Ref: SSFL/Stock Exchange/2026-27/049

July 24, 2026

To
BSE Limited,
Department of Corporate Services
P. J. Towers, 25th Floor,
Dalal Street,
Mumbai – 400001

Scrip Code: 542759 and 890221

To
National Stock Exchange of India Limited,
Listing Department
Exchange Plaza, C-1, Block G,
Bandra Kurla Complex, Bandra (E)
Mumbai – 400051

Symbol: SPANDANA and SSFLPP

Dear Sir/Madam,

Sub: Notice of the Twenty-Third (23rd) Annual General Meeting (AGM) and Annual Report 2025-26.

It is hereby informed that the 23rd AGM will be held on Tuesday, August 18, 2026, at 11.30 a.m. (IST) through Video Conferencing ("VC")/ Other Audio-Visual Means ("OAVM"). In compliance with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, we hereby enclose the Notice convening the 23rd AGM of the Company and the Annual Report for the financial year 2025-26 which is being sent to all the Members as per the beneficiary position as on Friday, July 17, 2026, through electronic mode to those Members whose e-mail address is registered with the Depository Participant(s), in accordance, with the relevant circulars issued by Ministry of Corporate Affairs and Securities and Exchange Board of India.

The Company has fixed Tuesday, August 11, 2026, as the cut-off date for the purpose of determining eligibility of Members to exercise the remote e-voting on the resolutions being placed before the Members at 23rd AGM of the Company. The remote e-voting period commences on Friday, August 14, 2026, at 09.00 a.m. (IST) and ends on Monday, August 17, 2026, at 5.00 p.m. (IST).

Further, in accordance with the Regulation 36(1)(b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, a letter containing the web-link for accessing the Notice of the 23rd AGM and Annual Report for financial year 2025-26 is being sent to all those Members whose email address is not registered with their Depository Participant(s).

The aforesaid document is also available on the website of the Company at www.spandanasphoorty.com.

Kindly take the same on record.

Thanking You.

Yours Sincerely,
For Spandana Sphoorty Financial Limited

VINAY PRAKASH TRIPATHI
Digitally signed by VINAY PRAKASH TRIPATHI
Date: 2026.07.24 19:49:03 +05'30'

Vinay Prakash Tripathi
Company Secretary

Encl: *as above*

NOTICE

SPANDANA SPHOORTY FINANCIAL LIMITED

CIN: L65929TG2003PLC040648

Registered Office: Galaxy, Wing B, 16th Floor, Plot No.1, Sy No 83/1, Hyderabad Knowledge City, TSIIC, Raidurg Panmaktha, Hyderabad, Rangareddi, Telangana – 500081

Phone: 040 48126666|Email: shareholders@spandanasphoorty.com| Website: www.spandanasphoorty.com

Invitation to attend the Twenty Third Annual General Meeting ("AGM") to be held on Tuesday, August 18, 2026 at 11:30 A.M (IST)

Dear Members,

You are cordially invited to attend the twenty third AGM of Spandana Sphoorty Financial Limited (the "Company") to be held on Tuesday, August 18, 2026, at 11:30 a.m. (IST) through Video Conferencing (VC)/Other Audio-Visual Means (OAVM). The notice convening the AGM is attached herewith.

To enable ease of participation of the Members, we are providing below key details of the meeting, for your reference:

S No.	Particulars	Details
1.	Link for live webcast of the AGM and for participation through Video Conferencing (VC / OAVM)	https://emeetings.kfintech.com/
2.	Link for remote e-voting	NSDL: https://eservices.nsdl.com CDSL: https://web.cdslindia.com/myeasitoken/Home/EasiRegistration
3.	Username and password for VC / OAVM	Members may access the same at https://emeetings.kfintech.com/ by using the e-voting login credentials provided in the email received from the Company/ Kfin Technologies Limited (Kfintech).
4.	Helpline number for VC / OAVM participation and e-voting	Contact KFin Technologies Limited by writing at evoting@kfintech.com; Tel No.: 1800 309 4001 (Toll free) or Company by writing at shareholders@spandanasphoorty.com
5.	Cut-off date for e-voting	August 11, 2026
6.	Time period for remote e-voting	Commences on Friday August 14, 2026 at 9.00 a.m. (IST) and ends on Monday August 17, 2026 at 5.00 p.m. (IST)
7.	Last date for publishing results of the e-voting	on or before August 20, 2026
8.	Registrar and Share Transfer Agent contact details	Ms. Shobha Anand, Vice President KFin Technologies Limited (Unit: Spandana Sphoorty Financial Limited) E-mail: einward.ris@kfintech.com; Tel No.: 1800 309 4001 (Toll free)
9.	Company's contact details	Mr. Vinay Prakash Tripathi, Company Secretary E-mail: shareholders@spandanasphoorty.com Tel No.: 040 48126666

Yours truly,

Vinay Prakash Tripathi

Company Secretary

SPANDANA SPHOORTY FINANCIAL LIMITED

CIN: L65929TG2003PLC040648

Registered Office: Galaxy, Wing B, 16th Floor, Plot No.1, Sy No 83/1, Hyderabad Knowledge City, TSIIC, Raidurg Panmaktha, Hyderabad, Rangareddi, Telangana – 500081

Phone: 040 48126666|Email: shareholders@spandanasphoorty.com | Website: www.spandanasphoorty.com

Notice of Twenty Third Annual General Meeting

Notice is hereby given that the Twenty Third (23rd) Annual General Meeting ("AGM") of the Members of Spandana Sphoorty Financial Limited ("Company") will be held on Tuesday, August 18, 2026 at 11:30 a.m. (IST) through electronic mode [video conferencing ("VC") or other audio-visual means ("OAVM")] to transact the following businesses:

ORDINARY BUSINESSES:

1. **Adoption of Audited Standalone Financial Statements.**

   To receive, consider and adopt the Audited Standalone Financial Statements of the Company for the financial year ended March 31, 2026, together with the Reports of the Board of Directors and Auditors thereon and in this regard to pass, the following resolution as an **Ordinary Resolution:**

   "**RESOLVED THAT** the Audited Standalone Financial Statements of the Company for the financial year ended March 31, 2026, together with the Reports of the Board of Directors and Auditors thereon, be and are hereby received, considered and adopted."

2. **Adoption of Audited Consolidated Financial Statements.**

   To receive, consider and adopt the Audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2026, together with the Reports of Auditors thereon and in this regard to pass, the following resolution as an **Ordinary Resolution:**

   "RESOLVED THAT the Audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2026, together with the Reports of Auditors thereon, be and are hereby received, considered and adopted."

3. **To appoint a director in place of Mr. Sunish Sharma (DIN: 00274432), who retires by rotation and being eligible, offers himself for re-appointment.**

   To consider and, if thought fit, to pass the following resolution as an **Ordinary Resolution:**

   "RESOLVED THAT pursuant to the provisions of Section 152 of the Companies Act, 2013 ("Act") and Rules framed thereunder (including any statutory modification or re-enactment thereof for the time being in force), Mr. Sunish Sharma (DIN: 00274432) who retires by rotation at this Meeting, and being eligible, has offered himself for re-appointment, be and is hereby re-appointed as a Director of the Company, whose period of office shall be liable to retire by rotation."

4. **To appoint a director in place of Ms. Saakshi Gera (DIN:08737182), who retires by rotation and being eligible, offers herself for re-appointment.**

   To consider and, if thought fit, to pass the following resolution as an **Ordinary Resolution:**

   "RESOLVED THAT pursuant to the provisions of Section 152 of the Companies Act, 2013 ("Act") and Rules framed thereunder (including any statutory modification or re-enactment thereof for the time being in force), Ms. Saakshi Gera (DIN: 08737182) who retires by rotation at this Meeting, and being eligible, has offered herself for re-appointment, be and is hereby re-appointed as a Director of the Company, whose period of office shall be liable to retire by rotation."

SPECIAL BUSINESSES:

5. **Issue of Non-Convertible Debentures (NCDs) on Private Placement Basis.**

   To consider and, if deem fit, to pass, the following resolution as a **Special Resolution:**

   "**RESOLVED THAT** pursuant to the provision of Sections 23, 42 and 71 and other applicable provisions, if any, of the Companies Act, 2013 ("Act") and in accordance with Rule 14(2) and other applicable provisions of Companies (Prospectus and Allotment of Securities) Rules, 2014, Companies (Share Capital and Debentures) Rules, 2014, Securities and Exchange Board of India (Issue & Listing of Debt Securities) Regulations, 2021, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, applicable Reserve Bank of India- Non-Banking Financial Company Directions, including guidelines issued by Reserve Bank of India for Raising Money through Private Placement of Non-Convertible Debentures ("NCDs") by Non-Banking Financial Companies and all other rules, regulations, guidelines, notifications, clarifications and circulars, if any, issued by any Statutory / Regulatory Authority, as may be applicable and the Memorandum and Articles of Association of the Company and subject to the consents, approvals, permissions and sanctions of the concerned Statutory and Regulatory Authorities, if any, and to the extent necessary, approval of the Members be and is hereby accorded to the Board of Directors of the Company (the "Board", which term shall include any committee constituted / may be constituted by the Board to exercise its powers including the powers conferred under this Resolution) to create, offer, invite, issue and allot subordinated or unsubordinated, perpetual or non-perpetual, listed, secured or unsecured, non-convertible debentures (hereinafter collectively referred as "Securities") on a private placement basis during a period of one year commencing from September 16, 2026 to September 15, 2027 up to an amount not exceeding Rs. 4000,00,00,000/- (Rupees Four Thousand Crore Only) on such terms and conditions, at par or premium or discount, in one or more tranches to such person or persons including but not limited to one or more companies, bodies corporate(s), statutory corporations, commercial banks, lending agencies, financial institutions, insurance companies, mutual funds, alternative investment funds, pension/provident funds and individuals as the case may be, as the Board may decide in its absolute discretion.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board of Directors (including any Committee thereof) be and is hereby authorized to determine and consider the terms that are proper and most beneficial to the Company including, without limitation, the terms of issue including the class of investors to whom the Securities are to be issued, time, securities to be offered, the number of securities, tranches, issue price, tenor, interest rate, premium/ discount, listing, utilization of the issue proceeds and to do all such acts and things and deal with all such matters and take all such steps as may be necessary and to sign and execute any deeds / documents / undertakings / agreements / papers / writings, as may be required in this regard and matters connected therewith or incidental thereto, without being required to seek any further consent or approval of the members of the Company".

By Order of the Board of Directors
For Spandana Sphoorty Financial Limited

Vinay Prakash Tripathi
Company Secretary

Date: May 5, 2026
Place: Hyderabad

Registered and Corporate Office:
Spandana Sphoorty Financial Limited
CIN: L65929TG2003PLC040648
Registered Office: Galaxy, Wing B, 16th Floor, Plot No.1,
Sy No 83/1, Hyderabad Knowledge City, TSIIC,
Raidurg Panmaktha, Hyderabad
Rangareddi, Telangana – 500081
E-mail: shareholders@spandansphoorty.com |Website: www.spandanasphoorty.com
Phone: 040 48126666

1. Ministry of Corporate Affairs ("MCA") has vide its various circulars issued from time to time (the latest circular being dated September 22, 2025) ("MCA Circulars") permitted the holding of the AGM through VC/OAVM. In compliance with the provisions of the Act, MCA Circulars and SEBI Listing Regulations, the 23rd AGM is being held through VC/OAVM on Tuesday, August 18, 2025, at 11.30 A.M (IST). The deemed venue of the AGM shall be the registered office of the Company. The procedure for joining the AGM through VC/OAVM is mentioned in the Notice.
2. As the AGM is being held through VC / OAVM, the attendance slip and route map is not annexed to this Notice.
3. Pursuant to the MCA Circulars and SEBI Circulars, the facility to appoint proxy to attend and cast vote for the Members is not available for the AGM. However, the Body Corporates are entitled to appoint authorized representatives to attend the AGM through VC/OAVM and participate there at and cast their votes through e-voting.
4. Pursuant to the MCA Circulars and SEBI Circulars, the Notice calling the AGM along with the Annual Reports (financial statements, Board's report, Auditor's report or other documents required to be attached therewith) is being sent electronically to the members.
5. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available for 2000 Members on a first come first served basis. This will not include large Members (Members holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
6. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
7. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and the MCA Circulars issued by the Ministry of Corporate Affairs, the Company is providing facility of remote e-Voting to its Members in respect of the business to be transacted at the AGM.
8. In line with the MCA circulars, the Notice calling the AGM has been uploaded on the website of the Company at www.spandanasphoorty.com. The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited ("BSE") and National Stock Exchange of India Limited ("NSE") at www.bseindia.com and www.nseindia.com respectively.
9. AGM shall be convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circulars and SEBI Circulars.
10. The Company has appointed Mr. Y. Ravi Prasada Reddy, Practicing Company Secretary (Membership No. FCS 5783) (PCS No.5360), Hyderabad, to act as the Scrutinizer, to scrutinize the e-voting process in a fair and transparent manner.
11. Explanatory Statement pursuant to Section 102(1) of the Act relating to the Special Businesses to be transacted at the AGM is annexed hereto. All documents referred to in the accompanying Notice and the Explanatory Statement shall be available for inspection electronically. Members seeking to inspect such documents can send an email to shareholders@spandanasphoorty.com.

    Brief profile of the Directors proposed to be re-appointed is given towards the end of this Notice pursuant to Regulation 36(3) of the Listing Regulations and Secretarial Standard-2 issued by the Institute of Company Secretaries of India. The Company has received the requisite consents/ declarations for the re-appointment of the Directors mentioned in the Notice of the AGM as stipulated under the Act and the rules made thereunder.
12. Members attending the AGM through VC/OAVM should note that those who are entitled to vote but have not exercised their right to vote by remote e-voting, may vote during the AGM through e-voting for the business specified in the Notice. The Members who have exercised their right to vote by remote e-voting may attend the AGM but cannot vote again.
13. The Scrutinizer shall, immediately after the conclusion of voting at the AGM, unblock the votes cast at the AGM and through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, within 2 working days of the conclusion of the AGM, a consolidated Scrutinizer's Report of the total votes cast in favor or against, if any, to the Chairperson or Managing Director or any other person authorized in writing, who shall countersign the same.
14. The results shall be declared within 2 working days of the conclusion of the AGM and shall be deemed to be passed on the date of the AGM. The Results, along with the Scrutinizer's Report, shall be placed on the website of the Company at www.spandanasphoorty.com and shall be communicated to BSE and NSE where the equity shares of the Company are listed. The Results shall also be displayed on the Notice Board at the Registered Office of the Company.

15. As an ongoing endeavour to enhance Investor experience and leverage new technology, our registrar and transfer agents, KFIN Technologies Limited have been continuously developing new applications. Below is a list of applications that have been developed for the Members.

    Investor Support Centre: A webpage accessible via any browser enabled system. Investors can use a host of services like Post a Query, Raise a service request, Track the status of their DEMAT and REMAT request, Dividend status, Interest and Redemption status, Upload exemption forms (TDS), Download all ISR and other related forms. URL: https://ris.kfintech.com/clientservices/isc/default.aspx

    eSign Facility: Common and simplified norms for processing investor's service requests by RTAs and norms for furnishing PAN, KYC details and Nomination requires that eSign option be provided to Investors for raising service requests. KFIN is the only RTA which has enabled the option and can be accessed via the link https://ris.kfintech.com/clientservices/isr/isr1.aspx?mode=f3Y5zP9DDNI%3d

    KYC Status: Members can access the KYC status of their folio. The webpage has been created to ensure that Members have the requisite information regarding their folios. URL: https://ris.kfintech.com/clientservices/isc/kycqry.aspx

    KPRISM: A mobile application as well as a webpage which allows users to access Folio details, Interest and Dividend status, FAQs, ISR Forms and full suite of other investor services. URL: https://kprism.kfintech.com/signin.aspx

By Order of the Board of Directors
For Spandana Sphoorty Financial Limited

Vinay Prakash Tripathi
Company Secretary

Date: May 5, 2026
Place: Hyderabad

Registered and Corporate Office:
Spandana Sphoorty Financial Limited
CIN: L65929TG2003PLC040648
Registered Office: Galaxy, Wing B, 16th Floor, Plot No.1,
Sy No 83/1, Hyderabad Knowledge City, TSIIC,
Raidurg Panmaktha, Hyderabad
Rangareddi, Telangana – 500081
E-mail: shareholders@spandansphoorty.com |Website: www.spandanasphoorty.com
Phone: 040 48126666

PROCEDURE FOR REMOTE E-VOTING

i. In compliance with the provisions of Section 108 of the Act, read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended from time to time, Regulation 44 of the SEBI Listing Regulations and in terms of SEBI vide circular no. SEBI/HO/CFD/CMD/ CIR/P/2020/242 dated December 9, 2020 in relation to e-Voting Facility Provided by Listed Entities, the Members are provided with the facility to cast their vote electronically, through the e-Voting services provided by KFintech, on all the resolutions set forth in this Notice. The instructions for e-Voting are given below.

ii. Further, pursuant to SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020, on "e-Voting facility provided by Listed Companies", e-Voting process has been enabled to all the individual demat account holders, by way of single login credential, through their demat accounts / websites of Depositories / DPs in order to increase the efficiency of the voting process.

iii. Individual demat account holders would be able to cast their vote without having to register again with the e-Voting service provider (ESP) thereby not only facilitating seamless authentication but also ease and convenience of participating in e-Voting process. Members are advised to update their mobile number and e-mail ID with their DPs to access e-Voting facility.

iv. The remote e-Voting period commences on August 14, 2026 at 9.00 a.m. (IST) and ends on August 17, 2026, at 5.00 p.m. (IST).

v. The voting rights of Members shall be in proportion to their shares in the paid-up equity share capital of the Company as on the cut-off date.

vi. Any person holding shares in physical form and non-individual shareholders, who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the cut-off date, may obtain the login ID and password by sending a request at evoting@Kfintech.com. However, if he / she is already registered with KFintech for remote e-Voting then he /she can use his / her existing User ID and password for casting the vote.

vii. In case of Individual Members holding securities in demat mode and who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the cut-off date may follow steps mentioned below under "Login method for remote e-Voting and joining virtual meeting for Individual Members holding securities in demat mode."

viii. The Members, whose names appear in the Register of Members / list of Beneficial Owners as on August 11, 2026, being the cut-off date, are entitled to vote on the Resolutions set forth in this Notice. A person who is not a Member, as on the cut-off date should treat this Notice for information purpose only. Once the vote on a resolution(s) is cast by the Member, the Member shall not be allowed to change it subsequently.

ix. The Company has two categories of equity shares, namely, Fully Paid-up Equity Shares and Partly Paid-up Equity Shares issued pursuant to the Rights Issue. Accordingly, for the purpose of remote e-voting and e-voting during the AGM, separate e-voting events have been created on the e-voting platform for each category of shares. Members holding both categories of shares are required to cast their votes separately under each respective e-voting event in respect of the shares held by them in each category.

x. The details of the process and manner for remote e-Voting and e-AGM are explained herein below:

Step 1: Access to Depositories e-Voting system in case of individual shareholders holding shares in demat mode.

Step 2: Access to KFintech e-Voting system in case of shareholders holding shares in physical and non-individual shareholders in demat mode.

Step 3: Access to join virtual meetings (e-AGM) of the Company on KFin system to participate e-AGM and vote at the AGM.

Details on Step 1 are mentioned below:

i. Login method for remote e-Voting for Individual shareholders holding securities in demat mode

Individual Members holding securities in Demat mode with National Securities Depository Limited ("NSDL")	**A. User already registered for IDeAS facility:** 1. Open https://eservices.nsdl.com 2. Click on the "Beneficial Owner" icon under 'IDeAS' section. 3. On the new page, enter User ID and Password. Post successful authentication, click on "Access to e-Voting" 4. Click on Company Name or e-Voting service provider and you will be re-directed to e-voting service provider website for casting your vote during the remote e-Voting period. **B. User not registered for IDeAS e-Services:** 1. To register click on link: https://eservices.nsdl.com 2. Select "Register Online for IDeAS" or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp 3. Proceed with completing the required fields. 4. Follow steps given in points 1 **C. Alternatively by directly accessing the e-Voting website of NSDL:** 1. Open https://www.evoting.nsdl.com/ 2. Click on the icon "Login" which is available under 'Shareholder/Member' section 3. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit Demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. 4. Post successful authentication, you will be requested to select the name of the company and the e-Voting Service Provider name, i.e.KFintech. 5. On successful selection, you will be redirected to KFintech e-Voting page for casting your vote during the remote e-Voting period.
Individual Members holding securities in Demat mode with Central Depository Services (India) Limited ("CDSL")	**1. Existing user who have opted for Easi / Easiest** 1. Visit URL: https://web.cdslindia.com/myeasitoken/home/login or URL: www.cdslindia.com 2. Click on New System Myeasi 3. Login with your registered user id and password. 4. The user will see the e-Voting Menu. The Menu will have links of ESP i.e. KFintech e-Voting portal. 5. Click on e-Voting service provider name to cast your vote. **2. User not registered for Easi/Easiest** 1 Option to register is available at https://web.cdslindia.com/myeasitoken/home/login 2. Proceed with completing the required fields. 3. Follow the steps given in point 1 **3. Alternatively, by directly accessing the e-Voting website of CDSL** 1. Visit URL: www.cdslindia.com 2. Provide your demat Account Number and PAN No. 3. System will authenticate user by sending OTP on registered Mobile & Email as recorded in the demat Account. 4. After successful authentication, user will be provided links for the respective ESP, i.e KFintech where the e- Voting is in progress.
Individual Members (holding securities in Demat mode) login through their depository participants	1. You can also login using the login credentials of your demat account through your DP registered with NSDL /CDSL for e-Voting facility. 2. Once logged-in, you will be able to see e-Voting option.Once you click on e-Voting option, you will be redirected to NSDL / CDSL Depository site after successful authentication, wherein you can see e-Voting feature. 3. Click on options available against company name or e-Voting service provider – Kfintech and you will be redirected to e-Voting website of KFintech for casting your vote during the remote e-Voting period without any further authentication.

