INR Lakhs, unless otherwise stated)

Particulars	As at 31 March 2026	As at 31 March 2025
Variable rate borrowing	27,944.05	42,839.14
Fixed rate borrowings	46,993.66	26,086.85
Total	**74,937.71**	**68,925.99**

*Accrued interest but not due and unamortized transaction costs are included in borrowings.

Interest rate sensitivity

A change of 50 bps in interest rates would have following impact on profit before tax

Particulars	As at 31 March 2026	As at 31 March 2025
50 bp increase would decrease the profit before tax by*	(139.72)	(214.20)
50 bp decrease would increase the profit before tax by*	139.72	214.20

*Sensitivity is calculated based on the assumption that amount outstanding as at reporting dates were utilised during the period.

(ii) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. However, the company is not exposed to such risk.

The carrying amount of the Company's foreign currency exposure at the end of the reporting period are as follows:

Particulars	Currency	As at 31 March 2026	As at 31 March 2025
Financial liabilities	EURO	2,178.30	1,837.41
Financial liabilities	USD	4,709.33	4,240.37

(C) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counter party to a financial instrument fails to meet its contractual obligations. The maximum exposure to credit risk is equal to the carrying value of the financial assets. The objective of managing counterparty credit risk is to prevent losses in financial assets. The Company assesses the credit quality of the counterparties, taking into account their financial position, past experience and other factors.

(i) Impairment assessment

The below mentioned notes, in conjunction with the relevant accounting policies, explain the company's impairment assessment.

- Definition of default

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 a qualitative assessment of whether a customer is in default, the Company also considers a variety of instances that may indicate unlikeliness to pay. When such events occur, the Company carefully considers whether the event should result in treating the customer as defaulted and therefore assessed as Stage 3 for ECL calculations or whether Stage 2 is appropriate. Such events may include (and not be limited to):

- All the facilities of a borrower from all the borrowed accounts are treated as Stage 3 when one of his facility becomes 90 days past due i.e. credit impaired.
- A covenant breach not waived by the Company

- PD estimation process

Probability of Default (PD) is an estimate of the likelihood of default in a homogenous pool of loans, over it's performance period of following 12 month / lifetime horizon. PD estimation process is done based on historical & empirical internal data available with the company. 'Company calculates the 12-month PD by taking into account the past historical trends of the portfolio, credit performance including actual default data and Macro economic variables. In case of assets where there is 'a significant increase in credit risk (SICR) i.e. when a borrower becomes 30 Days past Due and is classified as Stage 2, a higher PD is applied basis empirical data of such customers defaulting. 'For credit impaired assets (Stage 3), a PD of 100% is applied.

PD represents the empirical residual value of loans at the time of default (during the performance period), relative to the principal balance of all Non-Default accounts at the start point of the performance period. 12 month period for which performance has been empirically measured. The Company assesses and empirically measure the possible default events within 12 months or lifetime. This PD factor is applied to all Stage 1 & Stage 2 loans, to estimate the likely of Default.

CIN: U65990UP2017PTC099006

Notes to financial statements for the year ended 31 March 2026

(All amounts in INR Lakhs, unless otherwise stated)

For credit impaired assets (i.e. Stage 3 assets), PD of 100% is applied.

- Loss Given Default (LGD) & Exposure at Default (EAD)

Loss Given Default (LGD) is an estimate of the ultimate loss arising when a default occurs. It is based on empirical contractual realizations from credit impaired assets (i.e. Stage 3 assets). after event of default including from the realization of any security This is computed basis seasoned defaulted loans.

Exposure at Default (EAD) is considered as 100% of Outstanding balance in respect of loan receivables.

- Significant increase in credit risk

"The Company continuously monitors its Loan Portfolio in order to assess whether there has been an event which could cause a significantly increase in the credit risk (SICR) of the underlying asset or the customer's ability to pay and accordingly applies a higher PD rate. An asset can move in & out of SICR category based upon whether it has undergone SICR events that may include (and not be limited to):

- When one of the facilities of a borrower becomes 30 days past due
- Borrowers of a segment / industry / geography under stress"

- Change in accounting estimates

Impact of updating the Expected Credit Loss (ECL) Model

The company periodically reviews and updates the model in line with the new inputs and performance trends to reflect the reasonableness and adequacy of ECL amount recognised as at reporting date. During the Financial Year 2025-26, the ECL model was reviewed and updated, and it has resulted into increase/decrease in expected credit cost for various cohorts of the Portfolio due to deterioration/ improvement in performance of the cohort.

For the year ended 31 March 2026

Asset Classification as per RBI Norms	Asset classification as per Ind AS	Gross Carrying Amount as per Ind AS (A)	Loss Allowances (Provisions) as required under Ind AS 109 (B)	Net Carrying Amount C=(A-B)	Provision as per IRACP norms (D)	Difference between Ind AS 109 provisions and IRACP norms Excess/(short)
Standard	Stage 1	82,224.03	383.32	81,840.71	332.97	50.35
	Stage 2	535.03	306.16	228.87	2.06	304.10
Subtotal		**82,759.06**	**689.48**	**82,069.58**	**335.03**	**354.45**
Non-Performing Assets (NPA)		-	-	-	-	-
Substandard	Stage 3	**1,678.98**	**1,422.35**	**256.63**	**792.99**	**629.36**
Doubtful - up to 1 year	Stage 3	53.05	41.52	11.53	45.65	(4.13)
1 to 3 years	Stage 3		-	-	-	-
More than 3 years	Stage 3	-	-	-	-	-
Subtotal for doubtful		**53.05**	**41.52**	**11.53**	**45.65**	**(4.13)**
Loss	Stage 3	-	-	-	-	-
Subtotal for NPA		**1,732.03**	**1,463.87**	**268.16**	**838.64**	**625.23**

CIN: U65990UP2017PTC099006

Notes to financial statements for the year ended 31 March 2026

(All amounts in INR Lakhs, unless otherwise stated)