Important note: Members who are unable to retrieve User ID / Password are advised to use Forgot user ID and Forgot Password option available at respective websites.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.

Login type	Helpdesk details
Individual Members holding securities in Demat mode with NSDL	Please contact NSDL helpdesk by sending a request at evoting@nsdl.com or call at toll free no.: **1800 102 0990**
Individual Members holding securities in Demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 22 55 33

Details on Step 2 are mentioned below:

II. **Login method for e-Voting for shareholders other than Individual's shareholders holding securities in demat mode and shareholders holding securities in physical mode.**

A. Members whose email IDs are registered with the Company/ Depository Participants (s), will receive an email from KFintech which will include details of E-Voting Event Number (EVEN), USER ID and password. They will have to follow the following process:

a. Launch internet browser by typing the URL: https://evoting.kfintech.com/

b. Enter the login credentials (i.e. User ID and password). In case of physical folio, User ID will be EVEN (E-Voting Event Number) '9938' (for fully paid shares)and '9939'(for partly paid shares), followed by folio number. In case of Demat account, User ID will be your DP ID and Client ID. However, if you are already registered with KFintech for e-voting, you can use your existing User ID and password for casting the vote.

c. After entering these details appropriately, click on "LOGIN".

d. You will now reach password change Menu wherein you are required to mandatorily change your password. The new password shall comprise of minimum 8 characters with at least one upper case (A- Z), one lower case (a-z), one numeric value (0-9) and a special character (@,#,$, etc.,). The system will prompt you to change your password and update your contact details like mobile number, email ID etc. on first login. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential.

e. You need to login again with the new credentials.

f. On successful login, the system will prompt you to select the "EVEN" i.e., '9938' (for fully paid shares)and '9939'(for partly paid shares) AGM" and click on "Submit"

g. On the voting page, enter the number of shares (which represents the number of votes) as on the Cut-off Date under "FOR/ AGAINST" or alternatively, you may partially enter any number in "FOR" and partially "AGAINST" but the total number in "FOR/ AGAINST" taken together shall not exceed your total shareholding as mentioned herein above. You may also choose the option ABSTAIN. If the Member does not indicate either "FOR" or "AGAINST" it will be treated as "ABSTAIN" and the shares held will not be counted under either head.

h. Members holding multiple folios/demat accounts shall choose the voting process separately for each folio/ demat accounts.

i. Voting has to be done for each item of the notice separately. In case you do not desire to cast your vote on any specific item, it will be treated as abstained.

j. You may then cast your vote by selecting an appropriate option and click on "Submit".

k. A confirmation box will be displayed. Click "OK" to confirm else "CANCEL" to modify. Once you have voted on the resolution (s), you will not be allowed to modify your vote. During the voting period, Members can login any number of times till they have voted on the Resolution(s).

l. Corporate/Institutional Members (i.e. other than Individuals, HUF, NRI etc.) are also required to send scanned certified true copy (PDF Format) of the Board Resolution/ Authority Letter etc., authorizing its representative to attend the AGM through VC / OAVM on its behalf and to cast its vote through remote e-voting. Together with attested specimen signature(s) of the duly authorised representative(s), to the Scrutinizer at email id yravifcs@gmail.com with a copy marked to evoting@kfintech.com. The scanned image of the above-mentioned documents should be in the naming format "Corporate Name_Even No."

Details on Step 3 are mentioned below:

III) Instructions for all the shareholders, including Individual, other than Individual and Physical, for attending the AGM of the Company through VC/ OAVM and e-Voting during the meeting.

a. Member will be provided with a facility to attend the AGM through VC / OAVM platform provided by KFintech. Members may access the same at https://emeetings.kfintech.com/ by using the e-voting login credentials provided in the email received from the Company/KFintech. After logging in, click on the Video Conference tab and select the EVEN of the Company. Click on the video symbol and accept the meeting etiquettes to join the meeting. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned above.

b. Facility for joining AGM though VC/ OAVM shall open atleast 15 minutes before the commencement of the Meeting.

c. Members are encouraged to join the Meeting through Laptops/ Desktops with Google Chrome (preferred browser), Safari, Internet Explorer, Microsoft Edge, Mozilla Firefox 22.

d. Members will be required to grant access to the webcam to enable VC / OAVM. Further, Members connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.

e. As the AGM is being conducted through VC / OAVM, for the smooth conduct of proceedings of the AGM, Members are encouraged to express their views / send their queries in advance mentioning their name, demat account number / folio number, email id. Questions /queries received by the Company from August 17, 2026, 09:00 a.m. (IST) to August 17, 2026, 05:00 p.m. (IST) shall only be considered and responded during the AGM.

f. The Members who have not cast their vote through remote e-voting shall be eligible to cast their vote through e-voting system available during the AGM. E-voting during the AGM is integrated with the VC / OAVM platform. The Members may click on the voting icon displayed on the screen to cast their votes.

g. A Member can opt for only single mode of voting i.e., through Remote e-voting or voting at the AGM. If a Member casts votes by both modes, then voting done through Remote e-voting shall prevail and vote at the AGM shall be treated as invalid.

h. Facility of joining the AGM through VC / OAVM shall be available for atleast 2000 members on first come first served basis.

i. Institutional Members are encouraged to attend and vote at the AGM through VC / OAVM.

OTHER INSTRUCTIONS

i. **Speaker Registration:** The Members who wish to speak during the meeting may register themselves as speakers for the AGM to express their views. They can visit https://emeetings.kfintech.com and login through the user id and password provided in the mail received from Kfintech. On successful login, select 'Speaker Registration' which will opened from August 17, 2026 09:00 a.m. (IST) to August 17, 2026 05:00 p.m. (IST). Members shall be provided a 'queue number' before the meeting. The Company reserves the right to restrict the speakers at the AGM to only those Members who have registered themselves, depending on the availability of time for the AGM.

ii. **Post your Question:** The Members who wish to post their questions prior to the meeting can do the same by visiting https://emeetings.kfintech.com. Please login through the user id and password provided in the mail received from Kfintech. On successful login, select 'Post Your Question' option which will opened from August 17, 2026 09:00 a.m. (IST) to August 17, 2026 05:00 p.m. (IST).

iii. In case of any query and/or grievance, in respect of voting by electronic means, Members may refer to the Help & Frequently Asked Questions (FAQs) and E-voting user manual available at the download section of https://evoting.kfintech.com (KFintech Website) or contact Ms. C Shobha Anand, at evoting@kfintech.com or call KFintech's toll free No. 1-800-309-4001 for any further clarifications.

iv. The Members, whose names appear in the Register of Members / list of Beneficial Owners as on Tuesday, August 11 , 2026, being the cut-off date, are entitled to vote on the Resolutions set forth in this Notice. A person who is not a Member as on the cut-off date should treat this Notice for information purposes only. Once the vote on a resolution(s) is cast by the Member, the Member shall not be allowed to change it subsequently.

v. In case a person has become a Member of the Company after dispatch of AGM Notice but on or before the cut-off date for E-voting, he/she may obtain the User ID and Password in the manner as mentioned below:

- If e-mail address or mobile number of the member is registered against Folio No. / DP ID Client ID, then on the home page of https://evoting.kfintech.com/ , the member may click "Forgot Password" and enter Folio No. or DP ID Client ID and PAN to generate a password.

Members who may require any technical assistance or support before or during the AGM are requested to contact KFintech at toll free number 1-800-309-4001 or write to them at evoting@kfintech.com.

vi. The results of the electronic voting shall be declared to the Stock Exchanges after the AGM. The results along with the Scrutinizer's Report, shall also be placed on the website of the Company.

Explanatory Statement in respect of Special Businesses pursuant to the provisions of Section 102 of the Companies Act, 2013.

The following explanatory statements sets out all material facts relating to the Special Businesses specified in the Notice of 23rd AGM.

Item No. 5

The Members of the Company had accorded their approval through special resolution passed at the 22nd Annual General Meeting of the Company held on September 16, 2025 for making offer(s) or invitation(s) to subscribe to, and allot subordinated or unsubordinated, perpetual or non-perpetual, listed, secured or unsecured, non-convertible debentures (hereinafter collectively referred as "NCDs") up to an aggregate amount of ₹4000,00,00,000/- (Rupees Four Thousand Crore Only) on a private placement basis, for the period of one year on such terms and conditions as may be determined by the Board. The said approval will remain valid till September 15, 2026.

Members are requested to note that considering the business plan and growth of the Company and to enable the Company to raise funds by way of issuance of NCDs, the Board of Directors of the Company ("Board") at their meeting held on May 5, 2026, subject to the approval of the Members of the Company, accorded their approval to create, offer, invite, issue and allot NCDs, on a private placement basis during a period of one year from the date of passing of this resolution up to an amount not exceeding ₹4000,00,00,000/- (Rupees Four Thousand Crore Only). Further, the Board has authorized the Management Committee ("Committee") to undertake all acts, deeds, matters and things as it may in its absolute discretion deem necessary, expedient, proper or desirable, in respect of issuance of NCDs under private placement including but not limited to determine the terms and conditions of the NCDs to be issued, number of NCDs to be issued, issue price, face value, issue size, coupon, tenor, objects of the issue, etc.

As per Section 180(1)(c) of the Companies Act, 2013, the Company has an approved overall borrowing limit of Rs.12,000 crore, which includes debt securities issued under Section 42 of the Act from time to time. As of March 31, 2026, the Company's total borrowings stood at ₹3,824.25 crore, which includes ₹1,367.54 crore raised through Non-Convertible Debentures (NCDs).

During FY 2026–27, the Company is scheduled to repay borrowings amounting to ₹2,835.66 crore. Accordingly, even if the Company utilizes the entire proposed borrowing limit of ₹4,000 crore, the net outstanding borrowings will remain well within the overall approved limit of ₹12,000 crore, after accounting for the scheduled repayments.

In terms of Section 71 of the Companies Act, 2013 ("Act") read with Section 23 and 42 of the Companies Act, 2013 and Rule 14(1) of the Companies (Prospectus & Allotment of Securities) Rules, 2014 which inter alia states that a Company shall not make a private placement of its securities unless the proposed offer of securities or invitation to subscribe securities has been previously approved by the Members of the Company, by a Special Resolution, for each of the offers or invitations. However, in case of offer or invitation for non-convertible debentures, it shall be sufficient if the Company passes a previous special resolution only once in a year for all the offers or invitation for such debentures during the year.

Accordingly, the approval of the Members is sought by way of special resolution to create, offer(s) or invitation(s) to subscribe to, issue and allot subordinated or unsubordinated, perpetual or non-perpetual listed, secured or unsecured, non- convertible debentures under private placement, in one or more tranches, for an amount not exceeding ₹4000,00,00,000/- (Rupees four thousand crore only), and as per the terms to be decided by the Board and/ or the Committee, during the period of one year i.e. September 16, 2026 to September 15, 2027.

The Board recommends the resolution as set out in Item No. 5 of this Notice for Members' approval, by way of Special Resolution.

None of the Directors or Key Managerial Personnel of the Company or their relatives are, in any way, concerned or interested, financially or otherwise, in the Special Resolution, except to the extent of the NCDs that may be subscribed/ held thereon, by any entity in which any of the Directors or Key Managerial Personnel of the Company or their relatives may be concerned or interested in any capacity.

By Order of the Board of Directors
For Spandana Sphoorty Financial Limited

Vinay Prakash Tripathi
Company Secretary

Date: May 5, 2026
Place: Hyderabad

Registered and Corporate Office:
Spandana Sphoorty Financial Limited
CIN: L65929TG2003PLC040648
Registered Office: Galaxy, Wing B, 16th Floor, Plot No.1,
Sy No 83/1, Hyderabad Knowledge City, TSIIC,
Raidurg Panmaktha, Hyderabad
Rangareddi, Telangana – 500081
E-mail: shareholders@spandansphoorty.com |Website: www.spandanasphoorty.com
Phone: 040 48126666

ANNEXURE TO NOTICE

Annexure-A

Information as required under Regulation 36 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015 and SS-2 - Secretarial Standard on General Meetings with respect to Director's appointment:

Mr. Sunish Sharma

Date of Birth and Age	25-10-1974 and 51 Years
DIN	00274432
Date of first appointment on the Board	31-03-2017
Nationality	Indian
Brief resume, experience and qualification	Mr. Sharma is a seasoned private equity professional with over 29 years of experience across investment strategy, business transformation, and value creation. He serves as a Non-Executive Director on the Company's Board, having held this position since March 31, 2017. He is the Founder and Managing Partner of Kedaara Capital, one of India's leading private equity firms, which advises and manages over $6 billion in AUM. The firm partners with entrepreneurs and management teams to build enduring, long term value in growth-oriented businesses across India. His investment philosophy spans a broad range of sectors - including financial services, consumer, business services, technology, healthcare, and industrials, and across both private and public markets. Prior to founding Kedaara in 2012, Mr. Sharma held senior leadership positions at General Atlantic and McKinsey & Company, where he developed deep expertise in growth investing and strategic advisory across emerging and developed markets. Mr. Sharma holds a Bachelor's degree in Commerce (Hons.) from the University of Delhi and is a qualified Cost Accountant. He earned his MBA as a Gold Medalist from the Indian Institute of Management, Calcutta (Kolkata). In addition to his role on the Company's Board, he currently serves as a Director on the Boards of Care Health Insurance Limited, Vedant Fashion Limited, and Avanse Financial Services Ltd., Over the course of his career, he has served on numerous other boards / led investments in a distinguished portfolio of companies, including Lenskart, Impetus, Neurealm, Porter, R1 RCM, Dairy Day, K12, Purplle, Mahindra Logistics, Manjushree, Bill Forge, Hexaware Limited, IndusInd Bank, Jubilant Lifesciences, Cyient Limited, and IBS Software Services Limited, among others.
Terms and Conditions of Appointment	Appointed as Non-Executive Director liable to retire by rotation, as a Nominee Director of Kedaara Capital I Limited.
Remuneration to be paid and received from the Company in the Financial Year (2025-26)	Nil
Number of Meetings of the Board attended during the Financial Year (2025-26)	8 Meetings attended out of 10 Board Meetings held
Membership/ Chairmanship of the Committees of the Company	Member of Nomination and Remuneration Committee
Directorship held in other Listed Companies in India	1. Vedant Fashions Limited
Committee Chairmanship / Membership in other public companies*	1. Avanse Financial Services Limited - Audit Committee – Member
listed entities from which the Director has resigned in the past three years	Nil
Shareholdings in the Company including shareholding as a beneficial owner	Nil
Relationship between Directors & Key Managerial Personnel	Mr. Sunish Sharma is not related to any Director or Key Managerial Personnel of the Company.

Ms. Saakshi Gera

Date of Birth and Age	15-05-1987 and 39 years
DIN	08737182
Date of first appointment on the Board	22-05-2024
Nationality	Indian
Brief resume, experience and qualification	Ms. Gera has over 14 years of investment experience, encompassing the full lifecycle of private equity in India across a variety of industries such as Technology Services, Financial Services and Healthcare. At Kedaara, she co-leads investments in the Technology Services sector and has been involved in leading/advising on investments such as Impetus, ASG, Universal NutriScience, GS Lab-GAVS, and Spandana. Prior to joining Kedaara Capital, she served as an Executive Director at Goldman Sachs (India office) in its Principal Investing Arm, where she focused on investments in financial services, IT services, and the energy sector. Some of the key investments she worked on include ReNew Power, Max Financial, Noveltech Feeds and BPL Medical. Earlier in her career, she was part of the investment team at Providence Equity Partners and worked in investment banking at Nomura. Ms. Gera has completed all levels of the CFA Program (USA). She holds a Bachelor of Arts degree in Economics from Delhi University, where she was a rank holder. She has been a Director on our Board since May 22, 2024.
Terms and Conditions of Appointment	Appointed as Non-Executive Director liable to retire by rotation, as a Nominee Director of Kedaara Capital I Limited.
Remuneration to be paid and received from the Company in the Financial Year (2025-26)	Nil
Number of Meetings of the Board attended during the Financial Year (2025-26)	7 Meetings attended out of 10 Board Meetings held
Membership/ Chairmanship of the Committees of the Company	Member of Audit Committee, Risk Management Committee, IT Strategy Committee, Asset-Liability Management Committee and Management Committee
Directorship held in other Listed Companies of India	Nil
Committee Chairmanship / Membership in other public companies*	Nil
Listed entities from which the Director has resigned in the past three years	Nil
Shareholdings in the Company including shareholding as a beneficial owner	Nil
Relationship between Directors & Key Managerial Personnel	Ms. Saakshi Gera is not related to any Director or Key Managerial Personnel of the Company.

*For the Committee Chairmanship / Membership in other companies, number of memberships in Audit/Stakeholders Relationship Committee are considered

SPANDANA

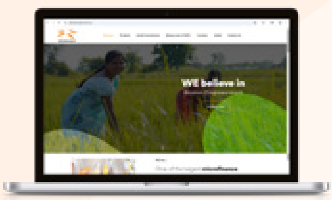
Annual Report
2025-26

Ready and Rising

Inside This Year’s Report

This is Spandana

Our Performance



Click on link
to visit our website
www.spandanasphoorty.com

“We maintained a strong liquidity position and a well-capitalised balance sheet throughout the year, enabling us to navigate the evolving operating environment with resilience and confidence.”

Business Enablers

Sustainability at Spandana

Statutory Reports

Financial Statements

Corporate Information

Company Name
Spandana Sphoorty Financial Limited

Corporate Identity Number
L65929TG2003PLC040648

RBI Registration Number
N-09.00414 (Non-Banking Financial Company registration number issued by RBI; now operating in NBFC MFI category)

Website
www.spandanasphoorty.com

Registered and Corporate Office
Galaxy, Wing B, 16th Floor,
Plot No.1, Sy No. 83/1, Hyderabad Knowledge City,
TSIIC, Raidurg Panmaktha,
Hyderabad – 500081,
Telangana, India
Tel: +91-40-45474750

Key Managerial Personnel

Mr. Venkatesh Krishnan
Managing Director &
Chief Executive Officer
(Appointed as Managing Director & CEO w.e.f. November 27, 2025)

Mr. Ashish Kumar Damani
President and Chief Financial Officer
(Also served as Interim CEO for the Company from April 23, 2025 to November 26, 2025)

Mr. Vinay Prakash Tripathi
Company Secretary
E-mail: shareholders@spandanasphoorty.com

Statutory Auditors
BSR & Co. LLP
Chartered Accountants
(ICAI FRN: 101248W/W-100022)

Registrars and Transfer Agents
KFin Technologies Limited
Selenium Tower B, Plot 31 & 32,
Financial District, Nanakramguda,
Serilingampally Mandal, Rangareddy,
Hyderabad – 500032,
Telangana, India

Board of Directors

Ms. Abanti Mitra
Chairperson and Independent Director
DIN: 02305893
(Following her unfortunate demise on July 13, 2026, she ceases to be the Chairperson and Independent Director of the Company)

Mr. Animesh Chauhan
Independent Director
DIN: 02060457

Mr. Deepak Calian Vaidya
Independent Director
DIN: 00337276
(Ceased to be an Independent Director of the Company effective from close of business hours on June 5, 2026 consequent to completion of his second term as an Independent Director)

Ms. Dipali Hemant Sheth
Independent Director
DIN: 07556685
(Appointed as a Non-Executive Chairperson of the Board of Directors of the Company with effect from July 23, 2026)

Mr. Vinayak Prasad
Independent Director
DIN: 05310658

Mr. Neeraj Swaroop
Non-Executive Nominee Director*
DIN: 00061170

Mr. Ramachandra Kasargod Kamath
Non-Executive Nominee Director*
DIN: 01715073

Mr. Sunish Sharma
Non-Executive Nominee Director*
DIN: 00274432

Ms. Saakshi Gera
Non-Executive Nominee Director*
DIN: 08737182

Mr. Venkatesh Krishnan
Managing Director & CEO
DIN: 02078403
(Appointed as Managing Director & CEO w.e.f. November 27, 2025)

* Nominee of Kedaara Capital I Limited

Investor Grievance
E-mail: einward.ris@kfintech.com
Website: www.kfintech.com
Ph: 18003094001
WhatsApp: 9100094099
KPRISM (Mobile Application):
https://kprism.kfintech.com/
KFINTECH Corporate Website:
www.kfintech.com
RTA Website: https://ris.kfintech.com/

Investor Support Centre (DIY Link):
https://ris.kfintech.com/clientservices/investors/isrs.aspx

Investor Information

BSE Code	: 542759 & 890221
NSE Symbol	: SPANDANA & SSFLPP
AGM Date	: August 18, 2026
AGM Time	: 11:30 a.m. (IST)
AGM Mode	: Video Conferencing (VC) and Other Audio-Visual Means (OAVM)

PRELUDE

Ready for Resilient Progress

The microfinance sector is redefining its trajectory following a long period of elevated asset quality stress, rising borrower leverage, regulatory strengthening and regional volatility within an increasingly complex and risk-aware environment. In this evolving landscape, clarity, discipline and foresight are imperative. At Spandana Sphoorty Financial Limited (Spandana), we are fortifying our readiness to recalibrate growth priorities, reinforce safeguards, reaffirm portfolio stability and reposition for resilient, responsible growth.

Rising with Purpose

Creating a "WOW" Customer Experience

We are elevating our customer-centric approach beyond service delivery to create experiences that are engaging, differentiated and memorable. By strengthening brand recall, ensuring consistency in service standards and accelerating grievance resolution, we improved responsiveness all across. Strategic use of technology further streamlined this journey, facilitating more personalised interactions and deeper, long-term relationships.

Fostering an Empowered Workforce

We are nurturing a performance-oriented, inclusive environment that values employee voice, strengthens accountability and rewards commitment with fairness. Enhanced recognition frameworks, sharper incentive alignment and structured growth pathways amplified engagement, while deepening ownership towards organisational outcomes.

Strengthening Processes and Operational Discipline

We are strengthening the operational backbone of our microfinance business through sharper process efficiency, tighter internal controls and stronger discipline across our portfolio and services. By focusing on robust governance, prudent risk management and consistent regulatory compliance, we are building a resilient institution anchored in transparency and execution excellence.

Building a Balanced and Sustainable Portfolio Mix

We are keeping our portfolio balanced and diversified, led by the steady performance of our core JLG business, alongside gradual surge in loan-against-property segments. Focus is on a calibrated strategy emphasising disciplined underwriting, translating into sustainable growth and stronger risk-adjusted returns.

Driving a Sustainable Long-term Growth Story

We are focusing on building a stable, scalable and transparent franchise, rising in strength and operational depth to deliver consistent performance. Strong oversight, measured growth decisions and predictable financial outcomes enhanced stakeholder confidence and created a resilient platform for sustained long-term growth.

OPERATING ENVIRONMENT

Realigning For a Sustainable Pathway

The year FY26 represents a period of reset for Indian microfinance industry amidst structural and regulatory shifts. Following years of accelerated growth, the sector embraces moderation, prioritising portfolio health, robust risk practices and governance. This transition reflects a strategic shift towards resilience and sustainability, positioning institutions to navigate evolving dynamics with greater conviction.

Asset Quality Pressures Persist

The industry faced elevated stress during first half of FY26, reflecting the after-effects of rapid credit expansion in prior periods and uneven repayment behaviour across borrower segments. Asset quality has therefore emerged as a central priority, with lenders intensifying collection efforts, recalibrating underwriting filters, and leveraging data-led monitoring to detect early signs of stress. The focus has shifted from incremental growth to restoring portfolio stability and improving the overall risk profile.

Borrower Leverage Remains Monitorable

Rising borrower indebtedness, driven by multiple credit lines and limited transparency, had created structural vulnerabilities within the ecosystem. This risk is more acute in densely penetrated markets. In response, institutions are tightening credit appraisal norms, relying more rigorously on bureau data, and emphasising responsible lending practices to ensure that credit growth remains aligned with borrower repayment capacity.

Growth Moderates amidst Cautious Expansion

The sector is witnessing a measured revival following a prolonged challenging phase. Lenders are prioritising known customer segments over aggressive new acquisitions. This approach reflects an industry-wide shift towards balancing growth with portfolio quality, ensuring that expansion is sustainable and supported by stronger risk controls.

Regulatory Oversight Intensifies

The regulatory landscape is evolving in response to emerging risks, with increased emphasis on transparency, customer protection and responsible lending. Enhanced scrutiny around pricing, borrower indebtedness and governance is prompting institutions to strengthen internal controls and compliance. This shift is fostering a more disciplined industry-wide operating environment, prioritising long-term stability over short-term gains.

Regional and External Risks Influence Operations

Concentration in certain states and exposure to local economic and socio-political factors continue to influence borrower behaviour and collection efficiency. Regional disruptions, income volatility and climate-related challenges can significantly impact repayment cycles. As a result, lenders are placing greater emphasis on geographic diversification, detailed risk assessment and adaptive operating strategies to navigate these external dynamics.

OUR PROGRESS IN FY26

Strengthening the Core To Serve Better

In FY26, we primarily concentrated on stabilisation and disciplined execution, bolstering business fundamentals. Through focused interventions in capital, collections, disbursements and recovery, we enhanced portfolio quality and operational efficiency, while improving the balance sheet. Supported by strategic and leadership measures, these efforts are translating into improved performance, setting the stage for stable and sustainable growth.

Capital Raising

The ₹400 crore partly paid rights issue was successfully concluded during the year, with full participation from promoters and institutional investors, reflecting strong confidence in the Company's future. It increased institutional shareholding, strengthened the Capital Adequacy Ratio (CRAR) and provided capital to support growth, reinforce the balance sheet and enhance financial resilience.

Improving Collection Efficiency

Consistent improvement in X-bucket collection efficiency was observed, reaching 99.7% in March 2026 from 96.9% in April 2025. Around 86% of branches achieved over 99.5% X-bucket collection efficiency, while 95% of branches recorded efficiency above 99%, reflecting stronger field discipline and improved portfolio stability.

Disbursement Momentum with Strong Quality

Disbursements gained traction during the year, supported by improved productivity and process efficiencies. New originations contributed significantly to AUM, with strong collection efficiency indicating disciplined growth.

Focused Recovery Efforts

Recovery initiatives were strengthened through an expanded recovery team and focused actions across higher delinquency buckets. Sustained customer engagement supported continued momentum in 90+ dpd recoveries, with collections improving to ₹133 crore in H2FY26 from ₹90 crore in H1FY26. To enhance on-ground execution, the number of recovery associates increased to 1,129 as of March 2026 from 672 as of September 2025.

Robust Balance Sheet Position

Strong liquidity levels and a healthy capital adequacy ratio reinforced financial resilience during the year, while incremental borrowings supported business operations and growth requirements. Liquidity stood at ₹1,438 crore as of March 31, 2026, with the CRAR remaining robust at ~35.9%. Cumulative funding raised since the rights issue reached ₹3,116 crore, strengthening the Company's liquidity position and growth preparedness.

Driving Synergies

The merger of Criss Financial Limited (our subsidiary) remains on track and is expected to unlock operational and portfolio synergies, particularly in light of the available 40% non-MFI headroom.

During FY26, we rationalised 347 branches as part of network optimisation exercise, while leveraging the existing branch infrastructure to support future business growth efficiently. Simultaneously, focused efforts were undertaken to control operating costs and improve overall operational productivity.

Strategic and Leadership Interventions

Leadership transition and continuous evaluation of structural initiatives, including potential business integrations and organisational realignment, are elevating adaptability and operational efficiency.

CORPORATE IDENTITY

Powering Inclusion Through Micro Lending

At Spandana, we strive to transform lives by bringing financial inclusion to rural India, with a focus on empowering women. Through the Joint Liability Group (JLG) model, we serve those facing restricted accessibility to formal credit, supporting livelihoods. As a pan-India NBFC-MFI, we strongly believe in the power of microfinance as a catalyst for social and economic upliftment.

Our Mission

Deliver responsible and quality financial services that enable income enhancement and economic progress of underserved communities across Bharat.

Our Vision

To be a trusted and respected leader in microfinance, fostering sustainable growth with deep respect for customers and employees, positively impacting the lives of 5 million underserved households, and creating equitable value for all stakeholders.

Our Values

I CARE

Collaboration

We work together across teams and functions, placing collective success above individual achievement to create greater impact for the communities we serve.

Receptiveness

We foster open, honest, transparent, and respectful communication to build trust and enable continuous improvement.

Integrity

We act with fairness, ethics, accountability, and disciplined execution in every interaction and decision.

Agility

We respond quickly and effectively to changing customer, business, and regulatory needs, without compromising responsibility or quality.

Empathy

We understand, respect, and care for the lives, aspirations, and well being of our customers, employees, and all stakeholders.

Empowering Women

For us, 'We' has always stood for Women Empowerment and Women Entrepreneurship. Since our inception in 1998, our efforts have been directed towards enabling women to achieve financial independence, pursue entrepreneurial aspirations, and build secure livelihoods. By supporting women borrowers, we have contributed to uplifting not just individual households but entire communities, creating a multiplier effect of inclusive growth.

Purposeful Lending

Our micro-loans are designed to support income generation and asset creation, helping millions of households enhance their earning capacity. By offering financial services at doorsteps, we fulfill two objectives. Firstly, we improve accessibility and convenience for customers who remained partially or completely outside the ambit of formal banking systems. Secondly, through our targeted solutions, we provide the borrowers with a reliable alternative to informal credit sources, helping them move away from high-cost lending.

Built on People and Processes

Our strength lies in deep community connect and a customer-centric outlook. As many of our colleagues share similar socio-cultural backgrounds as our borrowers, this equivalence transpires into greater trust, comfort and engagement.

To keep our operations attuned to the evolving business dynamics, we continuously invest in technology, systems and processes. A strong governance framework, disciplined risk management practices and experienced leadership drive our organisational resilience and scalability.

STRENGTHS

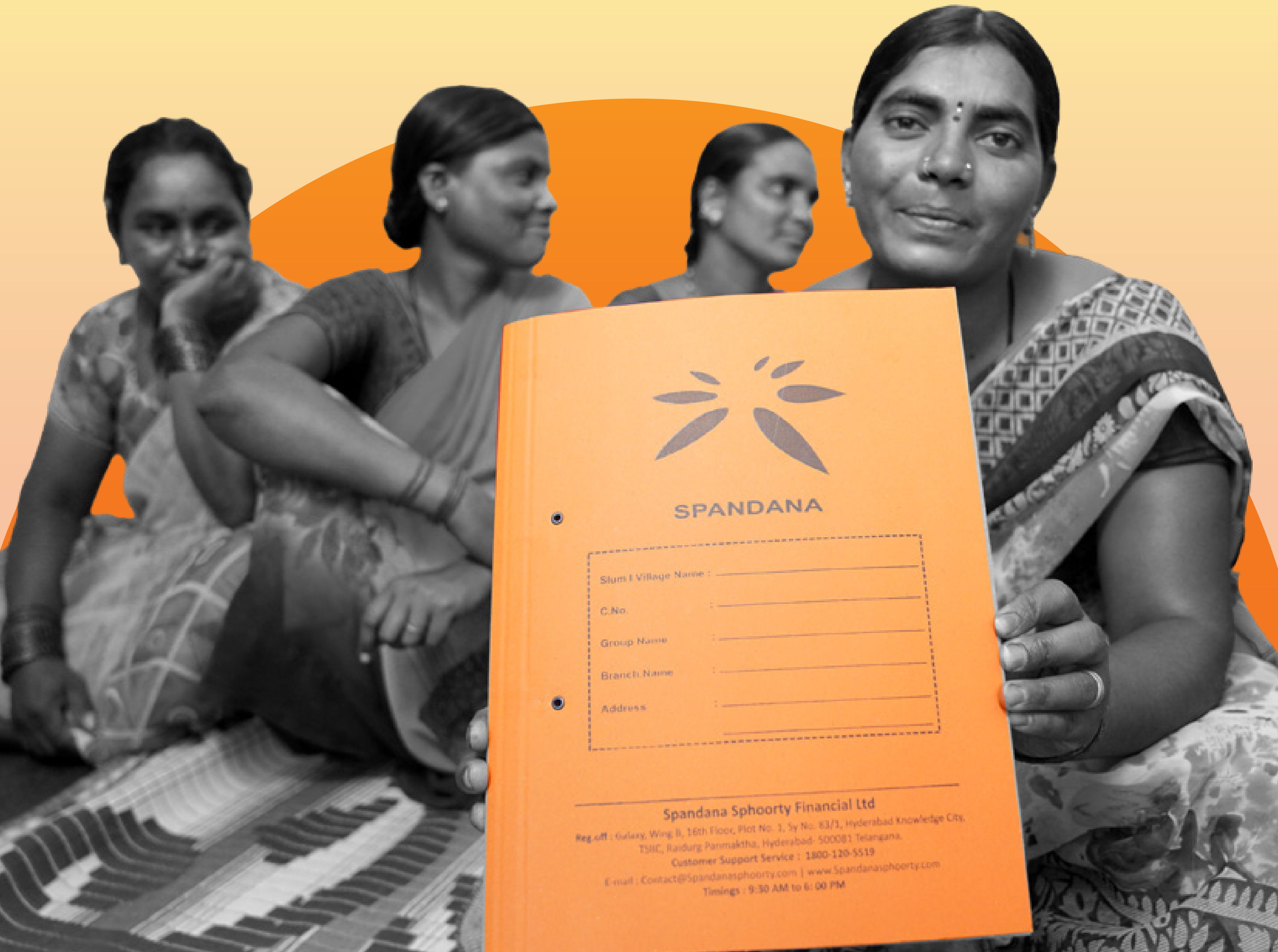
Creating Targeted Impact Through Tactical Advantages

Our purpose is to create enduring impact across rural and semi-urban Bharat. By combining local insight, innovative technology, robust governance and a dedicated workforce, we strengthen financial inclusion and improve customer outcomes.

Simplifying the Customer Journey

We provide a simple, efficient and technology-led loan journey tailored to rural and semi-urban borrowers. With stronger trust, greater ease and faster turnaround, we ensure that financial services are accessible, intuitive and aligned with customer expectations.

FAST
Turnaround Time
(Application to Disbursement)



Closer to Communities

Our on-ground model is powered by a strong network of local loan officers who are extensively familiar with customer contexts. This proximity, combined with shared socio-cultural understanding, fosters trust and forges sustained engagement.

People-led Execution

We systematically emphasise employee-led operations, blending strong local insights with customer centricity. Their in-depth understanding of rural dynamics enables us to drive consistent execution and create lasting impact across geographies.

7,162
Loan Officers

10,776
Employees

Expanding across Bharat

We have an established footprint across 20 states and Union Territories. Our extensive branch network enables us to extend formal financial services to access-constrained communities.

Leveraging Technology for Scale

Our sustained investments in technology fortify our ability to make real-time decisions. By embedding new-age innovations into our operations, they enhance operational efficiency and build scalable systems.

1,457
Branches

Scalable
Future-ready Technology Architecture

Women at the Core of Progress

Our focus on women borrowers reflects our commitment to entrepreneurship at the grassroots. By enabling access to credit, we support income generation, financial independence and broader community development.

Governance that Drives Trust

We embed transparency, discipline and accountability within our governance framework. Steered by an experienced Board, we maintain stringent oversight and a long-term focus on value creation.

11.5 Lakh
Customers

Transparent
Governance and Compliance Framework

PRODUCTS

Driving Financial Empowerment Across Bharat

Our portfolio meets diverse livelihood needs by enabling access to credit. It supports the aspirations of Bharat, secures futures, creates sustainable opportunities and empowers rural women to play a stronger role in India's economic progress.

To create the desired impact, our offerings remain accessible, flexible and aligned with the realities of customers. In doing so, we ensure that individuals at different stages of their economic journey are able to secure the appropriate form of capital to support income generation and strengthen resilience.

87%

of Consolidated FY26 AUM

Joint Liability Group (JLG) Microfinance

Our flagship JLG-based micro-loans support women entrepreneurs from low-income households, building on trust and collective accountability to extend formal credit to customers who remained unserved by the traditional banking channels. With doorstep delivery and repayment structures aligned to income cycles, we create a simple, transparent experience. Moreover, these loans allow women to build livelihoods, strengthen financial security and excel in their entrepreneurship journey.

Key Features

- **Target Segment:** Women entrepreneurs from low-income households
- **Access:** Group-based lending with doorstep service
- **Repayment:** Weekly or monthly options with no pre-payment penalty
- **Tenure:** 12 to 30 months
- **Loan Size:** Up to ₹1,70,000

7%
of Consolidated FY26 AUM

Loan Against Property (LAP)*

Our Loan Against Property product offers secured financing solutions for small entrepreneurs seeking to expand or stabilise their businesses. Whether for business expansion, asset creation or working capital needs, this product enables access to larger-ticket funding with greater flexibility.

Key Features

- **Target Segment:** Self-employed individuals across manufacturing, trading, and retail segments in rural and semi-urban areas
- **Tenure:** 2 years to 15 years
- **Loan Size:** ₹2 lakh to ₹20 lakh

6%
of Consolidated FY26 AUM

Individual Loans*

Our Individual Loans cater to the evolving financing needs of customers seeking flexible, small-ticket credit. These loans are structured to support income generation and refinancing requirements, offering convenience and ease of access.

Key Features

- **Target Segment:** Women borrowers, predominantly in rural areas
- **Tenure:** 12,18,24 and 30 months
- **Loan Size:** ₹10,000 to ₹1 lakh 70 thousand

*Offered through our subsidiary company, Criss Financial Limited.

MANAGING DIRECTOR'S INSIGHT

Ready and Rising with Purpose

> We strengthened underwriting through tighter internal credit filters, improved borrower assessment mechanisms and sharper portfolio monitoring to elevate customer quality and long-term portfolio resilience."

Dear Shareholders,

It is a privilege to address you for the first time. I joined the Company at an important juncture for both the organisation and the microfinance landscape, with the industry itself moving towards greater stability with renewed confidence.

Against the backdrop of gradual normalisation and strengthening sector fundamentals, FY 26 marked a watershed year for the Indian microfinance sector. After a period of elevated stress, the industry began moving towards greater stability, buoyed by stronger guardrails, tighter underwriting discipline and a renewed focus on portfolio quality. Rural economic activity remained resilient despite periodic disruptions from climatic conditions, regional stress and liquidity pressures, while demand for responsible credit continued to hold firm. This evolving environment has increasingly reoriented the sector towards disciplined growth, stronger governance and customer-centric operating models.

Within this sectoral transition, institutions that can internalise discipline while strengthening execution capability are best placed to emerge stronger. At Spandana, we have consciously aligned ourselves with this direction. More than recovery, we view this phase as an opportunity to rebuild with greater prudence, sharper execution and stronger long-term foundations. With clearer strategic direction and strengthened operational focus, we are ready and rising, committed to creating a robust and sustainable franchise.

Strengthening Portfolio Quality and Credit Discipline

This strategic direction translated into a more calibrated lending approach during the year, aligned with the changing microfinance guardrails. We strengthened underwriting through tighter internal credit filters, improved borrower assessment mechanisms and sharper portfolio monitoring to elevate customer quality and long-term portfolio resilience. As a result, loans under the revised credit rules constituted nearly 80% of our MFI AUM by the end of FY26, reflecting a decisive transition towards a stronger and more disciplined portfolio mix, while fortifying our confidence in the sustainability and quality of the portfolio.

This strengthened underwriting framework was fortified through responsible customer selection, prudent indebtedness levels and tighter oversight of lender overlaps, ensuring that lending remained aligned with disciplined risk parameters and healthier borrower profiles. At the same time, process enhancements such as upfront credit bureau checks, compulsory house visits, geotagging validations, e-signing and strengthened documentation protocols further improved onboarding quality and embedded greater stringency across the credit lifecycle.

The newly originated portfolio demonstrated resilient performance and strong collection behaviour, validating the effectiveness of our fortified credit framework and bolstering our confidence in building a sustainable, high-quality portfolio.

Driving Collection Efficiency and Recovery Momentum

Improving collection efficiency and strengthening recoveries remained a key operational priority during the year. We deployed a dedicated 90+ dpd recovery team of over 1,000 members across regions, complemented by structured monitoring mechanisms, digital engagement tools and focused field-level interventions to improve repayment discipline and portfolio stability.

Customer engagement was intensified through telecalling, digital payment enablement, SMS-based payment links and proactive delinquency management, while structured legal recovery initiatives supported resolution of overdue accounts. These combined efforts facilitated recoveries of nearly ₹274 crore over the last 15 months, reaffirming the effectiveness of our focused recovery strategy.

X-bucket collection efficiency improved from 96.9% consol in April 2025 to 99.7% by March 2026, while recoveries from the 90+ DPD bucket also strengthened steadily.

> We deployed a dedicated 90+ dpd recovery team of over 1,000 members across regions, complemented by structured monitoring mechanisms, digital engagement tools and focused field-level interventions to improve repayment discipline and portfolio stability.

Venkatesh Krishnan
Managing Director & Chief Executive Officer

> “We remained focused on rebuilding the business through stronger credit discipline, improved portfolio quality and greater operational stability.”

The improving collection trajectory reflected sharper execution, disciplined monitoring and sustained improvement in portfolio behaviour across the organisation.

Building Operational Agility and Cost Efficiency

During FY26, we undertook multiple initiatives to build a leaner, more agile and scalable operating model. As part of network optimisation, a total of 347 branches were merged or closed, with manpower realigned to operational requirements. We also streamlined organisational structure by rationalising reporting spans and reducing layers to improve field execution and strengthen accountability.

These measures, alongside tighter cost controls and sharper resource allocation, moderated operating expenses and improved operational efficiency during the year. Loan officer productivity 200 customers per officer, providing additional scope for productivity enhancement and scalable growth going forward.

Advancing Technology and Digital Transformation

During FY26, we propelled our technology transformation roadmap with a sound focus on building a scalable and agile digital ecosystem. We initiated the transition towards a new loan origination platform to augment flexibility, scalability and process agility across lending operations.

Digital solutions were embedded across customer onboarding, underwriting, collections and servicing to improve operational efficiency, strengthen risk controls and support faster decision-making. Integration of digital workflows, automated validations and analytics-led monitoring elevated customer experience, while investments in data-driven underwriting and digital customer engagement frameworks further supported scalable, sustainable growth.

Fortifying Liquidity and Financial Resilience

We maintained a strong liquidity position and a well-capitalised balance sheet throughout the year, enabling us to navigate the evolving operating environment with resilience and confidence. Supported by a successful capital raise and sustained access to diversified funding sources, we fortified our financial position while maintaining healthy liquidity buffers throughout the year.

As of March 31, 2026, our consolidated CRAR stood at ~35.9%, supported by a net worth of ₹2,130 crore and liquidity of ₹1,438 crore, providing adequate headroom for future growth. Our borrowing profile remained well-diversified across banks, NBFCs, development finance institutions and capital market instruments, with banks contributing 44% of the total borrowing. Bolstering lender confidence and enhanced funding access demonstrated the gradual improvement in business fundamentals, portfolio stability and execution discipline across the organisation.

Strategic Merger

Strategic integration remained a key focus during the year, with the merger of Criss Financial Limited, our subsidiary, progressing steadily towards completion. Beyond operational synergies, the merger positions us to leverage the 40% non-MFI headroom under the revised regulatory framework, while strengthening portfolio diversification and scaling opportunities within secured lending.

Alongside this, we continued to recalibrate our operating structure through branch rationalisation initiatives, while ensuring adequacy of infrastructure to support future business growth. Sustained focus on controlling operating costs and improving productivity further contributed to stronger operational efficiency and execution discipline.