Asset Classification as per RBI Norms	Asset classification as per Ind AS	Gross Carrying Amount as per Ind AS (A)	Loss Allowances (Provisions) as required under Ind AS 109 (B)	Net Carrying Amount C=(A-B)	Provision as per IRACP norms (D)	Difference between Ind AS 109 provisions and IRACP norms Excess/(short)
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	-	-	-	-	-
	Stage 2	-	-	-	-	-
	Stage 3	-	-	-	-	-
Subtotal		-	-	-	-	-
Total	Stage 1	82,224.03	383.32	81,840.71	332.97	50.35
	Stage 2	535.03	306.16	228.87	2.06	304.10
	Stage 3	1,732.03	1,463.87	268.16	838.64	625.23
	Total	84,491.09	2,153.35	82,337.74	1,173.67	979.68

For the year ended 31 March 2025

Asset Classification as per RBI Norms	Asset classification as per Ind AS	Gross Carrying Amount as per Ind AS (A)	Loss Allowances (Provisions) as required under Ind AS 109 (B)	Net Carrying Amount C=(A-B)	Provision as per IRACP norms (D)	Difference between Ind AS 109 provisions and IRACP norms Excess/(short)
Standard	Stage 1	68,513.78	523.15	67,990.63	956.87	(433.72)
	Stage 2	2,124.87	1,146.74	978.13	28.63	1,118.11
Subtotal		70,638.65	1,669.89	68,968.76	985.50	684.39
Non-Performing Assets (NPA)		-	-	-	-	-
Substandard	Stage 3	22.26	16.96	5.30	0.12	16.84
Doubtful - up to 1 year	Stage 3	42.03	32.03	10.00	0.43	31.60
1 to 3 years	Stage 3	-	-	-	-	-
More than 3 years	Stage 3	-	-	-	-	-
Subtotal for doubtful		42.03	32.03	10.00	0.43	31.60
Loss	Stage 3	-	-	-	-	-
Subtotal for NPA		64.29	48.99	15.30	0.55	48.44
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	-	-	-	-	-

CIN: U65990UP2017PTC099006

Notes to financial statements for the year ended 31 March 2026

(All amounts in INR Lakhs, unless otherwise stated)

Asset Classification as per RBI Norms	Asset classification as per Ind AS	Gross Carrying Amount as per Ind AS (A)	Loss Allowances (Provisions) as required under Ind AS 109 (B)	Net Carrying Amount C=(A-B)	Provision as per IRACP norms (D)	Difference between Ind AS 109 provisions and IRACP norms Excess/(short)
	Stage 2	-	-	-	-	-
	Stage 3	-	-	-	-	-
Subtotal		-	-	-	-	-
Total	Stage 1	68,513.78	523.15	67,990.63	956.87	(433.72)
	Stage 2	2,124.87	1,146.74	978.13	28.63	1,118.11
	Stage 3	64.29	48.99	15.30	0.55	48.44
	Total	70,702.94	1,718.88	68,984.06	986.05	732.83

(D) Liquidity risk and funding management

"Liquidity risk arises due to the unavailability of adequate amount of funds at an appropriate cost and tenure. The Company may face an asset-liability mismatch caused by a difference in the maturity profile of its assets and liabilities. This risk may arise from the unexpected increase in the cost of funding an asset portfolio at the appropriate maturity and the risk of being unable to liquidate a position in a timely manner and at a reasonable price. We monitor liquidity risk through our Asset Liability Management Committee. Monitoring liquidity risk involves categorizing all assets and liabilities into different maturity profiles and evaluating them for any mismatches in any particular maturities, particularly in the short-term. We actively monitor our liquidity position to ensure that we can meet all borrower and lender-related funding requirements.

""There are Liquidity Risk mitigation measures put in place which helps in maintaining the following:
Diversified funding resources: - The Company's treasury department secures funds from multiple sources, including banks, financial institutions and capital markets and is responsible for diversifying our capital sources, managing interest rate risks and maintaining strong relationships with banks, financial institutions, mutual funds, insurance companies, other domestic and foreign financial institutions and rating agencies. The Company continuously seek to diversify its sources of funding to facilitate flexibility in meeting our funding requirements. Due to the composition of the loan portfolio, which also qualifies for priority sector lending, it also engages in securitization and assignment transactions.

Asset Liability Management (ALM) can be termed as a risk management technique designed to earn an adequate return while maintaining a comfortable surplus of assets over
liabilities. The scope of ALM function can be described as follows:
i. Funding and Capital Management,
ii. Liquidity risk management,
iii. Interest Rate risk management,
iv. Forecasting and analyzing 'What if scenario' and preparation of contingency plans.
Capital guidelines ensure the maintenance and independent management of prudent capital levels for CAGL to preserve the safety and soundness of the Company, to support desired balance sheet growth and the realization of new business; and to provide a cushion against unexpected losses."

CIN: U65990UP2017PTC099006

Notes to financial statements for the year ended 31 March 2026

(All amounts in INR Lakhs, unless otherwise stated)

Asset liability Management- Maturity pattern of certain items of assets and liabilities

Liquidity assessment as on March 31, 2026

Particulars	1- 7 days	8-14 days	15-30/31 Days	Over 1 month to 2 months	Over 2 months to 3 months	Over 3 months to 6 months	Over 6 months to 1 year	Over 1 year to 3 years	Over 3 years to 5 years	Over 5 years	Total
Deposits	-	-	-	-	-	-	-	-	-	-	**-**
Advances *	3,408.43	1,758.07	483.56	4,188.51	4,305.15	12,202.29	24,076.90	30,950.07	863.52	101.24	**82,337.74**
Investments *	-	-	-	-	-	-	-	317.59	-	-	**317.59**
Borrowings **	748.42	270.33	3,085.71	4,540.14	3,471.05	9,926.57	20,051.18	25,842.51	-	1.43	**67,937.34**
Foreign currency assets	-	-	-	-	-	-	-	-	-	-	**-**
Foreign currency liabilities	-	-	-	-	2,292.87	1,043.13	-	3,664.37	-	-	**7,000.37**