Our Performance for the Fiscal

In FY26, we remained focused on rebuilding the business through stronger credit discipline, improved portfolio quality and greater operational stability. Given the evolving industry landscape, we adopted a calibrated lending approach, resulting in disbursements of ₹3,940 crore as against ₹5,605 crore in FY25, while AUM stood at ₹4,420 crore compared to ₹6,819 crore in the previous year.

We also strengthened our recovery and portfolio stabilisation efforts through focused field engagement, digital collection initiatives and structured legal interventions. This resulted in a significant improvement in PAR 30+, which declined to 4.7% in March 2026 from 14.8% a year earlier, while consolidated GNPA and NNPA improved to 3.78% and 0.73%, respectively, compared to 5.63% and 1.19% in the previous year. We also maintained a prudent provisioning approach, with provision coverage remaining at approximately 80%, reflecting our conservative stance towards portfolio risk management.

Our liquidity and capital position remained strong throughout the year, providing resilience amidst a transitioning operating environment as well as ample financial flexibility to drive future growth. Incremental funding of ₹3,116 crore since the rights issue and improving lender confidence further strengthened our liability profile.

Our financial performance reflected gradual stabilisation and improving business fundamentals as the year progressed. Total income for FY26 stood at ₹1,066 crore compared to ₹2,424 crore in FY25, while impairment costs reduced significantly to ₹721 crore from ₹1,986 crore in the previous year. We reported a net loss of ₹699 crore for the year against a net loss of ₹1,035 crore in FY25, reflecting the positive impact of improving asset quality, stronger recoveries, sharper operational discipline and wider rationalisation efforts.

Preparing for the Next Phase of Growth

As the operating environment continues to stabilise, we are well-poised to leverage stronger foundations and sharper execution capabilities to foster a more sustainable pathway to growth. Our strategic priorities going forward include:

- Expanding customer acquisition through focused market penetration, disciplined sourcing strategies and deeper outreach across underserved rural and semi-urban markets, thereby strengthening our customer franchise and accelerating responsible growth
- Intensifying engagement with existing borrowers by addressing lifecycle-based financial needs through new product offerings and calibrated ticket sizes, thereby fortifying customer relationships, improving retention and augmenting cross-sell opportunities
- Driving localised branch-led expansion by entering new villages and increasing customer density within existing centres, allowing us to improve operating leverage, widen market footprint and enhance field-level productivity through a cluster-based growth approach
- Bolstering portfolio quality and operating resilience through disciplined underwriting, tighter monitoring frameworks and data-driven decision-making, while maintaining strong collection efficiencies and prudent indebtedness levels
- Ramping up productivity and scalability through technology-led process improvements, optimised operating structures and sharper execution capabilities, enabling us to build a leaner, more agile and future-ready organisation
- Harnessing the proposed merger with Criss Financial Limited to diversify portfolio mix, fortify secured lending capabilities and unlock long-term operational and strategic synergies

Our People and Communities

While FY26 stood as a year of organisational rebuilding, the momentum of this transformation was led by the resilience, adaptability and commitment of our people. Recognising the need for stronger execution capabilities in a stabilising operating environment, we fortified organisational capability through targeted talent hiring, leadership development and role-based learning interventions, alongside initiatives aimed at productivity enhancement. These efforts helped build a more agile, accountable and future-ready workforce, while strengthening leadership depth and employee engagement across the organisation.

Our CSR initiatives reflected a continued commitment to inclusive development. Across Odisha and Uttar Pradesh, we expanded our outreach to underserved communities with targeted interventions in healthcare, skill development and livelihood generation. Through telemedicine-led healthcare access, women-focused vocational training and employee volunteering initiatives, we drove grassroots-led development, positively impacting rural communities while strengthening economic participation, healthcare awareness and community well-being.

Way Forward

Over the past year, the organisation has worked with focus and discipline to strengthen the quality, resilience and execution capability of the business. Strategic actions across underwriting, recoveries, operations, technology and customer engagement have contributed to improved operational stability and fortified our long-term foundations.

With improving portfolio quality, a resilient balance sheet, committed employees and continued trust of our customers and stakeholders, we move forward – ready to build a future-ready institution that is advancing responsible financial inclusion, and rising with renewed momentum towards inclusive, long-term growth.

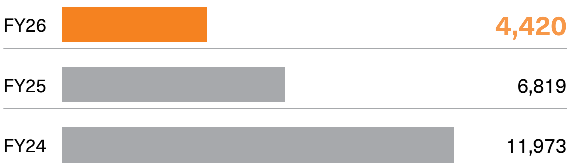
Warm regards,

Venkatesh Krishnan
Managing Director &
Chief Executive Officer

KEY PERFORMANCE INDICATORS (CONSOLIDATED)

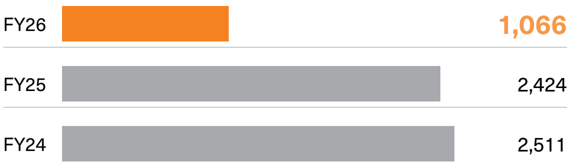
Navigating Operational Dynamics With Steady Execution

Assets under Management (₹ crore)



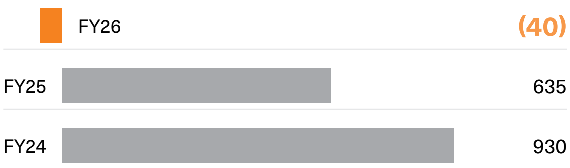
Borrowers (₹ Lakh)

Total Income (₹ crore)

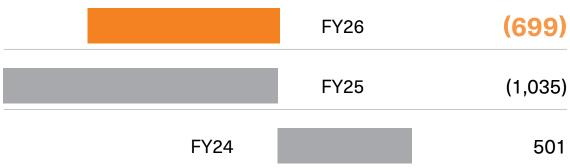


Net Interest Income (₹ crore)

Pre-Provision Operating Profit (₹ crore)



Profit After Tax (₹ crore)



Gross NPA (%)

FY26	3.78
FY25	5.63
FY24	1.50

Net NPA (%)

FY26	0.73
FY25	1.19
FY24	0.30

Cost of Borrowings (%)

FY26	12.6
FY25	12.0
FY24	12.2

Return on Assets (%)

FY26	(9.5)
FY25	(9.5)
FY24	4.4

Employees (No.)

FY26	10,776
FY25	18,382
FY24	14,243

FUND PROFILE

Diversifying Funding For Resilient Capital Access

We continue to cement our relationships with banks, financial institutions and capital market participants, broadening our funding base through long-standing partnerships and new engagements.

Simultaneously, we are diversifying borrowing instruments and optimising the tenure mix across short, medium and long-term funding, ensuring efficient access to capital at competitive costs while boosting balance sheet resilience. These initiatives strengthen our Asset-Liability Management (ALM), improve liquidity, reduce refinancing risk, and support sustained, well-balanced growth.

₹3,116 crore
Total funds mobilised during the year

23%
Assets held in cash and cash equivalents, reflecting strong liquidity buffer

₹400 crore
Rights Issue*

44%
Share of borrowings from banks

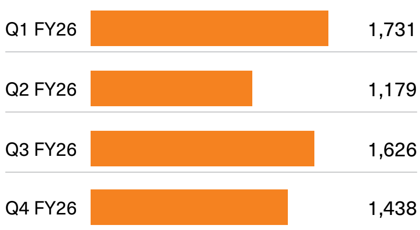
Borrowing Profile

Our borrowings are sourced from a wide range of domestic institutions, including public and private sector banks, Non-Banking Financial Companies (NBFCs) and Development Finance Institutions (DFIs). In addition, we access capital markets and tap international funding avenues such as External Commercial Borrowings (ECBs), Foreign Portfolio Investments (FPIs) and other global lenders. This diversified, multi-channel approach enhances financial flexibility, reduces concentration risk and ensures consistent access to capital across market cycles.

Rights Issue

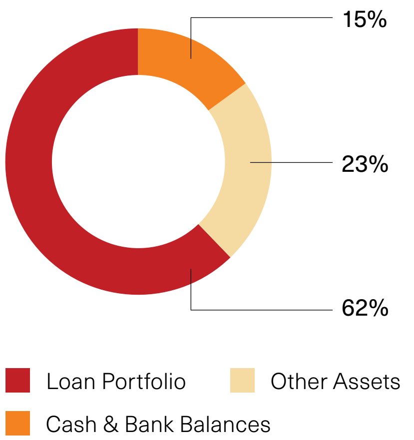
In addition to promoters and key institutional investors, our rights issue witnessed encouraging participation from retail investors, indicating broad-based shareholder support. Post the rights issue, the shareholding pattern is expected to remain largely consistent, with a slightly higher concentration of institutional investors, further strengthening the overall shareholder profile.

Liquidity (₹ crore)



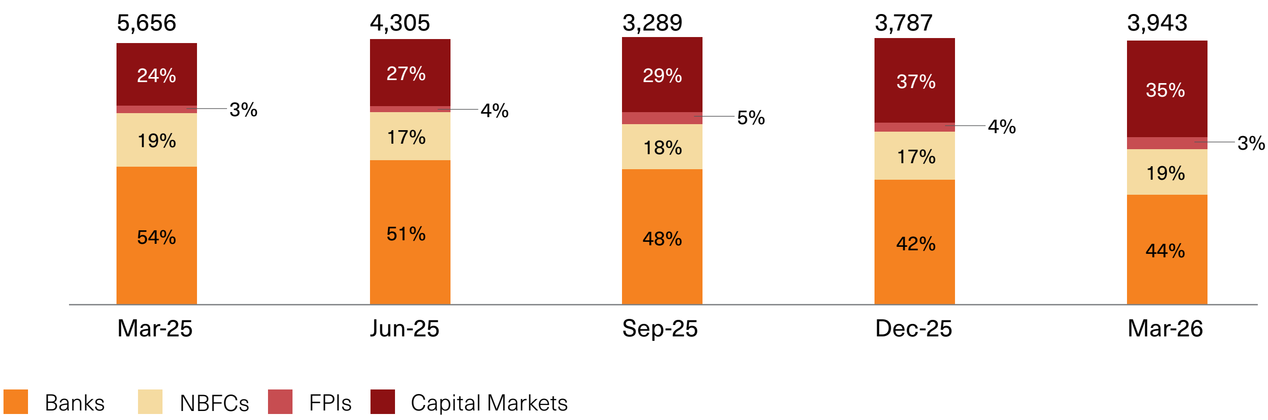
Asset Distribution as on March 31, 2026

(%)



*Right to call up ₹200 crore out of the ₹400 crore partly-paid rights issue till March 2027

Diversified Borrowing Mix With 44% Outstanding Loans From Banks (₹ crore)



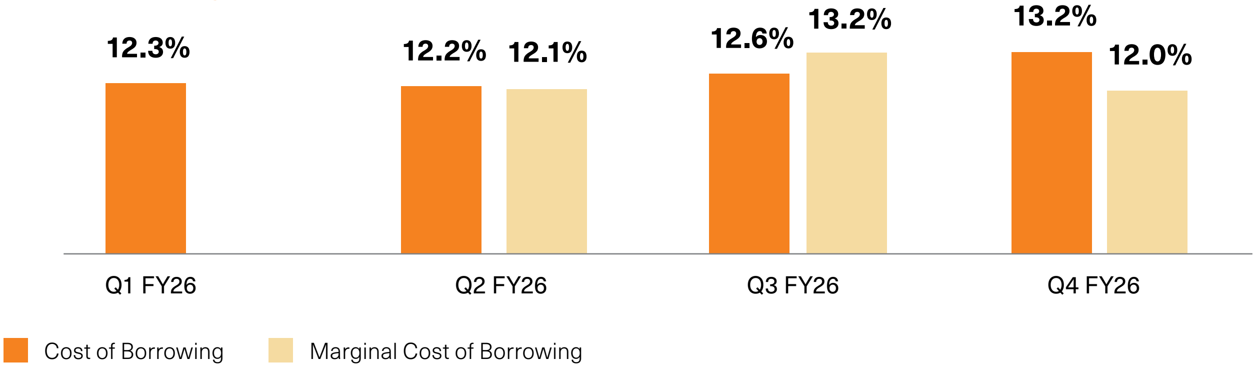
Incremental Borrowing (₹ crore)

Cost of Funds

Maintaining a competitive cost of borrowing remains critical to sustaining profitable growth at Spandana. Through a refined funding mix and stronger lender relationships, we stabilised overall cost of borrowing and moderated marginal cost of borrowing for a major part of the year.

While marginal costs witnessed some uptick towards the latter part of the year, reflecting evolving funding conditions, our disciplined capital management and strong lender engagement helped maintain a balanced cost structure.

Cost of Borrowing (%)



Credit Ratings Snapshot

Our credit ratings reflect the continued confidence of leading rating agencies in our financial discipline, governance standards and risk management practices. These ratings play a critical role in supporting our capital-raising efforts and influence our cost of borrowing. Presented alongside is a snapshot of our current ratings across key instruments.

Rating Agency	Instrument	Rating / Outlook
CRISIL	Bank Facilities	BBB+ / Stable
CARE	Bank Facilities / NCDs / CPs	BBB+ / Stable; A2
ICRA	Bank Facilities / NCDs	BBB+ / Stable*
India Ratings	Bank Facilities / NCDs	BBB+ / Negative

*Rating revised to Stable from Negative on June 11, 2026.

DISBURSEMENT APPROACH

Driving Disbursement Turnaround Through Sharper Interventions

In FY26, disbursement momentum rebounded in a prudent manner, supported by stronger operating discipline and tighter quality filters. The trajectory was shaped by productivity gains, streamlined processes, sharper customer selection and strengthened on-ground execution with closer portfolio oversight. This enabled Spandana to align expansion with quality and maintain a balanced, risk-conscious stance.

Disbursement Momentum Strengthens

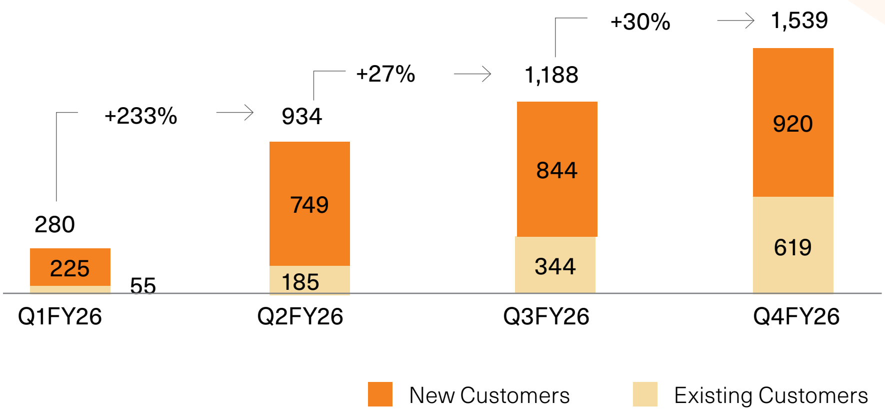
Disbursements witnessed quarter-on-quarter acceleration during the year. This improvement was supported by higher productivity at the field level, with disbursements per Loan Officer (LO) increasing steadily, indicating better execution and utilisation of resources.

Multiple Levers Driving Growth

The pick-up in disbursements was enabled by a combination of structural and operational initiatives. Upfront credit bureau validations streamlined processing timelines, while improved field discipline and monitoring enhanced execution consistency.

In addition, measured expansion in new customer acquisition and an increase in ticket sizes contributed to higher disbursement volumes, without compromising underwriting standards.

Pick Up in Pace Of Disbursement
(₹ crore)



Balanced Customer Mix and Productivity Gains

Growth was driven through a balanced mix of new and existing customers, with a gradual increase in new customer contribution. Improvements in Loan Officer productivity, coupled with enhanced customer reach and increased operational throughput supported greater efficiency.

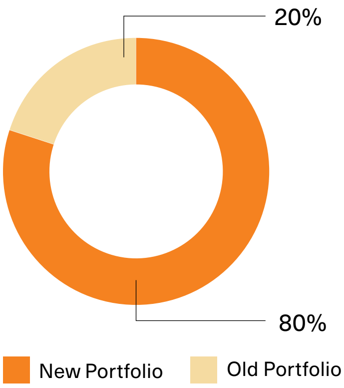
Building Sustainable Growth Momentum

The recovery in disbursement momentum, combined with strong portfolio quality, reflects a disciplined approach. By aligning expansion with robust underwriting, improved productivity and tighter controls, we are building a sustainable pathway for the future.

Quality of Origination Remains Strong

Loans originated under the new credit rules represented nearly 80% of the MFI AUM, reflecting the scale of recent disbursement activity and portfolio refresh. Importantly, the quality of this portfolio remained robust, with 97.6% of new originations classified as current, highlighting disciplined underwriting standards and prudent borrower selection.

New Portfolio Contributes 80% of AUM*

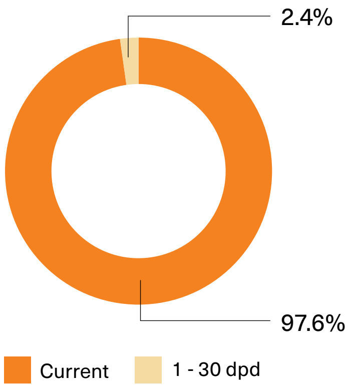


* Standalone & FY26 disbursement only

Disciplined Growth with Quality Focus

Customer selection remained prudent, with a high proportion of borrowers demonstrating sound repayment behaviour at the time of disbursement. Exposure levels were also controlled, with most customers maintaining moderate household indebtedness and limited lender overlap.

Current Disbursement Break-up



COLLECTION EFFICIENCY

Strengthening Collection Through Concerted Steps

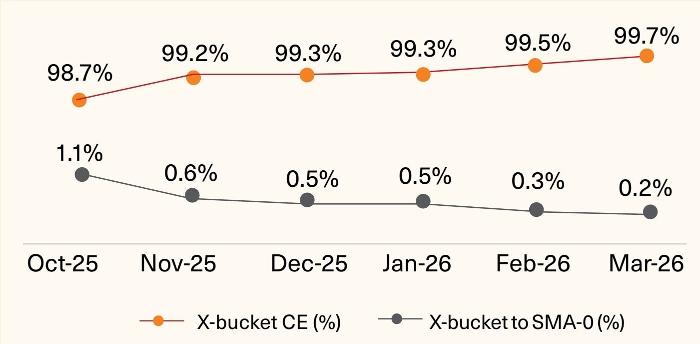
Amidst challenging environment, FY26 witnessed collections emerging as a central focus to stabilise portfolio quality. We combined enhanced on-ground execution with data-led insights and digital payment channels. Selective legal interventions complemented these efforts, improving repayment behaviour, bolstering recovery momentum and containing slippages, with the most substantial impact observed in higher delinquency buckets.

~₹222 Cr
Recovered in last 12 months

Improving Collection Efficiency across Key Markets

Collection efficiency improved steadily across key states over the past few months, reflecting tighter monitoring and stronger on-ground execution. Enhanced field discipline, frequent customer touchpoints, and structured follow-up mechanisms have contributed to improved repayment behaviour. The improvement in overall collection efficiency indicates early signs of stabilisation in portfolio performance.

Collection efficiency improved sequentially while forward flows declined, indicating strengthening portfolio



X-bucket Collection Efficiency (%) of Key States

State	Oct-25	Nov-25	Dec-25	Jan-26	Feb-26	Mar-26
Andhra Pradesh	97.7%	99.1%	98.8%	98.9%	99.3%	99.6%
Bihar	98.9%	99.4%	99.4%	99.6%	99.7%	99.7%
Karnataka	98.7%	99.1%	99.4%	99.3%	99.5%	99.6%
Madhya Pradesh	99.2%	99.2%	99.5%	99.4%	99.5%	99.8%
Odisha	99.0%	99.3%	99.5%	99.5%	99.7%	99.8%
Overall	**98.7%**	**99.2%**	**99.3%**	**99.3%**	**99.5%**	**99.7%**
Standalone	**98.8%**	**99.3%**	**99.5%**	**99.5%**	**99.6%**	**99.7%**

Targeted Strategy across Delinquency Buckets

We adopted a segmented approach to collections, deploying targeted interventions across different stages of delinquency. Early-stage delinquencies were addressed through proactive engagement and reminders, while dedicated teams managed accounts overdue beyond 90 days. Forward flow trends across delinquency buckets have improved, indicating better containment of slippages and more effective resolution of overdue accounts.

Dedicated Recovery Infrastructure for High-Risk Accounts

A specialised recovery set-up was scaled to drive collections in higher delinquency buckets. A large team of recovery associates was deployed with a clear focus on 90+ days past due (dpd) accounts. This targeted approach strengthened recovery intensity and improved outcomes in stressed portfolios.

Leveraging Data and Analytics for Better Outcomes

Data analytics was increasingly leveraged to identify borrowers with higher repayment propensity. This enabled prioritisation of accounts, more focused engagement and greater collection efficiency. Analytics-driven insights also optimised resource allocation and improved recovery effectiveness.

Activating Legal Channels for Resolution

Legal mechanisms were actively utilised to accelerate recovery in select cases. Demand and legal notices, along with Lok Adalat proceedings, were initiated to engage borrowers and resolve long-pending dues. These measures complemented field and digital efforts, strengthening overall recovery outcomes.

Digital Enablement Enhancing Collection Efficiency

We expanded the use of digital collection channels to enhance customer convenience. Payment links through SMS, QR code-based payments and integration with the Bharat Bill Payment System (BBPS) resulted in faster, seamless collections. Digital channels are now making significant contributions to overall collections, improving both efficiency and customer experience.

Collection Accounting for ~21% of Q4FY26 collections

₹82 Cr
QR-based collections

₹545 Cr
Bharat Bill Payment System-enabled collections

₹104 Cr
Payment links for part/full payments

Embedding a Disciplined Collections Framework

We combined early intervention, targeted recovery and digital enablement to strengthen repayment behaviour and improve asset quality. These initiatives represented a shift towards a more disciplined, technology-enabled and scalable collections framework, enhancing portfolio resilience for the future.

OPERATIONAL EXCELLENCE

Enhancing Efficiency Through Structural Initiatives

We better equipped our operations to efficiently navigate demanding business conditions through a comprehensive set of interventions in FY26, strengthening our core fundamentals. The focus remained on tighter control frameworks, productivity gains, cost optimisation and improved recoveries. More than incremental, these initiatives were structural, designed to inculcate greater discipline and foster a more resilient operating model, in sync with evolving sector dynamics.

Reinforcing Controls across the Customer Journey

We strengthened controls across the customer lifecycle by embedding tighter checks from onboarding to disbursement. Measures such as geo-tagged photographs, live verification, Compulsory Group Training (CGT), Group Recognition Test (GRT) processes, and geo-stamped house visits were institutionalised to strengthen borrower validation, underwriting discipline, and portfolio quality.

Tightening KYC and Disbursement Protocols

Our KYC and disbursement protocols were further strengthened through stricter document validation, controlled mobile number updates, upfront bureau checks, Aadhaar-based verification and facial recognition systems. These measures enhanced fraud prevention, improved borrower authentication and reinforced compliance with regulatory requirements.

Rationalising Branch Network for Cost Efficiency

A comprehensive branch network review led to the merger or closure of 347 branches during FY26, aimed at optimising operating footprint and reducing fixed overheads. The initiative improved branch-level productivity and operational efficiency, with its impact also reflected in the manpower rationalisation undertaken during the year.

Aligning Workforce and Enhancing Productivity

Our manpower strategy was aligned with branch rationalisation efforts to ensure optimal deployment across geographies. Productivity benchmarks were recalibrated to augment Loan Officer output, while reporting structures were streamlined to improve span of control. Strategic redeployment of field and support teams led to better utilisation of human resources and maintained service quality.

Driving Operating Efficiency and Cost Optimisation

We implemented structural improvements across operations, focusing on process simplification, streamlined reporting and more efficient capital utilisation. These initiatives resulted in improved operational efficiency. Moreover, they are expected to deliver sustained cost benefits and stronger operating leverage as the business stabilises.

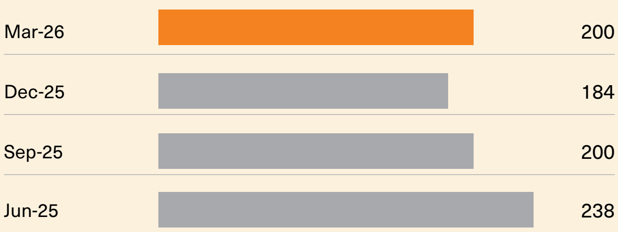
Intensifying Focus on Collections and Recovery

In response to elevated sectoral stress, we strengthened our collections and recovery infrastructure. Dedicated recovery teams were scaled up, with targeted efforts in higher delinquency buckets. Process interventions, including structured follow-ups, deployment of digital collection tools, and issuance of demand notices, have supported improved recovery outcomes.

Transitioning to a Stronger Operating Model

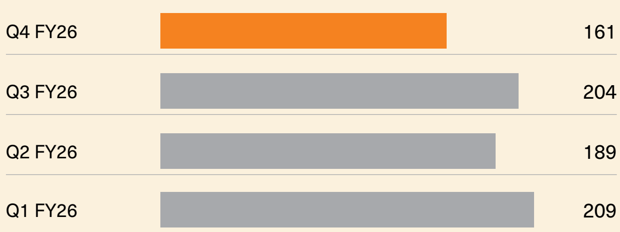
Collectively, these initiatives signal a decisive shift towards a more disciplined, execution-led organisation. By embedding tighter controls, elevating productivity and driving cost optimisation, we are building a leaner and more resilient operating platform, focused on restoring and sustaining stability, boosting performance and delivering responsible growth.

Average Customers per Loan Officer* (No.)



*Standalone

Operating Cost (₹ crore)



Growth Plan

- Focusing on accelerating customer acquisition across core markets
- Meeting lifecycle needs of existing customers through new products and optimal ticket sizes
- Driving localised branch-level expansion to penetrate new villages and increase customer density in existing centres
- Strengthening customer engagement through tailored offerings and market-specific execution
- Enhancing growth through a balanced approach of customer acquisition and relationship expansion

INFORMATION TECHNOLOGY

Powering Smarter Lending Through Digital Transformation

Emergence of technology as a crucial enabler of resilient growth is well-acknowledged, demonstrating its impact through seamless onboarding experience, smarter risk management and customer engagement. FY26 was a gamechanger for Spandana as we drove a strategic shift, transitioning away from legacy fragmentation to an integrated, cloud-first, data-driven and AI-enabled technology stack. All through, the emphasis remained on strengthening core lending platforms, cybersecurity, resilience, productivity and decision-making agility.

Over the past year, multiple initiatives were undertaken to simplify customer onboarding, strengthen credit risk frameworks, automate collections journeys and digitise internal workflows. The shift towards an API-led, microservices-based architecture is enabling scalable systems that are agile, secure and future-ready. Importantly, this transformation represents a structural redesign of the technology stack to support the organisation's long-term growth ambitions.

IT Key Objectives

Transform Technology Landscape

Modernisation of core platforms, including Loan Origination System (LOS), Loan Management System (LMS), Enterprise Resource Planning (ERP) and collection journeys to reduce manual intervention and improve operational efficiency.

Optimise Cost through Smart Architecture and Automation

Rationalisation of vendor ecosystem, cloud optimisation and automation initiatives to enhance cost efficiency while improving operational performance by reducing turnaround time.

Leveraging Data and Advanced Analytics for Decisioning

Harnessing the power of advanced analytics, real-time dashboards, and automated decision tools to improve decisioning and operational performance. This data-driven approach strengthens risk assessment during credit underwriting, proactively mitigates NPAs, and fuels strategic, precision-targeted cross-selling to enable sustained business growth.

Cultivating Trust and Continuity through a Secure Digital Environment

Establishing a robust digital foundation by strengthening Identity and Access Management (IAM), data protection, and vulnerability assessment, while aligning with evolving regulatory compliance frameworks to enhance cyber resilience and safeguard organisational assets across operations, risk, and business functions.

Key Updates of FY26

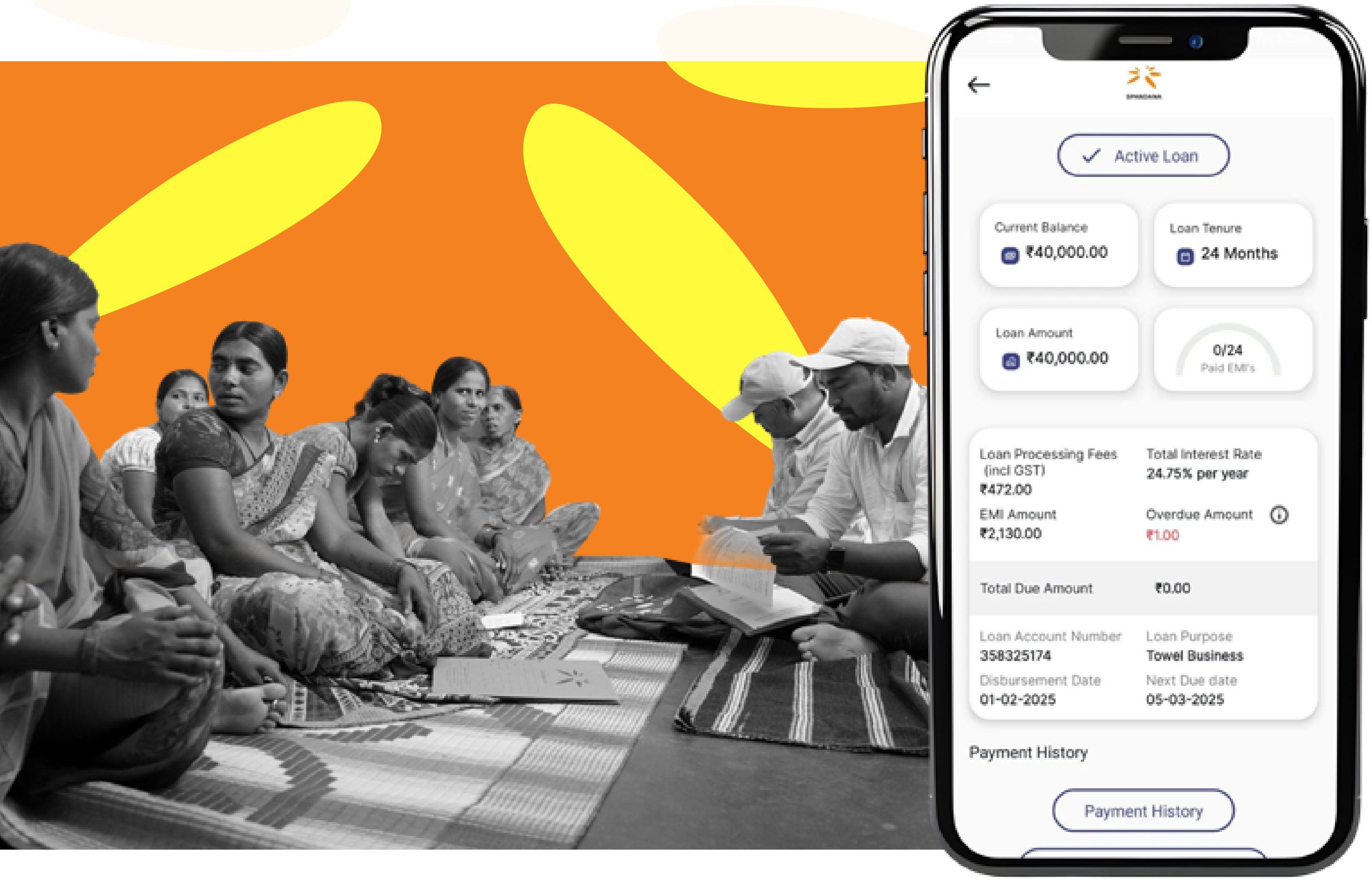
Strengthening Core Lending Technology

Key initiatives focused on improving loan lifecycle efficiency, elevating governance mechanisms and reducing manual dependencies across the lending ecosystem. Progress on the new Loan Origination System (LOS) streamlined onboarding journeys across Individual Loans (IL), JLG and LAP segments. Our Loan Management System (LMS) was enhanced further with new features and functionalities, improving agility, scalability and readiness to meet changing compliance requirements. Aadhaar-based onboarding and validations further fortified customer onboarding processes and reduced KYC fraud risk. Automated workflows across onboarding, collections and customer servicing added to improved process efficiency and turnaround times. By closing identified technology gaps, we further bolstered CFSS compliance readiness within defined timelines, while implementation of ERP facilitated seamless data flow across finance, accounting and reporting functions.

Digital Customer Journey and Productivity Improvements

Automation-led interventions elevated customer connects and enhanced field productivity. BOT-based calling and WhatsApp communication workflows optimised collection efforts by enabling early customer outreach and digital payment enablement. Automated payment links and structured communication resulted in greater repayment convenience. Geo-tagging, live photo capture and timestamping fortified governance and process control. A streamlined enrolment workflows and efficient centre meeting scheduling improved operational efficiency. Vernacular BOT deployment further improved accessibility and customer interaction across diverse regions.

INFORMATION TECHNOLOGY



Data and Analytics Enablement

Development of an enterprise-wide data infrastructure improved visibility, transparency and decision intelligence. Implementation of the data lake enabled dynamic dashboards and automated MIS reporting, materially reducing reliance on manual reporting. Interactive dashboards provided real-time tracking of operational metrics, leading to higher responsiveness across functions. Advanced analytics capabilities strengthened portfolio monitoring, risk assessment and performance evaluation, enabling more informed and timely decision-making.

Infrastructure Modernisation and Cloud Optimisation

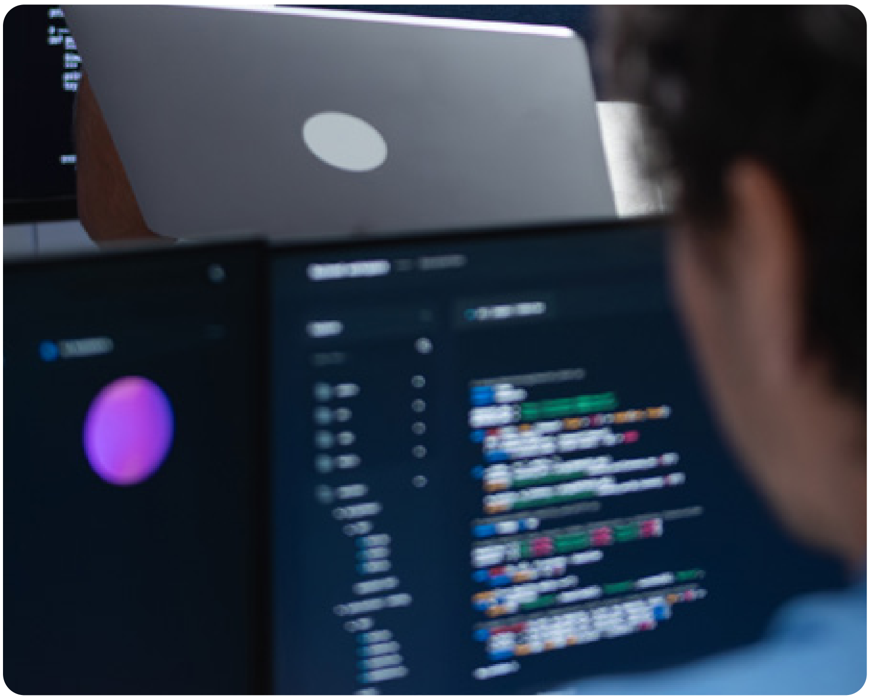
Focused investments in infrastructure fortified system reliability, scalability and performance. System uptime reached 99.82% in FY26, reflecting improved resilience of the IT environment. Cloud migration and resource optimisation initiatives elevated performance efficiency and rationalised cost structure. Technology refresh of firewall and network infrastructure, along with centralised monitoring of the cloud environment, further fortified incident management capabilities.

Cybersecurity and Risk Management Enhancements

Cybersecurity remained a critical priority, with multiple initiatives undertaken to ramp up protection across network, applications and data layers. Implementation of Multi-Factor Authentication (MFA) and Single Sign-On (SSO) improved access controls and user authentication frameworks. Enhancements in privilege identity and access management resulted in more efficient governance over system access. Network resilience was fortified through the migration of firewall infrastructure to a high-availability configuration. Continuous employee awareness programmes, including phishing simulations and cybersecurity training, contributed to greater organisational preparedness against cyber and data security risks.

IT Performance and Efficiency

Operational efficiency improved through stronger ticket management processes and enhanced system stability. A high proportion of IT application tickets were resolved within defined turnaround timelines, reflecting greater service efficiency. IT infrastructure ticket closure efficiency reached 99.51%, demonstrating greater responsiveness and service reliability. In addition, vendor consolidation and rationalisation initiatives further accelerated cost optimisation and adoption of technology-led governance practices.



Road Ahead

Our technology roadmap is focused on creating a future-ready digital ecosystem that blends scalability, agility and regulatory readiness to support sustained growth. Major focus is on automation across various functions, which will reduce manual dependencies and improve operational efficiency.

Deepening Lending Capabilities with Smarter Systems: Rollout of next-generation LOS and collections system across products will contribute to enhanced customer onboarding experience and improve underwriting efficiency, route optimisation for field team, real-time monitoring and compliance readiness.

Building Scalable, Cloud-first Architecture: Continued investment in API-based architecture, middleware and automation frameworks to boost long-term scalability and ensure faster deployment of new products and services.

Expanding Data-led Decision Intelligence: Expansion of enterprise data lake to build enhanced dashboards and predictive analytics capabilities, strengthening portfolio monitoring and risk identification.

Strengthening Compliance, Cybersecurity and Data Governance: Planned implementation of Mobile Device Management (MDM) and advanced monitoring tools to strengthen security. Focused on Digital Personal Data Protection (DPDP) compliance and robust data governance to reinforce regulatory alignment and stakeholder confidence.

Enhancing Customer and Employee Experience: Launch of enhanced customer mobile application, workflow automation tools and integrated communication platforms to elevate engagement, productivity and service delivery efficiency for customer as well as employees.

PEOPLE

Translating Headwinds into Headway with our People

A strong, capable workforce is key to navigating business headwinds and sustaining growth. Over the past year, we prioritised targeted interventions across talent acquisition, capability building, learning and performance management. These efforts translated into improved organisational effectiveness and stronger bench strength, while supporting the creation of a scalable talent pipeline aligned with our objectives.

Strengthening the Organisational Structure

In periods of transition, what makes an organisation stand out are its clarity of actions and its ability to inspire its people to adopt to the changes. Over the past year, we maintained extensive engagement with our teams, focusing on stabilising operations, strengthening leadership structures, and ensuring our alignment with long-term objectives. Our efforts were directed at reinforcing leadership accountability, sustaining employee confidence and bolstering internal capabilities to support an upward growth trajectory.

Pursuing Focused Talent Hiring

In a dynamic operating environment, organisational strength is defined by its ability to anticipate talent needs and build agile, future-ready teams that support sustained business performance. In step with this approach, we aligned hiring priorities closely with business needs to support field operations and maintain a steady talent pipeline across levels. This focus on agility and foresight helped build a responsive and connected talent ecosystem, enabling consistent fulfilment of operational requirements while bolstering the depth and continuity of our leadership pipeline.

Our sourcing strategy emphasised engagement through proven channels, including job portals, professional networks and employee referrals, ensuring alignment with planned hiring targets. Limited reliance on external consultants reflected strong internal sourcing capabilities. Campus hiring continued to play an important role, with Management Trainees from leading B-schools adding depth to the future leadership pool.

We also prioritised internal growth by encouraging employees to pursue new opportunities within the organisation through Internal Job Postings. This facilitated faster role transitions while unlocking and nurturing in-house talent to strengthen organisational continuity and capacity building.

Bolstering Supervisory Leadership

In a growing organisation, fortifying leadership depth and supervisory capability is critical to ensure effective execution and scalable operation. During the year, the span of supervision was widened, with each supervisor now overseeing a larger portfolio of branches. This change is intended to bring greater operational efficiency and also provide an opportunity to assess and develop leadership capabilities within the managerial cadre.

The increased breadth of responsibility provides leaders with greater exposure to scale and complexities, fortifying their ability to guide teams and deliver results in a demanding operating environment. It also serves as a mechanism to identify and develop high-potential leaders who can take on larger responsibilities in the future.

Ongoing Focus on Learning and Development

Sustained focus on capability building augments organisational preparedness in the face of evolving challenges and bolsters operational effectiveness. During the year, we reaffirmed this stance and continued our training initiatives across functions. We also expanded our digital learning platforms to ensure wider access and flexibility. Our corporate training programmes for support functions, on the other hand, were delivered through digital-first formats to ensure seamless reach.

We also rolled out a comprehensive Competency Framework to define clear behavioural and functional expectations across roles. Built on the pillars of Strategic, Institutional, Business and People Leadership, it emphasises core competencies such as growth mindset, prudent risk-taking, agility, process orientation, execution excellence and collaboration. The framework now drives performance conversations and serves as a foundation for capability assessments and long-term talent development.

Learning interventions were designed to be role-specific and impact-driven. Corporate teams were equipped with essential workplace skills. On the other hand, leadership and operational teams received focused training on business systems, policy updates and compliance through a blend of e-learning and instructor-led programmes. Field teams underwent structured onboarding, while being supported through mentorship and branch-level alignment initiatives to ensure a consistent and guided induction experience.

Targeted capability-building initiatives were also implemented in branches with weaker process adherence. Leadership teams were provided with branch-wise dashboards to strengthen accountability and execution discipline, resulting in measurable improvements in self-audit scores and operational compliance.

A new Learning Management System (LMS) is currently being introduced to replace legacy platforms. The upgraded system is expected to amplify the effectiveness of training delivery, streamline internal learning processes and further support the organisation's digital transformation efforts.

These initiatives collectively strengthened our learning ecosystem and laid the foundation for a future-ready leadership pipeline. As the next step, we will focus on identifying high-potential talent through structured development centres and performance–potential assessments. This, in turn, will guide the course of succession planning and strengthen leadership continuity.

Recognising Performance and Contribution

During a period of significant industry pressure, maintaining continuity in people processes is essential to sustain employee engagement and organisational stability. This posture was reflected in our initiatives through the year. Even amidst business headwinds, our annual Performance Management System (PMS) cycle continued uninterrupted, reaffirming the importance of recognising employee performance and contribution.

While industry conditions required moderation in compensation adjustments, we ensured that deserving employees received inflation-linked adjustments and increments. Continuation of the appraisal cycle during a challenging phase was an acknowledgement of the sustained efforts of our teams in maintaining organisational stability and also helped boost employee confidence.

Nurturing an Engaged Workplace

A strong organisational culture is shaped by consistent efforts to recognise contributions, foster transparency and support employee well-being. Further reaffirming this belief, we introduced long-service awards across the organisation to honour employee loyalty and sustained contributions.

To support financial wellness, a nation-wide webinar on tax planning was organised, while a pan-organisation engagement survey captured employee feedback. The insights were shared directly with leadership through focused walkthroughs, strengthening the feedback loop and enabling meaningful action.

We also celebrated key festivals across branches, regional offices, zonal offices and the head office, boosting cross-cultural collaborations beyond role requirements, while reaffirming the spirit of togetherness that defines the organisation.

CUSTOMER TESTIMONIALS

Transforming Access into Achievement

From a Small Store to a Stronger Future

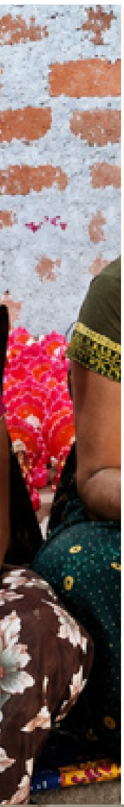
"What began as a small grocery and general store has grown into a stronger and more sustainable business with the support of Spandana Sphoorty. The timely financial assistance helped me expand my shop, increase my income, and better support my family. More importantly, it gave me the confidence to pursue my aspirations with greater determination."