Liquidity assessment as on March 31, 2025

Particulars	1- 7 days	8-14 days	15-30/31 Days	Over 1 month to 2 months	Over 2 months to 3 months	Over 3 months to 6 months	Over 6 months to 1 year	Over 1 year to 3 years	Over 3 years to 5 years	Over 5 years	Total
Deposits	-	-	-	-	-	-	-	-	-	-	**-**
Advances *	3,058.21	1,804.21	838.98	4,931.84	4,639.06	13,839.57	21,999.85	17,220.68	591.79	59.87	**68,984.06**
Investments	-	-	-	-	-	-	-	-	-	-	**-**
Borrowings **	1,287.35	389.71	2,042.57	3,802.01	4,158.30	11,108.02	23,390.70	16,141.71	363.63	1.27	**62,685.27**
Foreign currency assets	-	-	-	-	-	-	-	-	-	-	**-**
Foreign currency liabilities	-	-	-	-	50.38	112.56	-	3,884.96	2,192.82	-	**6,240.72**

Note:

* Net of provision for standard and non performing asset
* EIR on advances has been included in the last bucket of advances
* Accrued interest on advances has been included in the first bucket of advances
* Investments include the amount of deposits with banks and exclude investment in security deposits and Investment in pass through certificates.

** EIR on borrowings has been included in the last bucket of the respective borrowings

** Accrued interest on borrowings has been included in the first bucket of borrowings

*EIR on borrowings has been included in more than 12 months and interest accrued but not due has been included in less than 12 months.

CIN: U65990UP2017PTC099006

Notes to financial statements for the year ended 31 March 2026

(All amounts in INR Lakhs, unless otherwise stated)

Liquidity ratios

Public Disclosure on Liquidity Risk (in accordance with RBI Circular - RBI/2019-20/88 DOR.NBFC (PD) CC. No.102/03.10.001/2019-20), as on March 31, 2025 as below:

a. Funding Concentration based on significant counterparty

Particulars	As at 31 March 2026	As at 31 March 2025
Number of significant counter parties	21.00	32.00
Amount	70,335.86	64,061.28
Percentage of funding total liabilities#	**89.98%**	**90.89%**

*Accrued interest but not due and unamortized transaction costs are included in borrowings.

#'Total Liabilities does not include the shareholders fund
Significant Counterparties are defined as - A single counterparty or group of connected or affiliated counterparties accounting in aggregate for more than 1% of the Company's total borrowings.

b. Top 10 borrowings (by counterparty)

Particulars	As at 31 March 2026	As at 31 March 2025
Total Borrowings	74,937.71	68,925.99
Top 10 Borrowings	54,165.61	38,977.56
Top 10 as a percentage of total borrowings	**72.28%**	**56.55%**

*Accrued interest but not due and unamortized transaction costs are included in borrowings.

c. Funding Concentration by Instrument

Particulars	As at 31 March 2026	% of Total Liabilities	As at 31 March 2025	% of Total Liabilities
Non-Convertible Debentures (NCD)	15,290.52	19.56%	13,572.96	14.00%
External Commercial Borrowings (ECB)	7,000.37	8.96%	6,240.72	6.44%
Term Loans	46,696.60	59.74%	49,112.31	50.66%
Borrowing under securitization arrangement	5,950.22	7.61%	-	
Total	**74,937.71**		**68,925.99**	

*Accrued interest but not due and unamortized transaction costs are included in borrowings.

d. Stock Ratios

Particulars	As at 31 March 2026	As at 31 March 2025
Commercial Paper - as a percentage of total public funds	NA	NA
Commercial Paper - as a percentage of total liabilities *	NA	NA
Commercial Paper - as a percentage of total assets	NA	NA
NCD (original maturity < 1year) - as a percentage of total public funds	NA	NA
NCD (original maturity < 1year) - as a percentage of total liabilities *	NA	NA
NCD (original maturity < 1year) - as a percentage of total assets	NA	NA
Other Short Term Liability - as a percentage of total public funds	NA	NA
Other Short Term Liability - as a percentage of total liabilities *	61.48%	67.50%
Other Short Term Liability - as a percentage of total assets	47.15%	46.67%

* Total Liabilities does not include Total Equity.

CIN: U65990UP2017PTC099006

Notes to financial statements for the year ended 31 March 2026

(All amounts in INR Lakhs, unless otherwise stated)

e. Institutional set-up for liquidity risk management

The Liquidity Risk Management Policy of the Company is approved by the Board of Directors of the Company.
The Company has constituted an asset liability committee for overseeing and ensuring adherence to the limits set by the Board as well as for deciding business strategy of the NBFC (on the assets and liabilities sides) in line with the NBFC's budget and decided risk management objectives. The scope of ALM function can be described as follows:
"a) Liquidity risk management"
"b) Management of market risks"
"c) Funding and capital planning"
"d) Profit planning and growth projection"
e) Forecasting and analyzing 'What if scenario' and preparation of contingency plans

53. Capital Management

The primary objectives of the Company's capital management policy are to ensure that the Company complies with externally imposed capital requirements and maintains strong credit ratings and healthy capital ratios in order to support its business and to maximise shareholder value.

The Company manages its capital structure and makes adjustments to it according to changes in economic conditions and the risk characteristics of its activities. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividend payment to shareholders, return capital to shareholders or issue capital securities. No changes have been made to the objectives, policies and processes from the previous years. However, they are under constant review by the Board.

Regulatory capital	As at 31 March 2026	As at 31 March 2025
TIER I capital	18,271.83	24,215.96
TIER II capital	-	531.96
Total capital	**18,271.83**	**24,747.93**
Risk weighted assets	**79,713.11**	**76,137.68**
Tier I CRAR	22.92%	31.81%
Tier II CRAR	0.00%	0.70%
Tier I CRAR + Tier II CRAR	22.92%	32.51%

Regulatory capital consists of TIER I capital, which comprises share capital, share premium, retained earnings including current year loss less accrued dividends and TIER II capital which comprises of Hybrid debt instruments & general provision of standard assets.
As per RBI guidelines, the Company being a Non-Banking Finance Company has to maintain 15% of capital adequacy ratio for NBFC business.

Net Debt to Equity Ratio

Particulars	As at 31 March 2026	As at 31 March 2025
Net debt*	63,088.00	45,547.36
Total equity	23,765.06	26,472.30
Net debt to equity ratio	2.65	1.72

*Net debt includes debt securities + borrowings other than debt securities + interest accrued - cash and cash equivalents - bank balances other than cash and cash equivalents.

54. Recent Accounting Pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. For the year ended on March 31, 2026, MCA has not notified any new standards or amendments to the existing standards which are applicable on the company.

CIN: U65990UP2017PTC099006

Notes to financial statements for the year ended 31 March 2026

(All amounts in INR Lakhs, unless otherwise stated)

55. Additional regulatory information required to be disclosed as per Schedule III

(I) Title deeds of immovable property not held in name of the Company

The Company does not holds the immovable property in its own name as on March 31, 2026.

(ii) Valuation of property, plant and equipment, intangible asset and investment property

The Company has not revalued its property, plant and equipment (including right of use assets) or intangible assets or both during the current or previous year.

(iii) Loans or advances in the nature of loans

The Company has not granted any loans or advances in the nature of loans to promoters, directors, KMPs and the related parties (as defined under Companies Act, 2013,) either severally or jointly with any other person.

(iv) Capital-work-in-progress (CWIP)

The Company does not have any Capital-work-in-progress.

(v) Details of crypto currency or virtual currency

The Company has not traded or invested in crypto currency or virtual currency during the current or previous year.

(vi) Details of benami property held

No proceedings have been initiated or pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and the rules made thereunder.

(vii) Borrowings from banks or financial institutions on the basis of security of current assets

The Company does not have any working capital limits from any banks or financial institution on the basis of security of current assets.

(viii) Wilful defaulter

The Company has not been declared as wilful defaulter by any bank or financial institution or other lender.

(ix) Relationship with struck off companies

The Company does not have any transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.

(x) Undisclosed income

There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.

(xi) 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 Companies Act, 2013.

(xii) Compliance with approved scheme(s) of arrangements

The Company has not approved any scheme of arrangement in accordance with sections 230 to 237 of the Companies Act, 2013.

(xiii) Utilisation of borrowed funds and share premium -

Other than the transactions that are carried out as part of Company's normal lending business:

A. The Company has not advanced or loaned or invested funds (either borrowed funds or share premium or any other sources or kind of funds) to any other person(s) or entity(ies), including foreign entities (intermediaries) with the understanding (whether recorded in writing or otherwise) that the intermediary shall:

B. The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
-directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
-provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries."

56. Regulatory Disclosures

56.1 Capital

Particulars	As at 31 March 2026	As at 31 March 2025
CRAR (%)	22.92%	32.51%
CRAR - Tier I Capital (%)	22.92%	31.81%
CRAR - Tier II Capital (%)	0.00%	0.70%
Amount of subordinated debt raised as Tier-II capital	NA	NA
Amount raised by issue of Perpetual Debt Instruments	NA	NA

CIN: U65990UP2017PTC099006

Notes to financial statements for the year ended 31 March 2026

(All amounts in INR Lakhs, unless otherwise stated)

56.2 Investment

Particulars	As at 31 March 2026	As at 31 March 2025
Value of investments		
Gross value of investments		
In India	317.59	-
Outside India	-	-
Provisions for depreciation		
In India	-	-
Outside India	-	-
Net value of investments		
In India	317.59	-
Outside India	-	-
Movement of provisions held towards depreciation on investments		
Opening balance	-	-
Add : Provisions made during the year	-	-
Less Write-off/write-back of excess provisions during the year	-	-
Closing balance	**317.59**	**-**

The Company has not sold any financial assets to Securitisation/Reconstruction Company for Asset Reconstruction for the year ended 31 March , 2026 and 31 March, 2025.

The Company has sold financial assets by way of Direct Assignment in the year ended March 31, 2026.

Particulars	As at 31 March 2026	As at 31 March 2025
Count of loans accounts assigned	51277	-
Amount of loan accounts assigned	14,141.90	-
Weighted average maturity (in months)	12.73	-
Weighted average holding period (in months)	10.39	-
Retention of beneficial economic interest	10%	-
Coverage of tangible security	-	-
Rating wise distribution of rated loans	N/A	N/A

Details of loans re-purchased in compliance with paragraph 48 of Master Direction - RBI (Transfer of loan exposures) Directions, 2021 during the year ended March 31, 2026: Nil (March 31, 2025: Nil).

The Company did not transfer any stressed loan during the financial year ended March 31, 2026 and March 31, 2025.

The Company did not acquire any stressed loan during the financial year ended March 31, 2026 and March 31, 2025.

The Company has not acquired any special mention account or stressed loan or loan not in default during the financial year ended March 31, 2026 and March 31, 2025.

56.3 Derivatives

Currency and interest rate swap

Particulars	As at 31 March 2026	As at 31 March 2025
Notional principal of swap agreements	5,960.10	5,960.10
Loss/ (profit) which would be incurred if counterparties failed to fulfil their obligations under the agreement	-	-
Collateral required by the applicable NBFC upon entering into swaps	903.86	899.90
Concentration of credit risk arising from swap	-	-
Fair value of the swap book	989.85	72.12

CIN: U65990UP2017PTC099006

Notes to financial statements for the year ended 31 March 2026

(All amounts in INR Lakhs, unless otherwise stated)

The company enters into derivative contracts for risk management purpose.

Note 6 represents the fair value of derivate financial instruments recorded as assets together with the notional amount. The notional amount indicates the value of transaction outstanding at the year end and are not indicative of either the market risk or credit risk.

Exchange Traded Interest rate (IR) Derivatives

The company has not traded in Interest Rate Derivative during the financial year ended 31 March, 2026 (31 March 2025: Nil).