— Astakala Sharanagat

From a Small Loan to a Big Dream

"I started my business in 2020 with a loan of ₹40,000. With determination and the support of Spandana Sphoorty, I steadily expanded my operations and improved my family's financial situation. Today, I proudly run one of the largest pottery businesses in my city. This journey has transformed my confidence and my future."

— Ratnabai



From Local Artisan to Entrepreneur

"With the right financial support, my small idol-making activity transformed into a growing enterprise. The increased income has brought stability to my family, enabled me to employ others, and helped me provide better opportunities for my children. This journey has shown me that determination can turn aspirations into achievements."

— Reena Devi

From Small Beginnings to Lasting Security

"For the past 13 years, Spandana Sphoorty has been a trusted partner in my journey. What began with a small loan to start a vegetable business gradually transformed my family's financial situation. Today, I own a permanent home and enjoy greater financial security. This support gave me the confidence to build a better future for my family."

— Rekha Jagdish Ingle

From Struggle to Self-Assurance

"Since becoming associated with Spandana Sphoorty in 2021, I have been able to provide my children with a quality education and fulfil important family responsibilities, including my daughter's marriage. The timely financial support brought stability to our household and gave me the confidence to build a brighter future for my family."

— Madhuri Yuvraj Landge

COMMUNITY COMMITMENTS

Empowering Communities for Inclusive Progress

Our CSR initiatives focused on the thematic areas of health and skill development & livelihood across Odisha and Uttar Pradesh. Through targeted interventions in locations, including Koraput, Berhampur, and Kushinagar, we continued to create meaningful impact within underserved communities. The programmes maintained a strong focus on women and rural populations, reinforcing our commitment to inclusive and grassroots-led development.

13,930
Beneficiaries

64%
Women beneficiaries

99%
Rural beneficiaries

Health

Digital Dispensary

We established a digital dispensary in Nandapur, Koraput (Odisha) in 2023, enabling telemedicine-led access to affordable and quality healthcare for underserved communities across multiple villages. The initiative delivered integrated healthcare support through primary consultations, specialty consultations, basic diagnostics, medicine distribution, and social health education programmes, strengthening access to preventive and primary healthcare services in rural regions.

During the year, the initiative impacted 13,630 beneficiaries, including 8,562 women and 5,068 men, reflecting strong participation from women in healthcare access and outreach programmes. A significant proportion of patients received treatment and guided care for musculoskeletal disorders such as arthritis and lower back pain, supporting improved mobility and pain management. The programme also identified concerns related to tobacco consumption and hygiene practices, following which targeted awareness sessions were conducted for school children and community members to promote preventive healthcare and healthier lifestyles.

Over the years , the digital dispensary has steadily evolved into a critical healthcare access point for tribal and underserved communities across nearly 400 villages. Since inception, the initiative has served 88,066 citizens, reinforcing its role in extending accessible, affordable, and quality healthcare services to previously unreached regions.

Beneficiaries

5,160
Primary consultations conducted

326
Specialty consultations facilitated

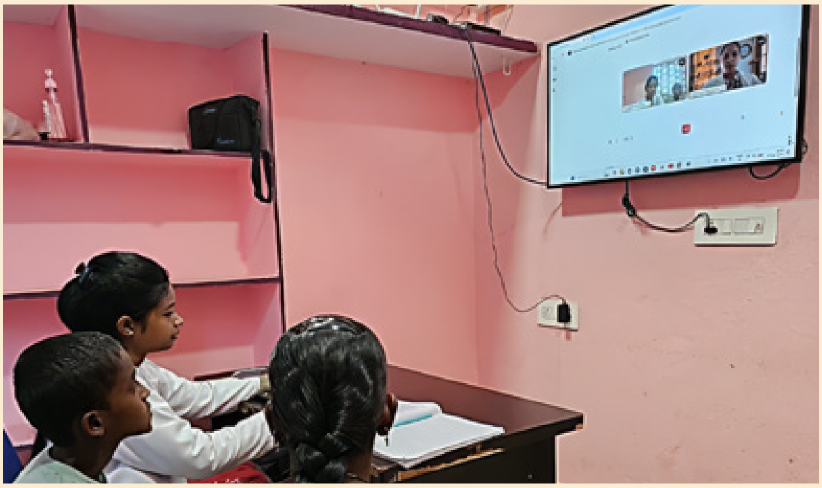
2,946
Preliminary diagnostic services provided

5,198
Medicines dispensed to beneficiaries

Digital Dispensary Impact Assessment

An impact assessment conducted across 14 villages covered 333 patients, comprising 58% women and 42% men, along with 196 children. The survey highlighted the significant impact of the digital healthcare initiative in improving access to affordable and quality healthcare services in underserved communities.

Around 83% of respondents accessed specialist consultation services for the first time through the digital dispensary. The intervention also reduced healthcare-related expenses substantially, with beneficiaries reporting a sharp decline in travel and consultation costs. Additionally, 71% of girl children reported adopting safer menstrual hygiene practices following awareness and health education sessions.



The programme also supported recovery and ongoing management of health conditions such as hypertension, vision-related issues, diabetes, and anaemia, with a significant proportion of beneficiaries showing signs of recovery or continued improvement through regular monitoring and guided care.

RISK MANAGEMENT

Calibrating Growth Through a Risk-aware Approach

The macroeconomic backdrop is steadily stabilising, aided by easing inflation and the onset of monetary accommodation, despite prolonged global uncertainties from geopolitical and trade-related disruptions. India's relative strength, driven by resilient domestic demand and improving liquidity, is expected to sustain credit growth over the medium term. Stress, however, persists in segments sensitive to income volatility and rural economic cycles with weather disparities.

Given the tighter underwriting standards, moderated disbursement growth and increased focus on asset quality, the microfinance landscape called for prudence and portfolio realignment in FY26. Borrower cashflow sensitivities, particularly in informal and rural segments, were highlighted through elevated Portfolio at Risk levels. However, occurrences over recent quarters indicated early signs of stabilisation, driven by improved borrower selection frameworks, guardrail-led lending practices and calibrated exposure strategies. Concurrently, regulatory developments continued to promote stronger governance, model-based underwriting and enhanced risk discipline, enabling institutions to build more resilient and diversified portfolio structures.

Set against this backdrop, we operate within a forward-looking Enterprise Risk Management framework, closely integrated with strategic and operational decision-making. The emphasis is on early identification of emerging risks, stronger governance oversight and disciplined capital deployment to maintain portfolio quality and align with organisational priorities. By embedding a strong risk-aware culture and bolstering internal controls, we are better positioned to respond to shifting dynamics, calibrate growth and sustain long-term performance.

Risk Framework

The Board establishes the overarching risk management framework, setting the foundation for long-term strategy and value creation. Within this structure, the Risk Management Committee (RMC) evaluates the operating landscape, including the competitive environment and regulatory developments, and guides the management team within Board-approved policies. The RMC assesses identified risks and determines the most appropriate response by deciding whether to accept, transfer, avoid or mitigate them through a balanced mix of measures.

While the Board sets the framework, policies and risk appetite, the RMC oversees the effective implementation of these guiding principles. The management team is responsible for execution, embedding risk management practices across operations and ensuring alignment with the organisation's strategic priorities.

The Board

- Establish the risk management framework for Spandana
- Set out the risk appetite for the Company
- Approve risk management policies
- Foster a culture of risk-informed decision-making
- Ensure alignment of long-term business plans and strategy with the risk appetite
- Endorse a performance-based culture within risk boundaries
- Review a summary of top risks and effectiveness of mitigation strategies
- Define the Charter for the Risk Management Committee of the Board

Risk Management Committee

- Comply with the Charter provided by the Board
- Offer guidance to the management team under Board-approved risk management framework
- Recommend the risk management policies to the Board for approval
- Monitor the effectiveness of the risk management policy and framework
- Approve changes to risk strategy, key risk limits and tolerances
- Oversee the development of risk management capabilities, including risk systems
- Ensure identification, measurement, monitoring and control of risks
- Review periodic risk reports and direct corrective actions
- Support the Chief Risk Officer in fulfilling responsibilities
- Escalate critical risks to the Board
- Confirm compliance by the risk management team with the risk policies and risk appetite
- Assess risk management reports, identify emerging risks and advise management on emerging risk issues

Management Team

- Adhere to the risk management framework, policy and appetite
- Cultivate a risk-based culture within the organisation
- Monitor various thresholds for identified risk
- Keep the RMC / Board updated on emerging risks
- Recommend necessary changes to the risk framework or propose to the RMC / Board, based on market factors, regulatory guidelines or business needs
- Manage risk within functions and departments across various domains
- Identify and control material risks at the outset of business activities to which the organisation is exposed to
- Report risk metrics (KRIs) and risk registers (RCSA)
- Assess risk issues through analysis of reports, loss databases and triggers

RISK MANAGEMENT

Risk Monitoring Mechanism

We incorporate well-defined thresholds and frequencies into our risk appetite framework to monitor risk exposure through structured processes, checks and controls. Our methodology involves regional evaluations and early warning signals to facilitate timely interventions. Continuous adoption of top-tier technologies further strengthens supervisory capabilities, improving the effectiveness and speed of risk detection and response.

The Chief Risk Officer (CRO) reports to the RMC and supports departmental risk management. Together, the RMC and CRO provide assurance to the Board and stakeholders on risk oversight, compliance and policy development. This governance structure is further fortified through internal and external audits, while the CRO also consolidates risk reports from various corporate functions.

Branch-level controls are assessed through digitalised audit processes and active monitoring. This leads to effective identification of hazards and compliance requirements at the branch level. This strategy aligns with our risk management philosophy and boosts branch integrity and efficiency.

The 1st Line of Defence

(Business Units)

Bears primary responsibility for daily control execution, policy adherence and regulatory compliance. Department heads, including front-line business and control functions, are accountable for identifying and highlighting emerging risks. They operate in adherence to laid down policies and procedures to manage existing risks, implement corrective actions and maintain effective internal controls.

The 2nd Line of Defence

(Risk Management & Compliance Support Functions)

Owns risk management processes, ensures assessment, management and reporting of risks, monitors risk limits and provides relevant information to senior management, the Board and its committees. It oversees the maintenance of internal controls and ensures compliance with legal and regulatory requirements.

The 3rd Line of Defence

(Internal Audit)

Independently evaluates the effectiveness of the institution's internal control framework, including risk control and compliance functions. This team reports to the Board and provides assurance on the robustness of internal controls and the overall efficacy of the risk management framework.

Risk Governance

Effective risk management is a Board priority and is fulfilled through a dedicated Risk Management Committee. By setting responsibilities, limits and standards, the Board, through the Risk Management Committee, aligns risk reward outcomes with business opportunities. Our risk management framework is supported by a robust risk culture, built on the 'Three lines of defence' model, protecting our operations and governance.

Focusing on Analytics-based Decisions

We evaluate branch expansion using a robust risk score algorithm that factors in credit performance, delinquency trends and market saturation. Our underwriting process to select customers is powered by a rules-based 'Go / No-Go' credit engine, enabling faster, consistent and risk-aligned decisions. We consistently refine our collection models through segmentation and behavioural analytics to maximise recoveries while adhering strictly to our Code of Ethics. Technology remains a crucial player across the credit lifecycle that helps improve efficiency and maintain our standards. Looking ahead, the management is exploring new-age data science and AI-driven tools to bring greater precision and agility in credit decisioning, making our operations future-ready and sustainable.

Strengthening Portfolio Quality through Calibrated Underwriting

We sharpened borrower selection frameworks through tighter credit filters, bureau-based assessments and calibrated ticket sizing, elevating portfolio resilience in a volatile operating environment. Enhanced onboarding controls, including Digi Locker-based identity verification and geo-tagging, improved early bucket performance, with the new portfolio demonstrating significantly reduced delinquency trends compared to earlier cohorts. The increasing share of recently underwritten loans with strong current status reflects the effectiveness of these disciplined credit risk management actions.

Embedding Data-led Risk Governance and Model-driven Decisioning

We strengthened our risk architecture by integrating fraud risk management with crisis monitoring functions, enhancement of Key Risk Indicators and refinement of Risk Appetite thresholds to enable sharper portfolio oversight. An internal credit scoring framework is under development, along with continuous evaluation of specialised model vendors, reflecting our focus on building a robust, data-driven underwriting ecosystem aligned with evolving regulatory expectations. These measures support more granular risk segmentation and enable calibrated expansion across borrower segments.

Enhancing Technology Architecture and Process Controls

We continued to invest in strengthening core lending infrastructure through improvements in Loan Origination and Loan Management Systems. The objective is to augment scalability, compliance readiness and operational efficiency. Digital onboarding capabilities and workflow automation initiatives significantly reduce manual dependencies, improving turnaround times and fortifying control mechanisms. These initiatives support consistent execution and more responsive risk monitoring across geographies and product segments.

Driving Execution Discipline and Organisational Stability

We undertook focused initiatives to strengthen collections efficiency, improve supervisory oversight and address field attrition to boost operational stability. Transition of fraud investigation responsibilities to the Risk function, improved monitoring of branch cash controls and targeted actions to improve collection performance in identified pools reflect our structured approach to execution discipline. These actions are strengthening organisational resilience and positioning the Company to pursue sustainable growth while maintaining prudent risk management standards.

Fortifying our Information Security Posture

We implemented a comprehensive set of Information Security initiatives in FY26 to strengthen cyber resilience and address emerging threat vectors. A key milestone was the deployment of a sophisticated Endpoint Detection and Response (EDR) solution, facilitating real-time monitoring, rapid threat identification and swift remediation across endpoints. The outcome was a materially stronger protection than conventional antivirus systems. This was complemented by the rollout of an Endpoint Management solution incorporating robust patch management and browser security controls, ensuring devices remain consistently updated and protected against web-based risks.

We also implemented a Privileged Access Management (PAM) solution to tighten control over access to critical systems and sensitive data, thereby reducing the risk of privilege misuse and insider threats. In parallel, a Data Loss Prevention (DLP) solution was deployed to safeguard against unauthorised transmission or exfiltration of confidential information, whether inadvertent or malicious. Attack surface management capabilities were introduced to continuously scan exposed digital assets, enabling timely identification and mitigation of vulnerabilities.

Alongside technology investments, we continued to foster a security-conscious culture through regular phishing simulation exercises, enabling employees to better recognise and respond to social engineering risks. Periodic information security risk assessments, VAPT exercises and audits were rigorously conducted to ensure ongoing compliance and effectiveness of controls. Information Security and Cyber Security policies were further amplified in line with evolving regulatory expectations. In addition, a well-defined Cyber Crisis Management Plan was established to drive structured and rapid response to potential cyber incidents.

Collectively, these initiatives strengthened visibility, control and resilience across critical risk vectors, supporting a secure, compliant and future-ready information security framework while enabling zero material cyber security incidents during the year.

GOVERNANCE

Aligning Organisational Direction with Core Governance Principles

Good governance underpins sustainable performance. Through transparent practices, ethical conduct and disciplined execution, we strengthen accountability, build stakeholder trust, enhance operational discipline and support resilient growth.

We recognise our responsibility to customers, employees, regulators and the broader community, and strive to ensure fair, consistent and mutually respectful association. Our focus remains on fostering inclusive growth and maintaining constructive relationships with each stakeholder group.

Governance Philosophy

Our governance philosophy is anchored in accountability, fairness and transparency. Our Board provides strategic oversight, safeguarding stakeholder interests and ensuring equitable treatment, including the protection of minority shareholders. It steers organisational direction and monitors performance to maintain alignment with long-term objectives.

Timely and accurate disclosures remain a priority to reaffirm trust and ensure regulatory compliance. By embedding governance principles into everyday operations, we guarantee consistent and responsible execution.

Our Board of Directors

Our Board comprises 10 accomplished professionals from diverse backgrounds, bringing independent perspectives that strengthen decision-making. With Independent Directors comprising half of the Board, it ensures balanced governance, objectivity and robust oversight of strategic matters.

The Board meets regularly to review tactical, operational and financial priorities, enabling proactive and informed decisions. Its functioning is governed by defined policies and committee charters that clearly outline roles, responsibilities and authorities.

Board Committees

The Board has constituted ten specialised committees to strengthen governance effectiveness and enable focused oversight. Each committee operates under clearly defined charters, with designated responsibilities and authority, and includes a balanced mix of Board members and domain experts.

These committees provide advisory support to the Board through insights and recommendations across key functional areas, aligned with organisational objectives. Their effectiveness is regularly reviewed, with committee deliberations presented to the Board by the respective Chairpersons, and minutes shared to ensure transparency and continuity in decision-making.

Governance Framework

Our governance framework is robust, adaptive and aligned with evolving regulatory and industry requirements. It integrates the Board, Committees and Leadership Team for effective oversight and execution.

The Board focuses on enterprise-wide priorities, guiding key decisions and ensuring that management actions are in sync with approved strategies. Board Committees deliver oversight on key areas through delegated authority, supporting informed and timely decision-making. The Leadership Team executes Board-approved strategies and policies, ensuring alignment with business priorities and operational goals.

Together, these elements create a cohesive governance structure that fosters long-term value.

Transparency and Disclosures

Transparency is integral to our governance approach. We ensure clear, timely and consistent communication with stakeholders, aligned with the high standards of corporate governance and regulatory compliance.

We proactively disclose performance updates through quarterly investor presentations, earnings call transcripts and prompt dissemination of material information. This disciplined disclosure framework boosts stakeholder confidence and reaffirms our emphasis on integrity in all business dealings.

Code of Conduct

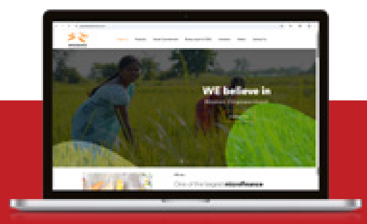
Our Code of Conduct defines the ethical foundation of behaviour across the organisation, applying to all employees, including senior management and the Board. It sets clear expectations for professionalism, integrity and accountability.

The Code is introduced during the onboarding process, with every employee requiring to formally acknowledge compliance. Ongoing adherence is reinforced through regular communication and training initiatives. Sound oversight mechanisms are maintained to ensure compliance, with instances of misconduct addressed promptly and appropriately.

Robust Policies

Well-defined policies and codes form the basis of ethical conduct and effective governance. We maintain a comprehensive policy framework guiding the Board, management and employees. This includes the Code of Conduct for the Board and Senior Management, Whistleblower Policy, Risk Management Policy, Related Party Transactions Policy, Prevention of Sexual Harassment Policy and the Code on Insider Trading.

These policies shape organisational behaviour and ensure adherence to regulatory and ethical standards. They are reviewed and updated periodically to maintain relevance, effectiveness and alignment with evolving best practices.



For a complete list of our policies, please visit: *www.spandanasphoorty.com/policies*

BOARD OF DIRECTORS

Ms. Abanti Mitra
Chairperson and
Independent Director*

Ms. Mitra holds a postgraduate diploma in rural management from the Institute of Rural Management, Anand. She has previously worked with Micro Credit-Ratings International Limited and ICICI Bank Limited, focussed on rural and microbanking businesses. She also serves as a Director on the Board of Positron Consulting Services Private Limited and Positron Capital Services LLP. At Positron, she works closely with private equity and NBFC clients. She is an Independent Director on the Boards of Criss Financial Limited and Vedant Fashions Limited. She was a Director on our Board from 2012 to 2016 and rejoined the Board as an Director on May 4, 2017, since when she has continued to serve as a Director.

*Following her unfortunate demise on July 13, 2026, she ceases to be the Chairperson and Independent Director of the Company

Mr. Animesh Chauhan
Independent Director

Mr. Chauhan has more than three decades of rich banking experience, including handling overseas operations, regions, and zonal offices. He holds a Bachelor's degree in Commerce from Jiwaji University. He started his career in 1979 as a Direct Recruited Officer in Bank of Baroda and was elevated to the position of General Manager in February 2010. He subsequently joined Central Bank of India in August 2013 as Executive Director, where he oversaw key portfolios such as retail banking, information technology, transaction banking, priority sector, MSME, and recovery. He served as the Managing Director & Chief Executive Officer of Oriental Bank of Commerce from December 2014 to June 2017. He has also served on the Boards of Canara HSBC Life Insurance Co. Limited, India Infrastructure Finance Company Limited and the Indian Institute of Banking & Finance. Mr. Chauhan has been associated with the Indian Banks' Association and the National Institute of Banking Studies and Corporate Management. He has been a Director on our Board since August 4, 2022.

Mr. Deepak Calian Vaidya
Independent Director*

Mr. Vaidya has been a fellow of the Institute of Chartered Accountants in England and Wales since 1979. He serves as a Director on the Boards of Marudhar Hotels Private Limited, Apollo Multispeciality Hospitals Limited (formerly known as Apollo Gleneagles Hospital Limited), API Holdings Limited, and Spiracca Ventures LLP. He served as a director in our Board from June 6, 2018 till June 5, 2026.

*Ceased to be an Independent Director of the Company effective from close of business hours on June 5, 2026 consequent to completion of his second term as an Independent Director.

Ms. Dipali Hemant Sheth
Independent Director*

Ms. Sheth holds a Bachelor's degree in Economics (Honours) from LSR College, University of Delhi. She was part of the Senior Management Trainee cohort of the DCM Group, Batch of 1986-88. She advises on strategy, mergers & acquisitions, sales/distribution, human resources, and international growth & expansion. She served as the Country Head of Human Resources at the Royal Bank of Scotland, India (RBS) from 2008 to 2017, where she led the HR function across all businesses and locations in India, managing a team of 230 HR professionals and supporting a workforce of 15,000 employees. Prior to RBS, she was associated with Standard Chartered Bank for 12 years during a period of significant expansion and growth. Her last role there was Head of HR South Asia, where she supervised HR functions across the region, supported the growth of the Wholesale Bank, and gained valuable experience in strategy and change management, including key acquisitions such as Grindlays and American Express. Earlier in her career, she worked with Procter & Gamble in the Sales and Marketing division for six years. She is an accredited Gallup and ICF (USA) Coach. She has been a Director on our Board since May 2, 2023.