56.4 Exposures

i. The Company has no exposure to real estate sector during the March 31, 2026 and March 31, 2025.

ii. The Company has no exposure to capital market during the March 31, 2026 and March 31, 2025.

iii. During the year, the Company has not exceeded SGL & GBL limits as prescribed under NBFC Regulation.

iv. During the year, the company has not given any advances against collateral of rights, licenses, authority, etc.

v. The Company has no loans against gold and silver collateral and auctions during the March 31, 2026 and March 31, 2025.

vi. The Company has no project finance during the March 31, 2026 and March 31, 2025.

vii. The Company has no Non-fund Based (NFB) Credit facilities during the March 31, 2026 and March 31, 2025.

viii. The Company has no Disclosures on Co-Lending arrangements during the March 31, 2026 and March 31, 2025.

ix. The Company has no restructuring of advances during the March 31, 2026 and March 31, 2025.

56.5 Disclosures relating to securitisation

The originators should indicate the outstanding amount of securitised assets as per books of the Special Purpose Entities (SPEs) and total amount of exposures retained by the originator as on the date of balance sheet to comply with the Minimum Retention Requirement (MRR). These figures shall be based on the information duly certified by the SPE's auditors obtained by the originator from the SPE. These disclosures should be made in the format given in the table below.

Particulars	As at 31 March 2026	As at 31 March 2025
1. No of SPEs holding assets for securitisation transactions originated by the originator (only the SPVs relating to outstanding securitisation exposures to be reported here)	2	-
2. Total amount of securitised assets as per books of the SPEs	6,351.88	-
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	412.87	-
• Others (Securitisation Investments)	317.59	-
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	-	-

CIN: U65990UP2017PTC099006

Notes to financial statements for the year ended 31 March 2026

(All amounts in INR Lakhs, unless otherwise stated)

Particulars	As at 31 March 2026	As at 31 March 2025
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	5,972.53	-
6. Form and quantum (outstanding value) of services provided by way of, liquidity support, post-securitisation asset servicing, etc.		
7. Performance of facility provided. Please provide separately for each facility viz. Credit enhancement, liquidity support, servicing agent etc. Mention percent in bracket as of total value of facility provided.	-	-
(a) Amount paid (Fixed deposit)	412.87	-
(b) Repayment received		
(c) Outstanding amount	412.87	-
8. Average default rate of portfolios observed in the past. Please provide breakup separately for each asset class i.e. RMBS, Vehicle Loans etc	-	-
9. Amount and number of additional / top up loan given on same underlying asset. Please provide breakup separately for each asset class i.e. RMBS, Vehicle Loans, etc.	-	-
10. Investor complaints	Nil	-
(a) Directly / Indirectly received and;	Nil	-
(b) Complaints outstanding		

56.6 Registration obtained from other financial sector regulators

RBI registration no : N-12.00469

Company Identification Number (CIN) : U65990UP2017PTC099006

56.7 Disclosure of Penalties imposed by RBI and other regulator

During the year ended March 31, 2026 and March 31, 2025, no penalties have been levied by any regulator on the Company.

56.8 Related Party Transaction

Refer note 37 of Financial Statements for related party transaction disclosure.

The company have not entered into any transactions related to borrowings, deposits, placement of deposits, advance, purchase/sale of fixed/other assets and Investments during the year with directors, KMP and their relatives.

Related party\Items	Key Managemnent Personnel		Relatives of Key Management Personnel		Total	
	31 March 2026 (₹ Lakhs)	31 March 2025 (₹ Lakhs)	31 March 2026 (₹ Lakhs)	31 March 2025 (₹ Lakhs)	31 March 2026 (₹ Lakhs)	31 March 2025 (₹ Lakhs)
Borrowings	-	-	-	-	-	-
Deposits	-	-	-	-	-	-
Placement of deposits	-	-	-	-	-	-
Advances	-	-	-	-	-	-
Investments	-	-	-	-	-	-
Purchase of fixed/other assets	-	-	-	-	-	-
Sale of fixed/other assets	-	-	-	-	-	-
Interest paid	-	-	-	-	-	-
Interest received	-	-	-	-	-	-
Others						

CIN: U65990UP2017PTC099006

Notes to financial statements for the year ended 31 March 2026

(All amounts in INR Lakhs, unless otherwise stated)

56.9 Ratings assigned by credit rating agencies and migration of ratings during the year

Particulars	As at 31 March 2026	As at 31 March 2025
Non-Convertible Debenture	"IND BBB"/ STABLE	"IND BBB"/ POSITIVE
Long Term Bank loans	"IND BBB"/ STABLE	" ""IND BBB""/ POSITIVE and ""CRISIL BBB""/STABLE "

56.10 Remuneration of Directors

Remuneration or Sitting fees paid or provided is disclosed in the Related party disclosure note 37.

56.11 Provisions and contingencies

Break up of 'provisions and contingencies' shown under the head expenditure in the statement of profit and loss account	As at 31 March 2026	As at 31 March 2025
Provisions for depreciation on investment	-	-
Provision towards NPA	1,414.88	(1,224.25)
Provision made towards income tax net of deferred tax	(1,040.85)	(1,440.98)
Other provision and contingencies (Gratuity and Leave encashment)	216.37	115.92
Provision for Standard assets	(980.41)	1,184.97

56.12 Draw Down from Reserves

During the year, the Company has not drawn down any amount from Reserves.

56.13 Concentration of deposits, advances, exposures and NPAs

The Company has not taken any deposits from any party during the year ended March 31, 2026 and March 31, 2025.