*Appointed as a Non-Executive Chairperson of the Board of Directors of the Company with effect from July 23, 2026.

Mr. Vinayak Prasad
Independent Director

Mr. Prasad holds an MBA from The Wharton School, University of Pennsylvania, and has over 30 years of global leadership experience in unsecured lending businesses, fintech, and payments. He is the Founder & CEO of Frog8 Technologies Services Private Limited, a platform innovating in transit and unattended automation. At ICICI Bank and Capital One, he managed multibillion-dollar unsecured lending businesses, and at Verifone he led payments businesses across geographies. He also served as CEO & MD of Forbes Technosys, a leading provider of self-service automation and payment technology solutions; and has advised Meta/ WhatsApp on digital payments strategy. He has been a Director on our Board since May 2, 2023.

BOARD OF DIRECTORS

Mr. Sunish Sharma

Non-Executive Nominee Director

Mr. Sharma is a seasoned private equity professional with over 29 years of experience across investment strategy, business transformation, and value creation. He serves as a Non-Executive Director on the Company's Board, having held this position since March 31, 2017.

He is the Founder and Managing Partner of Kedaara Capital, one of India's leading private equity firms, which advises and manages over $6 billion in AUM. The firm partners with entrepreneurs and management teams to build enduring, long-term value in growth-oriented businesses across India. His investment philosophy spans a broad range of sectors, including financial services, consumer, business services, technology, healthcare, and industrials across both private and public markets.

Prior to founding Kedaara in 2012, Mr. Sharma held senior leadership positions at General Atlantic and McKinsey & Company, where he developed deep expertise in growth investing and strategic advisory across emerging and developed markets.

Mr. Sharma holds a Bachelor's degree in Commerce (Honours) from the University of Delhi and is a qualified Cost Accountant. He earned his MBA as a Gold Medallist from the Indian Institute of Management, Calcutta (Kolkata).

In addition to his role on the Company's Board, he currently serves as a Director on the Boards of Care Health Insurance Limited, Vedant Fashion Limited, and Avanse Financial Services Limited. Over the course of his career, he has served on numerous other boards while leading investments in a distinguished portfolio of companies, including Lenskart, Impetus, Neurealm, Porter, R1 RCM, Dairy Day, K12, Purplle, Mahindra Logistics, Manjushree, Bill Forge, Hexaware Limited, IndusInd Bank, Jubilant Lifesciences, Cyient Limited, and IBS Software Services Limited, among others.

Mr. Neeraj Swaroop

Non-Executive Nominee Director

Mr. Swaroop holds a Mechanical Engineering Degree from IIT - Delhi, and an MBA from IIM - Ahmedabad. He is an experienced professional with over 40 years in the FMCG and financial services industry. He has built and led businesses across India and Asia. Currently, he works as an advisor and serves on the boards of several companies. His last full-time role was with Standard Chartered as Regional CEO, South-East Asia and Singapore. Previously, he has worked with Pond's India, Hindustan Unilever, Bank of America, and HDFC Bank in various leadership roles. He has also held board positions at Bank of Permata Indonesia, CDSL India, PNB Metlife India, and Standard Chartered subsidiaries in Malaysia, Thailand, Vietnam, Mauritius, and Nepal. He has been a Director on our Board since August 4, 2022.

Mr. Ramachandra Kasargod Kamath

Non-Executive Nominee Director

Mr. Kamath holds a Bachelor's degree in Commerce from the University of Mysore. He has been an honorary fellow of the Indian Institute of Banking & Finance since 2009 and was certified as an associate of the Indian Institute of Bankers in 1994. He previously worked with Corporation Bank for 28 years, where he last served as General Manager. He held the position of Chairman & Managing Director of Punjab National Bank for five years. Earlier to this, he was Executive Director at Bank of India and Chairman & Managing Director at Allahabad Bank. He was also the Chairman of the Indian Banks Association for two years. Currently, he serves as the Non-Executive Chairman of Niwas Housing Finance Limited, Conatus Finserve Private Limited and New Opportunity Consultancy Private Limited. He is also a Director on the Boards of Manipal Payment and Identity Solutions Limited (formerly known as MCT Cards & Technology Private Limited) and PNB MetLife India Insurance Co. Limited. He has been a Director on our Board since May 4, 2017.

Ms. Saakshi Gera

Non-Executive Nominee Director

Ms. Gera has over 14 years of investment experience, encompassing the full lifecycle of private equity in India across a variety of industries such as technology services, financial services and healthcare. At Kedaara, she co-leads investments in the technology services sector and has been involved in leading / advising on investments such as Impetus, ASG, Universal NutriScience, GS Lab-GAVS, and Spandana. Prior to joining Kedaara Capital, she served as an Executive Director at Goldman Sachs (India office) in its Principal Investing Arm, where she focused on investments in financial services, IT services, and the energy sector. Some of the key investments she worked on include ReNew Power, Max Financial, Noveltech Feeds and BPL Medical. Earlier in her career, she was part of the investment team at Providence Equity Partners and worked in investment banking at Nomura. Ms. Gera has completed all levels of the CFA Programme (USA). She holds a Bachelor of Arts degree in Economics from Delhi University, where she was a rank holder. She has been a Director on our Board since May 22, 2024.

Mr. Venkatesh Krishnan

Managing Director & Chief Executive Officer

Mr. Krishnan is a Chartered Accountant with over 35 years of experience in financial services across leading institutions and diverse functions. He brings deep expertise in financial inclusion and rural banking. Previously, he headed the Microfinance division at HDFC Bank (retail and wholesale) from 2018 till November 2025, driving transformative initiatives such as low-cost branches, undergraduate hiring programmes, and a unified technology platform. He played a pivotal role in expanding the Self-Help Group business, earning HDFC Bank the 'Best Private Bank' award by MoRD in FY22 and FY23. His deep sector expertise is further highlighted by his tenure as MD/CEO of IFMR Rural Channels and his previous role on the Board of MFIN. His career also includes leadership roles as Head of Branch Banking at HSBC and Chief Distribution Officer at L&T Insurance, where he gained extensive experience across assets, liabilities, and NBFC setup. He has been a Director on our Board since November 27, 2025.

LEADERSHIP TEAM

Mr. Ashish Kumar Damani
President and Chief Financial Officer

Mr. Damani brings over 25 years of extensive experience in the microfinance industry. He joined Spandana in 2022 as President and Chief Financial Officer, playing a pivotal role in raising nearly ₹20,000 crore in funding and executing several key strategic transactions. Before joining Spandana, Mr. Damani served as the Chief Financial Officer at Bharat Financial Inclusion Limited (BFIL), a subsidiary of IndusInd Bank Limited. Over his two-decade tenure at BFIL, he progressed through various leadership roles, gaining deep expertise in the microfinance sector. He was instrumental in steering the organisation through multiple industry disruptions and played a leading role in managing a borrowing programme of approximately ₹12,000 crore prior to BFIL's merger with IndusInd Bank. Mr. Damani holds an Advanced General Management Programme (AGMP) qualification from IIM Ahmedabad and a Post Graduate Diploma in Business Administration (PGDBA) from Symbiosis, Pune. Mr. Damani also served as Interim CEO for the Company from April 23, 2025 to November 26, 2025.

Mr. Avinash Yadav
Chief Information Officer

Mr. Yadav is a visionary technology leader with expertise in leading high impact technology projects, AI / ML models, technical operations and IT governance. With over 17 years of experience in NBFC, HFC and FinTech sectors, along a track record of success in driving IT operations, high-impact technology and digital transformation programmes to enable greater customer experience, business growth and operational efficiency. He has been recognised as one among the Top 50 tech leaders in NBFC by ET-Edge and as the Best CTO/CIO of the Year 2025 by UBS Forums. Before joining the Company, he worked with IIFL Samasta Finance Limited. Mr. Yadav is an Engineering & MBA degree holder and also has a Digital Transformation certificate from ISB Hyderabad and a Leadership Programme certificate from Harvard.

Mr. Ganesh KV
Chief Operating Officer

Mr. Ganesh is a seasoned financial services professional with over three decades of experience spanning microfinance, retail banking, rural markets, and large-scale distribution. He has held senior leadership roles at Chaitanya India Fin Credit Private Limited, Dvara KGFS, HDFC Bank and ICICI Bank. In his last employment with Chaitanya, he served as President & Head – Internal Audit, where he led the automation of audit processes and strengthened governance & compliance frameworks. Prior to this, as President – Operations, he oversaw business expansion, product development, pilot initiatives, and multi-state operational management. His earlier employments include leadership roles with prominent consumer and distribution companies such as Parle Agro, GM Pens (Reynolds), PepsiCo, Asian Paints, and Eureka Forbes. Mr. Ganesh holds a degree in Physics, Mathematics & Electronics.

Mr. G. Parthasarathy
Chief Risk Officer

Mr. Parthasarathy is a senior financial services professional with over 27 years of experience in enterprise risk management, fraud risk management, internal controls, corporate & internal audit, legal & compliance, credit & policy, collections, business operations and sales across the banking and NBFC sectors.

He most recently served as the Chief Risk Officer at Belstar Microfinance Limited, leading risk management, corporate audit, legal, compliance and information security at a national level. He played a key role in strengthening governance frameworks and internal controls while managing a multi-functional team of over 400 professionals across India.

Earlier, he held senior leadership roles with Madura Microfinance, BEBB India, Muthoot Fincorp, HDFC Bank, and GE Money, where he contributed to the development of Risk-Based Internal Audit (RBIA) frameworks, Enterprise Risk Framework models, fraud risk governance systems, and operational control mechanisms. He is known for his governance-driven leadership approach and strategic alignment of risk and audit practices with business objectives.

Mr. Parthasarathy holds degrees in Law (LL.B.), MBA in Marketing, and B.Sc. in Mathematics. He is also pursuing FRM certification and holds certifications in Six Sigma (White Belt) and IRDA. He has received several awards and recognitions for his contributions to governance, audit, and risk management in the financial services industry.

Mr. Prashant Rai
Chief People Officer

Mr. Rai brings over 20 years of extensive experience in strategic human resources, talent management, Learning & Development and corporate sustainability. Throughout his career, he has played a pivotal role in leading organisational and cultural transformations across diverse sectors. His expertise spans across strategic people practices, mergers and acquisitions, implementation of HR technologies, and the establishment of leadership development academies.

Before joining Spandana, he held leadership roles in renowned organisations including Videocon International Limited, Wacker Chemie AG, SREI Infrastructure and Arohan Financial Services Limited. In each of these roles, he demonstrated a strong ability to align HR strategies with business objectives, foster high-performing cultures, and drive sustainable growth.

Academically, Mr. Rai holds a Post Graduate Diploma in Business Management (HR) from EMPI Business School and an Executive MBA from XLRI, Jamshedpur. He is a certified Six Sigma Black Belt and has completed prestigious certifications such as the Growth Leadership Programme by Korn Ferry International. Additionally, he is a certified PPA Assessor (Thomas International) and holds a National Position Evaluation Certification from Mercer.

Leadership Team

Mr. Sunand Sahu
Chief Internal Auditor

Mr. Sahu has over 27 years of experience in the areas of audit, enterprise risk management & compliance. He has exposure to various facets of lending business, including sales, credit, policy, collection and control functions. Mr. Sunand's experience spans a variety of NBFC-MFIs and NBFC's, including Vistaar Financial Services Limited, RBL Finserv Limited, Bharat Financial Inclusion Limited, Fullerton India Credit Co Limited and Reliance Telecommunications Limited. He has handled large audit teams and was instrumental in end-to-end digitisation of audit systems in his earlier assignments. He holds an MBA in Finance from the Indian School of Business Management & Administration, Mumbai.

Mr. Vinay Prakash Tripathi
Company Secretary

Mr. Tripathi comes with two decades of experience in the fields of secretarial, governance and compliance. His experience spans a variety of NBFCs and Banks, including L&T Finance Limited, ECL Finance Limited, YES Bank and RBL Bank Limited. He has vast expertise in establishing governance structures, implementing secretarial & compliance systems, managing regulatory matters, multiple public issues and private placements of equity and debt, as well as M&A of companies. He is also a guest speaker on corporate laws at various forums.

Mr. Vijay Mohan Reddy
Chief Compliance Officer (CCO)

Mr. Reddy holds a master's degree in Law and is a Fellow Member of the Institute of Company Secretaries of India. He has 19 years of experience in secretarial, legal and compliance functions for NBFC-MFI companies such as Bharat Financial Inclusion Limited (formerly known as 'SKS Microfinance'), Spandana Sphoorty Financial Limited, Srifin Credit Private Limited, as well as NBFCs like TruCap Finance Limited (formerly known as 'Dhanvarsha Finvest Limited'). He has played a pivotal role in handling the compliance, legal and secretarial functions, including DRHP preparation, due diligence and responding to regulatory queries related to the first IPO of the MFI sector in India. He has successfully obtained the Certificate of Registration for undertaking NBFC-MFI business for Srifin. He also has a considerable experience in the placement of listed debt securities and in helping regulated entities comply with SEBI Regulations, RBI Directions, the Companies Act, FEMA Guidelines, etc., as well as in interacting with regulators.

Ms. Shilpa Jain
Chief of Reporting and Assurance

Ms. Jain is an accomplished finance leader. At Spandana, she leads finalisation of financial statements, audit, liability management and investor relations, with a clear focus on strengthening governance, enhancing transparency, and building stakeholder trust. She has over 16 years of progressive experience across Finance Operations, Compliance & Financial Reporting, Audit & Assurance, finance operations, compliance and financial reporting, audit and assurance, financial planning and analysis, business finance partnering, budgeting and forecasting, finance transformation, and system implementation, and both merger and regulatory audits. She combines strategic foresight, analytical rigour, and exceptional organisational skills to streamline complex financial processes, optimise systems, and enable data-driven decision-making.

Renowned for her ability to bridge operational execution with long-term strategic vision, she ensures financial structures remain agile, compliant, and aligned with business objectives to drive sustainable growth.

Her leadership journey includes senior roles at Bharat Financial Inclusion Limited and Shriram Finance. Shilpa holds an MBA, is a qualified Company Secretary (CS), and earned her Bachelor's degree in Commerce.

Mr. Subhrangsu Chakravarty
Chief Financial Controller

Mr. Chakravarty comes with more than two decades of corporate experience ranging over diverse fields of finance and accounts, budget and forecast, taxation, financial strategy, treasury functions and new deal evaluation. As a finance professional, he has worked with organisations like ASA International India Microfinance Limited as its CFO and has held various leadership roles with Capgemini, HCL Technologies and Reliance Entertainment. Mr. Chakravarty is a Chartered Accountant from Institute of Chartered Accountants of India and a Cost Accountant from the Institute of Cost and Works Accountants of India.

Management Discussion and Analysis

Spandana Sphoorty Financial Limited is a rural-focused non-banking financial company (NBFC) and microfinance institution (MFI) with a strong presence across India. We primarily extend income-generating loans through the Joint Liability Group (JLG) model, with a focus on supporting women from low-income rural and semi-urban households. We have also expanded our portfolio to include Loan Against Property (LAP) through our subsidiary.

7.6%
Projected real GDP in 2025-26

₹3,25,174 crore
Gross loan portfolio (GLP) of Indian microfinance industry as on March 31, 2026

As a responsible participant in India's microfinance ecosystem, we endeavour to expand access to formal credit for underserved communities that remain beyond the reach of conventional financial systems. Our approach is centred on supporting women-led households through structured, income-oriented lending that encourages financial discipline and entrepreneurial activity. By strengthening credit access at the grassroots level, we contribute to expanding financial inclusion, fostering livelihood creation, and supporting the gradual economic participation of rural and semi-urban communities. We recognise that sustainable progress is built through consistent efforts, and we remain committed to responsibly expanding access to finance while adapting to the evolving needs of the sector.

1. MACRO-ECONOMIC OVERVIEW

Global Economic Review

The global economy continues to demonstrate resilience, although the growth trajectory has moderated amid rising geopolitical uncertainties and evolving trade dynamics. According to the International Monetary Fund's April 2026 World Economic Outlook, global real GDP growth is projected at 3.1% in 2026 and 3.2% in 2027, below both recent trends and the long-term historical average, indicating a phase of steady but slower expansion.

GDP growth trend (in %)

Details	Estimated	Projected	
	CY 2025	CY 2026	CY 2027
World Economy	3.4	3.1	3.2
Advanced Economies	1.9	1.8	1.7
Emerging & Developing Economies	4.4	3.9	4.2

(Source: IMF April Outlook)

Outlook

The near-term global outlook has been shaped by heightened geopolitical tensions in the Middle East, contributing to volatility in energy markets, disruptions in commodity supply, and renewed pressure on inflation expectations and financial conditions. These developments have created short-term uncertainties; however, they have also reinforced the strategic importance of energy security, resilient infrastructure, and stable supply chains for sustaining economic activity. Global headline inflation is projected to rise to 4.4% in 2026 before moderating to 3.7% in 2027, reflecting the temporary impact of supply-side disruptions, particularly in energy markets, followed by gradual normalisation.

Indian Economy

The Indian economy continues to exhibit strong resilience and steady growth, with real GDP projected to expand by 7.6% in 2025-26, according to the Second Advance Estimates of the National Statistics Office. This sustained momentum reflects robust underlying economic fundamentals and positions India among the fastest-growing major economies globally. The outlook remains supported by rising productivity, broad-based development, and policy emphasis on inclusiveness and stability, reinforcing the country's long-term trajectory towards the vision of Viksit Bharat 2047.

Financial Year	Real GDP Growth Rate (%)
FY 2021–22	8.7
FY 2022–23	7.0
FY 2023–24	7.6
FY 2024–25	6.5
FY 2025–26 (E)	7.6

E: Estimated

(Source: https://www.pib.gov.in/PressReleasePage.aspx?PRID=2233792&reg=3&lang=1)

A continued emphasis on large-scale public investment has positioned infrastructure at the core of India's growth momentum. The Government of India has maintained a strong capital expenditure focus across key sectors such as railways, waterways, logistics, and urban development, with allocations rising to ₹12.2 lakh crore from ₹11.2 lakh crore in 2025-26. This expanding investment footprint is set to enhance connectivity, streamline supply chains, and improve overall economic efficiency, while also creating strong multiplier effects across allied industries and supporting sustained long-term growth.

Outlook

Looking ahead, growth for 2026–27 is expected to moderate slightly to the range of 6.6%–6.9%, reflecting external pressures such as geopolitical tensions in West Asia and volatility in global energy markets. Despite these challenges, India's macroeconomic fundamentals remain robust. Ongoing tax rationalization measures and expanding trade engagements with key trading partners, including the UK, EU, and US, are likely to support export competitiveness. At the same time, the expanding digital economy and a resilient services sector continue to provide important buffers against global shocks. With improving rural demand and steady urban consumption, India is well-positioned to sustain a medium-term growth trajectory of around 7% through 2028, balancing external uncertainties with strong domestic drivers.

2. INDUSTRY OVERVIEW

Microfinance in India plays a vital role in advancing financial inclusion and reducing poverty by extending small-ticket credit to low-income and unbanked segments, particularly in rural geographies. By empowering women-led Joint-Liability Groups (JLGs) and micro-entrepreneurs, it fosters grassroots enterprise, enhances household incomes, and contributes meaningfully to rural economic development.

Strengthening Financial Inclusion through Microfinance

- **Expands Access to Formal Credit:** Microfinance institutions (MFIs) provide small-ticket loans to individuals traditionally excluded from formal banking channels, enabling access to reliable, regulated financial services.
- **Empowers Women and Strengthens Livelihoods:** By supporting women-led Joint-Liability Groups (JLGs) and small entrepreneurs, microfinance enhances financial independence, encourages participation in economic activities, and promotes inclusive growth.
- **Promotes Micro-Entrepreneurship and Income Generation:** Access to credit facilitates the creation and expansion of small businesses across agriculture, trade, services, and cottage industries, fostering grassroots enterprise and employment.

- **Encourages Savings and Financial Discipline:** Microfinance programmes cultivate regular savings habits and responsible borrowing behaviour, strengthening financial resilience and improving money management practices.
- **Supports Household Stability and Rural Economic Development:** Structured access to finance reduces dependence on informal lenders, helps households manage contingencies, and stimulates economic activity across underserved and rural communities.

Microfinance sector progress

The microfinance sector is currently navigating a phase of near-term challenges shaped by evolving macroeconomic conditions, regulatory developments, and shifts in borrower behaviour. Elevated inflationary pressures in recent periods have impacted household cash flows, particularly within low-income segments, influencing repayment capacity and credit demand patterns across certain geographies.

The industry has also witnessed increased focus on responsible lending practices and borrower leverage levels, prompting lenders to adopt calibrated disbursement strategies and strengthen underwriting frameworks. Regulatory emphasis on customer protection, transparency, and fair practices continues to encourage disciplined growth, while requiring institutions to further enhance compliance, monitoring, and governance processes.

Competitive intensity within the sector, alongside the expanding presence of banks, small finance banks, and fintech-led models, is influencing pricing dynamics and customer acquisition strategies. At the same time, fluctuations in funding costs and liquidity conditions have required microfinance institutions to maintain prudent balance sheet management and diversify funding sources.

Regional concentration risks, climatic disruptions affecting rural incomes, and evolving customer credit behaviour are contributing to short-term portfolio stress in select pockets. In response, the sector is reinforcing risk management frameworks, leveraging data-led credit assessment, and strengthening collection mechanisms to sustain portfolio quality.

Despite these interim headwinds, the structural fundamentals of the microfinance industry remain strong, supported by continued demand for formal credit, increasing financial awareness, and policy support aimed at expanding financial inclusion. The sector's long-term growth trajectory continues to be underpinned by its role in enabling entrepreneurship, supporting livelihoods, and bridging the credit gap for underserved communities.