56.14 Concentration of Advances, Expenses & NPAs

Concentration of Advances

Particulars	As at 31 March 2026	As at 31 March 2025
Total Exposure to twenty largest borrowers/customers	287.45	229.00
Percentage of Advances to twenty largest borrowers to Total Advances of the applicable NBFC	0.34%	0.32%

56.15 Concentration of Advances, Expenses & NPAs

Particulars	As at 31 March 2026	As at 31 March 2025
Total Exposure to twenty largest borrowers/customers	280.45	218.07
Percentage of Exposures to twenty largest borrowers/customers to Total Exposure of the applicable NBFC on borrowers/customers	0.33%	0.31%

56.16 Concentration of NPA assets

Particulars	As at 31 March 2026	As at 31 March 2025
Total Exposure to top four NPA accounts	40.76	14.42

CIN: U65990UP2017PTC099006

Notes to financial statements for the year ended 31 March 2026

(All amounts in INR Lakhs, unless otherwise stated)

56.17 Sector-wise Non performing Assets (NPA) Own

Sector	Percentage of NPAs	
	As at 31 March 2026	As at 31 March 2025
Agriculture and allied activities	1.90%	0.10%
MSME	4.51%	0.99%
Corporate borrowers	-	-
Services	1.90%	-
Unsecured personal loans	2.29%	-
Auto loans	-	-
Trade	2.34%	-
Other personal loans	-	-

56.18 Movement of NPA assets

Particulars	As at 31 March 2026	As at 31 March 2025
NPA (net of provisions) to net advances (%)	**0.33%**	**0.02%**
Movement of NPA (Gross)		
Opening balance	64.29	1,441.20
Additions during the year	6,427.97	9,420.84
Reductions during the year	4,760.23	10,797.75
Closing balance	**1,732.03**	**64.29**
Movement of Net NPA		
Opening balance	15.30	167.96
Additions during the year	1,385.64	1,172.69
Reductions during the year	1,132.78	1,325.35
Closing balance	**268.16**	**15.30**

Particulars	As at 31 March 2026	As at 31 March 2025
Movement of provisions for NPA (excluding provisions on standard assets)		
Opening balance	48.99	1,273.24
Provisions made during the year	5,042.33	8,248.15
Write-off / Write-back of excess provisions	(3,627.45)	(9,472.40)
Closing balance	**1,463.87**	**48.99**

56.19 Overseas Assets (for those with Joint Ventures and Subsidiaries abroad)

Name of the Joint Venture/ Subsidiary	Other Partner in the JV	Country	Total Assets
The company does not have any joint venture or subsidiary abroad, hence, not applicable.	NA	NA	NA

56.20 Off-balance Sheet SPVs sponsored

The company does not have any off balance sheet SPV sponsored.

CIN: U65990UP2017PTC099006

Notes to financial statements for the year ended 31 March 2026

(All amounts in INR Lakhs, unless otherwise stated)

56.21 Disclosure of Complaints

Summary information on complaints received by the NBFCs from customers and from the Offices of Ombudsman

Customer Complaints (As certified by management and relied by Auditors)	As at 31 March 2026	As at 31 March 2025
(a) No. of complaints pending at the beginning of the year	28	23
(b) No. of complaints received during the year	1,287	2,039
(c) No. of complaints redressed during the year	1,306	2,034
(d) No. of complaints pending at the end of the year	**9**	**28**
(e) Maintainable complaints received by the NBFC from office of Ombudsman		
Maintainable complaints received by the NBFC from office of Ombudsman	5	7
Of (e), No of complaints resolved in favour of the NBFC from office of Ombudsman	5	7
Of (e), No of complaints resolved through Conciliation/Mediation/advisories issued by office of Ombudsman	-	-
(f) No. of awards unimplemented with in the Stipulated time (other than those appealed)	-	-

56.22 Top five grounds of complaints received by the NBFCs from customers

Grounds of complaints, (i.e. complaints relating to)	Number of complaints pending at the beginning of the year	Number of complaints received during the year	% increase/ decrease in the number of complaints received over the previous year	Number of complaints pending at the end of the year	Of 5, number of complaints pending beyond 30 days
1	2	3	4	5	6
			31-Mar-26		
Updation of Repayment record	1	491	(40.56%)	2	
Updation/dispute on data(CIR)	10	179	(20.44%)		
Insurance claim	10	351	(24.35%)	3	
Digital transaction		9	(82.69%)		
Service		10	(56.52%)		
Others	6	149	(54.15%)	4	
Fraud by staff/Misconduct by staff		27	237.50%		
Recovery practices	1	71	(38.79%)		
Total	**28**	**1287**		**9**	**0**
			31-Mar-25		
Updation of Repayment record	1	826	36.08%	1	
Updation/dispute on data(CIR)	16	225	(38.52%)	10	
Insurance claim	5	464	75.76%	10	3
Digital transaction		52	(68.86%)		
Service		23	(73.86%)		
Others		325	57.00%	6	1
Fraud by staff		8	100.00%		
Recovery practices	1	116	100.00%	1	
Total	**23**	**2039**		**28**	**4**

56.23 Disclosure on frauds pursuant to RBI Master Direction

The frauds detected and reported for the year amounted to 10.07 lakhs out of which Rs 1.80 lakhs has been recovered and disciplinary action has been taken against the involved employees (March 31, 2025, Nil)

56.24 Details of the Code on Social Security, 2020 ('CODE') relating to employee benefits

The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits received Presidential assent in September, 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified and the final rules/interpretation have not yet been issued. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.

CIN: U65990UP2017PTC099006

Notes to financial statements for the year ended 31 March 2026

(All amounts in INR Lakhs, unless otherwise stated)

56.25 Transactions with non-executive directors

Name of non-executive director	As at 31 March 2026	As at 31 March 2025
Mr Yashvant Malhotra	-	2.45
Mr Sandeep Phanasgaonkar	6.81	6.00
Mr Diwakar Pundir	6.27	5.45
	13.08	**13.90**

56.26 Postponement of revenue recognition

There is no significant uncertainty which requires postponement of revenue recognition as at March 31, 2026 and March 31, 2025.

56.27 Details of non-performing financial assets purchased/sold

The Company has not purchased/sold any non performing financial asset during 2025-26 and 2024-25.

56.28 Value of imports calculated on CIF basis

The Company has not imported any goods therefore value of import on CIF basis is Nil. (As on March 31, 2025 – Nil).

56.29 There are no significant subsequent events that have occurred after the reporting period till the date of approval of these financial statements.

56.30 Intra Group Exposure

The company does not have any Intragroup Exposures for the year ended March 31, 2026 and March 31, 2025.

56.31 Loans to directors, senior officers and relatives of directors

The Company has not provided any loans to directors, senior officers and relatives of directors during the year ended March 31, 2026 and March 31, 2025.

56.32 Divergence in Asset Classification and Provisioning

RBI vide its circular RBI/2022-23/26 DOR.ACC.REC.No.20/21.04.018/2022-23 dated April 19, 2022 has directed NBFCs shall make suitable disclosures, if either or both of the following conditions are satisfied:-
(a) the additional provisioning requirements assessed by RBI (or National Housing Bank(NHB) in the case of Housing Finance Companies) exceeds 5 percent of the reported profits before tax and impairment loss on financial instruments for the reference period, or
(b) the additional Gross NPAs identified by RBI/NBH exceeds 5 percent of the reported Gross NPAs for the reference period.

During the financial year 2025–26, the Reserve Bank of India (RBI) conducted its statutory inspection of the Company under the applicable provisions of the RBI Act, 1934 and the Master Directions applicable to NBFC–Microfinance Institutions.
The RBI issued its inspection observations during the year, and the Company has duly complied with all the observations and recommendations within the timelines stipulated by the RBI. The management does not expect any material financial impact on the Company's financial statements arising out of the said inspection.

56.33 Disclosure on Modified Opinion

The auditor have expressed an unmodified opinion for year ended March 31, 2026 & March 31, 2025.

56.34 Sectoral exposure (Own and Managed)

Sector	FY 2025-2026		
	Total Exposure	Gross NPAs	% of Gross NPA to Total Exposure
(a) Agriculture and allied activities	82,777.13	1,191.66	1.44%
(b) Industry	-	-	-
(c) Services	10,400.25	131.58	1.27%
(d) Personal Loans	-	-	-
(e) Others			
-Trade	8,058.69	181.97	2.26%
-Unsecured loans	4,632.03	101.93	2.20%
-MSME	2,771.26	124.89	4.51%

CIN: U65990UP2017PTC099006

Notes to financial statements for the year ended 31 March 2026

(All amounts in INR Lakhs, unless otherwise stated)

Sector	FY 2024-2025		
	Total Exposure	Gross NPAs	% of Gross NPA to Total Exposure
(a) Agriculture and allied activities	60,510.09	49.63	0.08%
(b) Industry	-	-	-
(c) Services	16,612.61	-	-
(d) Personal Loans	-	-	-
(e) Others			
-Trade	12,096.62	-	-
-Unsecured loans	4,405.57	-	-
-MSME	1,487.21	14.66	0.99%

56.35 Net Profit or Loss for the period, prior period items and changes in accounting policies:

There are no prior period items and changes in accounting policies.

56.36 Information as required under Paragraph 20 of Reserve Bank of India (Non-Banking Financial Companies - Financial Statements: Presentation and Disclosures) Direction 2025 are as follows:

Liabilities side	As at 31 March 2026		As at 31 March 2025	
	Amount outstanding	Amount overdue	Amount outstanding	Amount overdue
(1) Loans and advances availed by the NBFC inclusive of interest accrued thereon but not paid:				
(a) Debentures (other than falling within the meaning of public deposits)				
Secured	14,191.34	-	12,774.87	-
Unsecured	1,099.18	-	798.09	-
(b) Deferred Credits				
(c)Term Loans (includes short-term borrowings and interest accrued)				
Secured	46,695.17	-	49,111.04	-
Unsecured	1.43	-	1.27	-
(d) Inter-corporate loans and borrowing	-	-	-	-
(e) Commercial Paper	-	-	-	-
(f) Public Deposits	-	-	-	-
(g) Other Loans				
(i) (ECB)	7,000.37	-	6,240.72	-
(ii) Liabilities in respect of securitised transactions	5,950.22	-	-	-
(2) Breakup 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	-	-	-	-

Assets side	As at 31 March 2026	As at 31 March 2025
(3) Break up of Loans and Advances:		
a) Secured, gross	2,771.26	1,487.21
b) Unsecured, gross	81,719.83	69,215.73
Total	**84,491.09**	**70,702.94**

CIN: U65990UP2017PTC099006

Notes to financial statements for the year ended 31 March 2026

(All amounts in INR Lakhs, unless otherwise stated)

Assets side	As at 31 March 2026	As at 31 March 2025
(4) Break up of Leased Assets		
(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 asset	-	-
(iii) Other loans counting towards asset financing activities		
(a) Loans where assets have been repossessed	-	-
(b) Loans other than (a) above	-	-
(5) Breakup of investments (long-term unquoted equity)		
Current Investments		
1. Quoted	-	-
(i) Shares	-	-
(a) Equity	-	-
(b) Preference	-	-
(ii) Debentures and Bonds	-	-
(iii) Units of mutual funds	-	-
(iv) Government Securities	-	-
(v) Others	-	-
2. Unquoted		
(i) Shares		
(a) Equity	-	-
(b) Preference	-	-
(ii) Debentures and Bonds	-	-
(iii)Units of mutual funds	-	-
(iv) Government Securities	-	-
(v) Others	-	-
Long Term investments :		
1. Quoted		
(i) Shares :	-	-
(a) Equity	-	-
(b) Preference	-	-
(ii) Debentures and Bonds	-	-
(iii) Units of mutual funds	-	-
(iv) Government Securities	-	-
(v) Others	-	-
2.Unquoted		
(i) Shares		
(a) Equity	-	-
(b) Preference	-	-
(ii) Debentures and Bonds	-	-
(iii) Units of mutual funds	-	-
(iv) Government Securities	-	-
(v) Others (Pass through certificates)	317.59	-
(6) Borrower group-wise classification of assets financed as in (3) and (4)		

CIN: U65990UP2017PTC099006

Notes to financial statements for the year ended 31 March 2026

(All amounts in INR Lakhs, unless otherwise stated)

	Net of provision as at 31 March 2026		
Category	Secured	Unsecured	Total
1. Related parties			
(a) Subsidiaries	-	-	-
(b) Companies in the same group	-	-	-
(c) other related parties	-	-	-
2. Other than related parties	2,741.10	79,596.64	82,337.74
Total	**2,741.10**	**79,596.64**	**82,337.74**

	Net of provision as at 31 March 2025		
Category	Secured	Unsecured	Total
1. Related parties			
(a) Subsidiaries	-	-	-
(b) Companies in the same group	-	-	-
(c) other related parties	-	-	-
2. Other than related parties	1,461.01	67,523.05	68,984.06
Total	**1,461.01**	**67,523.05**	**68,984.06**

(7) Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted)

Liabilities side	For the year ended 31 March 2026		For the year ended 31 March 2025	
	Market value / Breakup or fair value or NAV	Book value (Net of Provisions	Market value / Breakup or fair value or NAV	Book value (Net of Provisions
1. Related parties	-	-	-	-
2. Other than related parties	-	-	-	-
Total	-	-	-	-

(8) Other information	As at 31 March 2026	As at 31 March 2025
(I) Gross Non-Performing Assets		
(a) Related parties	-	-
(b) Other than related parties	1,732.03	64.29
(ii) Net Non-Performing Assets		
(a) Related parties	-	-
(b) Other than related parties	268.16	15.30
(iii) Assets acquired on satisfaction of debt	-	-

Notes:

As defined in RBI NBFC directions.

Provisioning norms shall be applicable as prescribed in these Directions.

All notified Accounting Standards and Guidance Notes issued by ICAI are applicable including for valuation of investments and other assets as also assets acquired in satisfaction of debt. However, market value in respect of quoted investments and break up / fair value / NAV in respect of unquoted investments shall be disclosed irrespective of whether they are classified as long term or current in (5) above.

56.37 Details of financing of parent company products

The Company doesn't have parent Company, hence this clause is not applicable.

57. Details of financing of parent company products

The following tables provide a summary of financial assets that have been transferred in such a way that part or all of the transferred financial assets do not qualify for derecognition, together with the associated liabilities.

The Company has transferred certain pools of fixed rate loan receivables backed by underlying assets by entering into securitisation transactions with the Special Purpose Vehicle Trusts (SPV Trust) sponsored by financial institution for consideration received in cash at the inception of the transaction.

CIN: U65990UP2017PTC099006

Notes to financial statements for the year ended 31 March 2026

(All amounts in INR Lakhs, unless otherwise stated)

The Company, being Originator of these loan receivables, also acts as Servicer with a responsibility of collection of receivables from its borrowers and depositing the same in Collection and Pay-out Account maintained by the SPV Trust for making scheduled pay-outs to the investors in Pass Through Certificates (PTCs) issued by the SPV Trust. These securitisation transactions also requires the Company to provide for first loss credit enhancement in various forms, such as corporate guarantee, cash collateral etc. as credit support in the event of shortfall in collections from underlying loan contracts. By virtue of existence of credit enhancement, the Company is exposed to credit risk, being the expected losses that will be incurred on the transferred loan receivables to the extent of the credit enhancement provided. In view of the above, the Company has retained substantially all the risks and rewards of ownership of the financial asset and thereby does not meet the derecognition criteria as set out in Ind-AS 109. Consideration received in this transaction is presented as 'Borrowing under Securitisation' under Note 20.

Particulars	For the year ended March 31 2026	For the year ended March 31 2025
Securitisations		
Carrying amount of transferred assets measured at amortised cost*	6,351.88	-
Carrying amount of associated liabilities (Debt securities -measured at amortised cost)	5,950.22	-

* Consist of unbilled & overdue principal.

58. During the year the Qualifying asset of the company is 78.08%, against the revised RBI guidlines of minimum of 60% (31 March 2025, 69.65%)

59. Transferred financial asset that are not derecognized in their entirety

The Company has assigned loans (earlier measured at amortized cost) by way of direct assignment. As per the terms of these deals, since substantial risk and rewards related to these assets were transferred to the extent of 90% of the assets transferred to the buyer, the assets have been de-recognized from the Company's Balance Sheet. The table below summarizes the carrying amount of the derecognised financial assets :

Particulars	For the year ended March 31 2026	For the year ended March 31 2025
Direct Assignment		
Carrying amount of transferred assets measured at amortised cost	9,356.69	610.08
Carrying amount of exposures retained by the Company at amortised cost	935.67	61.01

60. Instances of breach of covenant of loan availed or debt securities issued

Breach of covenant	As at 31 March 2026	As at 31 March 2025
Number of instances	14.00	15.00
Amount involved (INR in Lakhs)	29,207.55	26,482.00

61. There are no amount which are required to be transferred to the investor educational and protection fund by the Company as at March 31, 2026, and March 31, 2025.

As per our attached report of even date

For S S Kothari Mehta & Co. LLP
Chartered Accountants
Firm Registration No. 000756N / N500441

Vijay Kumar
Partner
Membership No : 092671

Place : New Delhi
Date: May 26, 2026

For and on behalf of the Board of Directors
Sindhuja Microcredit Private Limited

Abhisheka Kumar
Managing Director
DIN: 02972579

Malkit Singh Didyala
Whole Time Director
DIN: 07957488

Pankaj Kumar Sinha
Company Secretary
Membership No : 021971

Place : Noida
Date: May 26, 2026

Place : Noida
Date: May 26, 2026

SINDHUJA MICROCREDIT PVT LTD

Office No. 701A-721A, 7A Floor, Tower C,
Noida One, Plot No. 8, Block B, Sector 62, Noida,
District: Gautam Budh Nagar, Uttar Pradesh – 201301

www.sindhujamicrocredit.com
info@sindhujamicrocredit.com

0120-6870873