According to the Micrometer Report, as of 31 March 2026, the Indian microfinance industry had a gross loan portfolio (GLP) of ₹3,25,174 crore, including a DPD 180+ portfolio of ₹53,907 crore. The sector served 10.1 crore active loan accounts during the period. On a year-on-year basis, the industry's GLP declined by 13.3%, reflecting a phase of consolidation following a period of strong growth. A key factor contributing to this decline was the migration of approximately 8.3% of the portfolio from microfinance to retail lending, with banks accounting for the majority of this shift.

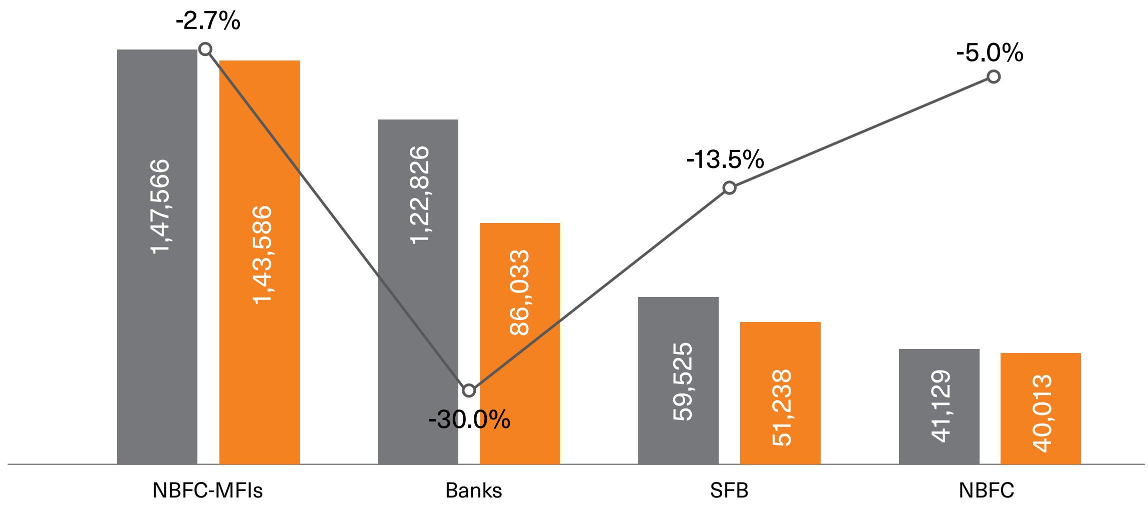
NBFC-MFIs remained the largest providers of micro-credit, with an outstanding portfolio of ₹1,43,586 crore, representing 44.2% of the industry's total portfolio. Banks held the second-largest share with outstanding loans of ₹86,033 crore, accounting for 26.5% of the micro-credit universe. Small Finance Banks (SFBs) followed with an outstanding portfolio of ₹51,238 crore and a 15.8% share. NBFCs contributed 12.3% of the portfolio, while other MFIs accounted for the remaining 1.3%. Together, NBFC-MFIs and banks represented over 70% of the total micro-credit universe.

Overall status of portfolio, unique borrowers and loan accounts

Type of Entity	No. of Entities (Mar-25)	Unique Borrowers (Cr) (Mar-25)	Active Loan Accounts (Cr) (Mar-25)	Portfolio O/S (₹ Cr) (Mar-25)	No. of Entities (Mar-26)	Unique Borrowers (Cr) (Mar-26)	Active Loan Accounts (Cr) (Mar-26)	Portfolio O/S (₹ Cr) (Mar-26)
NBFC-MFIs	93	3.7	5.3	1,47,566	86	3.2	4.3	1,43,586
Banks	17	3.2	4.5	1,22,826	17	2.3	3.1	86,033
SFBs	10	1.9	2.1	59,252	10	1.4	1.6	51,238
NBFCs	92	1.2	1.2	42,129	96	0.9	1.0	40,013
Others	–	0.1	0.1	3,256	–	0.2	0.2	4,304
Total	**212**	**7.8**	**13.3**	**3,75,030**	**209**	**6.4**	**10.1**	**3,25,174**
DPD 0–179	212	–	11.1	3,32,636	209	–	7.5	2,71,267

Source: Micrometer Report, May 2026 | CRIF

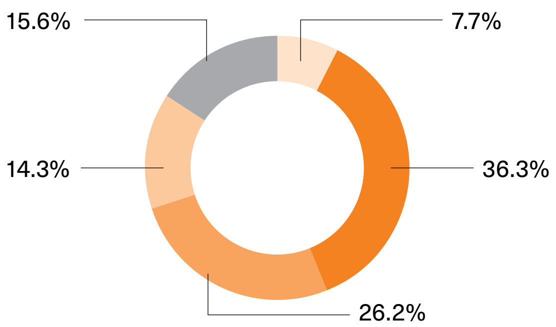
Portfolio outstanding of the microfinance industry (₹ Cr)



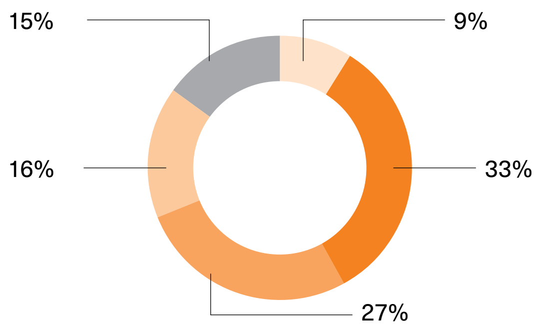
Source: Micrometer Report, May 2026

As on 31 March 2026, microfinance operations spanned 721 districts across 28 states and 7 union territories (UTs). Top 5 states in terms of loan amount outstanding are Bihar, Uttar Pradesh, Tamil Nadu, Karnataka and Maharashtra. They account for 57.3% of AUM and the Top 10 states account for 84.0% of the total loan amount outstanding.

Regional distribution of unique borrowers 31 March 2026 (%)



Regional distribution of AUM 31 March 2026 (%)



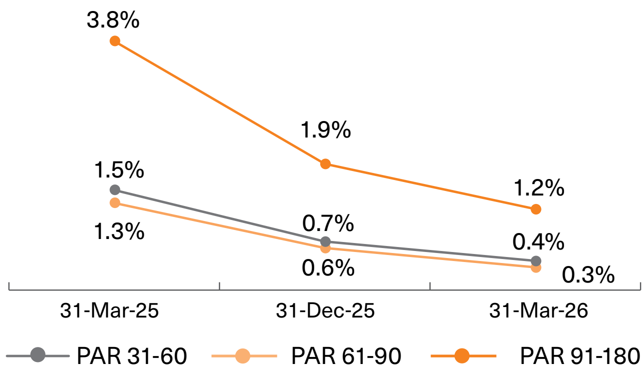
Central East and North East South North West

Source: Micrometer Report, May 2026

As of 31 March 2026, NBFC-MFIs had an on-balance sheet portfolio of ₹1,43,586 crore, with a presence across 706 districts in 36 states and union territories. While the portfolio contracted by 2.7% year on year and the borrower base declined, the sector maintained its geographic reach.

The overall health of the portfolio improved significantly during the year, with Portfolio at Risk (PAR) in the 31–180 days bucket declining to 1.9% as of 31 March 2026, from 6.6% as of 31 March 2025 and 3.2% as of 31 December 2025.

Portfolio quality of NBFC-MF (%)



Source: Micrometer Report, May 2026

3. OPERATIONAL GROWTH

India presence

We concluded FY26 with a network of 1,297 branches spanning 20 states and 390 districts. Our operations are well diversified across branches, districts, and states, creating a strong base to drive growth within our existing footprint as well as in new markets. This wide reach enables us to adapt our products and services to local requirements, harness cross-selling opportunities, and strengthen customer acquisition through strong community connect and focused digital engagement.

Customer base

During the year under review, we added approximately 2.0 lakh new borrowers. As of March 2026, our customer base stood at 10.5 lakhs. As the sector comes out of the challenging phase of past two years, we are shifting our focus to acquiring more customers and bridging their financial needs. We will also continue to focus on strengthening relationships with existing customers across rural and semi-urban markets, particularly in tier 3–5 regions, while continuing to support their evolving credit needs.

Disbursement

Our total disbursements in FY26 stood at ₹3,584 crore, compared to ₹5,017 crore in FY25. Notably, about 28% of loans disbursed during the year were extended to customers new to Spandana. While we adopted a calibrated and measured approach to disbursements during the year, the sustained demand for microfinance underscores the presence of a large, underserved segment and continued relevance of formal credit access within the sector.

Technology framework

During the year, we continued to invest in strengthening our IT infrastructure, with a focus on enhancing platform stability, security, and operational efficiency. Key initiatives included upgrades to core systems and the implementation of a new Loan Origination System (LOS), enabling streamlined processing, faster turnaround times, and improved credit assessment capabilities. We also increased automation across processes and leveraged analytics to support more informed, data-driven decision-making. Cybersecurity and data privacy remained key priorities as we continued to enhance the reliability, resilience, and integrity of our digital platforms.

Asset quality

As a leading participant, Spandana witnessed a significant improvement in portfolio quality during the year, with GNPA and NNPA improving to 3.33% and 0.64%, respectively, as of March 31, 2026. Supported by disciplined credit underwriting and strengthened risk monitoring mechanisms, the Company expects further improvement in asset quality through FY27.

Disbursement trend (Quarter-wise)

(₹ in crore)

Q1 FY26	Q2 FY26	Q3 FY26	Q4 FY26
188	820	1,106	1,470

Bettering our Collection efficiency (CE)

We actively encourage timely repayments and maintain continuous engagement with our customers to reinforce credit discipline. While industry challenges had an impact on collection efficiency, we continue to place strong emphasis on staff capability building, process-oriented incentive structures, and consistent borrower connect to protect portfolio quality. For FY26, our gross collection efficiency stood at 93.8% while net collection efficiency was 93.3%.

In parallel, we implemented a structured and multi-channel recovery strategy combining legal interventions, strengthened borrower engagement, and expanded digital payment enablement. Legal avenues such as demand notices, legal notices, and Lok Adalats were utilised to address overdue accounts, supported by dedicated in-house teams and external agencies focusing on higher delinquency buckets. At the same time, digital collection channels gained further traction through QR-code based payments, SMS-enabled payment links, and integration with BBPS platforms, improving convenience and collection efficiency. These initiatives contributed to recovery of approximately ₹222 crore over a 12-month period, reflecting measurable progress in portfolio resolution. Together, these efforts are positioned to sustain recovery momentum and support a gradual improvement in asset quality.

Gross CE - quarter-wise (%)

Q1 FY26	Q2 FY26	Q3 FY26	Q4 FY26
91.6	93.6	95.8	95.8

Net CE - quarter-wise (%)

Q1 FY26	Q2 FY26	Q3 FY26	Q4 FY26
91.1	93.0	95.2	95.1

4. PORTFOLIO MIX

Effective portfolio risk management remains integral to the operations of a lending institution. To mitigate concentration risks, we maintain a well diversified portfolio across geographies and borrower vocation. The portfolio reflects a balanced mix, with a meaningful share represented by advanced loan cycles, demonstrating our ability to nurture long-term customer relationships and support repeat credit requirements over time.

Ticket size

In FY26, the average loan Ticket size stood at ₹60,207. The movement in ticket size reflects our increased focus on serving existing borrowers with higher vintage, who are typically eligible for relatively larger loan amounts than new customers. We remain committed to addressing credit requirements of our borrowers with established healthy repayment behaviour thereby maintaining disciplined controls on lending thresholds.

Average Ticket Size (₹)

FY24	FY25	FY26
41,921	45,400	60,207

Loan outstanding

In FY26, our Assets Under Management (AUM) declined by 36% to ₹3,840 crore, compared to ₹6,029 crore as of the end of FY25, reflecting a calibrated and prudent disbursement approach adopted in response to industry-wide challenges and asset quality pressures. In line with this strategy, the average loan outstanding per borrower improved to ₹36,558 as of FY26, compared with ₹26,075 at the close of the previous year.

Growth in AUM

Quarter-wise (₹ in crore)

Q1 FY26	Q2 FY26	Q3 FY26	Q4 FY26
4,245	3,417	3,296	3,840

Year-wise (₹ in crore)

FY24	FY25	FY26
11,199	6,029	3,840

Average AUM per Borrower (₹)

FY24	FY25	FY26
35,805	26,075	36,558

Cycle-wise mix

We maintain a well-diversified loan portfolio across multiple loan cycles, supported by products and processes designed to make borrowing convenient and encourage disciplined repayment behaviour. Our offerings continue to evolve in line with the changing needs of our borrowers, enabling us to deliver relevant and responsible credit solutions. Approximately 40% of our borrowers are in their second loan cycle or beyond, reflecting the continued relevance of our products and the trust we have built over time. Through our customer-centric approach, we have developed enduring relationships with our borrowers, providing a strong foundation for expanding new customer connections.

Cycle-wise mix (%)

1st cycle	40%
2nd cycle	32%
3rd cycle and above loans	27%

Maintaining rural focus

Rural India continues to present significant potential for microfinance lending, supported by the Government's sustained focus on rural development, infrastructure creation, and initiatives aimed at strengthening micro and small enterprises. These measures reflect increasing confidence in expanding formal credit access across underserved segments and reinforce the long-term relevance of microfinance in enabling local economic participation.

At Spandana, our portfolio remains strongly aligned with this opportunity, with 83% of our loan exposure in rural areas and 17% in urban markets, underscoring our deep presence in rural geographies and our continued commitment to supporting credit access in these regions.

Region-wise mix (%)

AUM mix	
Rural	83%
Urban	17%

5. PRODUCT MIX

We remain committed to empowering women in low-income rural communities by offering a range of loan products designed to address their evolving financial needs. A key offering is the Joint Liability Group (JLG) micro-loan, tailored specifically for women entrepreneurs. Extended through JLG structures, these loans support women in starting or expanding small businesses, strengthening household incomes and enhancing financial stability.

In addition, our Loan Against Property product, offered through our subsidiary Criss Financial Ltd., is focused on supporting small entrepreneurs by providing access to secured funding for business requirements such as equipment purchase, premises renovation, or working capital. By enabling borrowers to leverage the value of their property, this product creates an additional pathway for business growth and financial resilience.

Looking ahead, we plan to further expand our product suite to include affordable housing and home improvement loans. While each offering serves distinct customer needs, our overall approach remains centred on improving access to relevant financial solutions that promote entrepreneurship, income generation, and long-term economic participation across underserved segments.

6. PORTFOLIO DIVERSIFICATION

The microfinance industry has, at times, experienced stress arising from external events across certain regions, including natural calamities and concentration of borrower livelihoods in similar economic activities. Key risks include customer concentration in specific income segments and weather-related disruptions such as cyclones and floods, which can affect repayment capacity in localized pockets. In response, the industry has strengthened its focus on geographic diversification and portfolio balancing to enhance resilience.

We have implemented defined portfolio exposure limits at the branch, district, and state levels as part of our risk management framework. These measures are aimed at mitigating concentration risks, reducing the potential impact of localised disruptions, and promoting greater stability and sustainability across our operations.

State level

Our loan portfolio is spread across 19 states and 1 union territory, ensuring diversified geographic exposure. As of the end of FY26, no single state accounted for more than 15% of our total standalone Assets Under Management (AUM). To manage concentration risk, we adhere to defined internal benchmarks and exposure limits that guide portfolio monitoring, including a cap on concentration relative to aggregate POS.

State-wise disbursements during FY26 remained within the 15% threshold established for each geography. Bihar accounted for the highest share of disbursements at 14%, followed by Madhya Pradesh at 14%, Odisha at 12%, Andhra Pradesh at 10%, and West Bengal at 9%, reflecting a balanced and diversified distribution across key operating regions.

District Level

In addition to managing concentration risk at the state level, we have implemented internal exposure caps at the district level, guided by the District Risk Index (DRI) published by the SROs. No single district accounts for more than 2.25% of our total Assets Under Management (AUM). As of FY26, 87% of our districts each contributed less than 0.5% to the overall AUM, reflecting a well-dispersed portfolio and low concentration risk.

Our exposure to the top 10 districts represented only 16% of the total AUM, which remains relatively lower compared with larger Microfinance Institutions (MFIs) and Small Finance Banks (SFBs). This granular diversification strengthens portfolio resilience and supports balanced risk distribution across geographies.

Exposure of Districts	**As of March, 2026**	
% Contribution to Gross AUM	**No. of Districts**	**% of Total Districts**
< 0.5%	336	86%
0.5% - 1%	41	11%
1% - 2%	12	3%
>2%	1	0.3%
Total	**390**	**100%**

Exposure of Districts	**As of March, 2026**	
Proportion of Total Disbursements	**No. of Districts**	**% of Total Districts**
< 0.5%	324	85%
0.5% - 1%	46	12%
1% - 2%	10	2%
>2%	2	1%
Total	**382**	**100%**

Exposure of Districts	**As of March, 2026**	
Buckets	**AUM (₹ crores)**	**Proportion of Total AUM**
Top 5 Districts	362	9%
Top 10 Districts	596	16%
Top 50 Districts	1,712	45%
Other Districts excluding top 50 districts	2,128	55%

Branch Level

We have extended our risk management framework to the branch level, ensuring that no single branch accounts for more than 1% of the total Portfolio Outstanding (POS) as part of our approach to managing concentration risk. Through a proactive and disciplined approach, we continue to closely monitor exposures while strengthening portfolio performance. Our ongoing risk management strategy places strong emphasis on diversification across geographies and customer segments. In FY26, all our branches remained within the prescribed exposure cap, ensuring that concentration levels were maintained well within our defined risk appetite.

Exposure of Branch in FY26

Proportion of Gross AUM	**No. of Branches**	**Proportion of Total Branches**
<0.15%	1,171	90%
0.15%-0.25%	122	9%
0.25%-0.35%	4	0.3%
Total	**1,297**	**100%**

7. PRODUCTIVITY METRICS

We remain committed to enhancing productivity across the organisation. As of March 31, 2026, we had a strong pan-India presence with 1,297 branches, with an average AUM of ₹3.0 crore per branch. Our opex-to-AUM ratio stood at 15.9% in FY26, compared with 8.2% in FY25, primarily reflecting increased bench strength and relatively lower disbursement levels during the year.

Looking ahead, we see meaningful scope for improving operating efficiency as we focus on increasing AUM per branch and enhancing employee productivity. Our approach will remain centred on building a lean and efficient cost structure, enabling us to serve customers more effectively while creating sustainable long-term value for all stakeholders.

8. CONSOLIDATED FINANCIAL PERFORMANCE (IND-AS)

During the fiscal year, we raised a total of ₹3,116 crore from a diversified set of lenders, including banks, NBFCs, financial institutions, and retail investors, aligned with our funding requirements. Despite operating in a challenging environment, we closed the year with adequate liquidity, supported by cash and bank balances of ₹1,438 crore. Our average cost of borrowing for the year stood at 12.6%, reflecting an increase compared with 12.0% in FY25.

Our operating expense ratio, measured as opex to AUM, stood at 15.9% in FY26 (FY25: 8.6%). We remain focused on operational excellence, with efforts directed towards optimising the utilisation of our existing infrastructure, improving productivity, and enhancing cost efficiency over time.

Credit ratings

Rating Instrument	Rating Agency	Current Rating
Bank Facilities	CRISIL	BBB+ / Stable
Bank Facilities / NCDs / CPs	CARE	BBB+ / Stable; A2
Bank Facilities / NCDs	ICRA	BBB+ / Negative*
Bank Facilities / NCDs	India Ratings	BBB+ / Negative

*rating revised to Stable from Negative on June 11, 2026.

Fund sources

We have continued to diversify our funding sources while strengthening relationships with both existing and new lenders. To support our funding requirements, we have accessed capital from a broad range of institutions, including public and private sector banks, financial institutions, and capital market participants. As of the end of the year, we had established relationships with a total of 47 lenders, reflecting the depth and diversity of our funding network.

9. KEY RATIO (Consolidated basis)

Particulars	FY26	FY25
Debtors turnover	NA	NA
Inventory turnover	NA	NA
Interest coverage ratio	(0.8)	(0.5)
Current ratio	NA	NA
Debt-equity ratio	1.9	2.1
Operating Profit Margin	28.5%	63.5%
Net Profit Margin *	-65.6%	-42.7%
Others (on standalone basis)		
a) Capital to risk-weighted assets ratio (CRAR)	29.8%	36.3%
b) Tier I CRAR	29.8%	36.3%
c) Tier II CRAR	0.0%	0.0%
d) Provision coverage ratio	80.6%	80.2%
e) Liquidity coverage ratio	285.0%	800.9%
f) Return on net worth	-25.9%	-31.0%

10. DETAILS OF ANY CHANGE IN RETURN ON NET WORTH AS COMPARED TO THE IMMEDIATELY PREVIOUS FINANCIAL YEAR ALONG WITH A DETAILED EXPLANATION THEREOF.

In FY26, amid external headwinds, we adopted a calibrated and cautious disbursement approach, with a stronger emphasis on supporting the financing needs of our existing borrower base over new customer acquisition. Elevated delinquencies led to higher provisioning and write-offs, resulting in a reported loss of ₹699 crore for the year. Our measured disbursement strategy contributed to a 35% moderation in AUM, a 67% decline in Net Interest Income, and a (-105%) reduction in Pre-Provision Operating Profit, culminating in a reported Return on Equity of (-30.8)%.

11. HUMAN RESOURCE MANAGEMENT

Our strong and capable workforce remained central to navigating business headwinds and sustaining organisational stability. During the year, we prioritised strengthening leadership depth, stabilising operations, and aligning talent initiatives with our long-term strategic direction. Focused hiring efforts, internal mobility, and campus engagements supported the creation of a responsive and scalable talent pipeline, while an expanded span of supervision enhanced managerial capability and operational oversight. These initiatives reinforced organisational continuity and strengthened leadership accountability across levels.

We also continued to invest in capability building through structured learning interventions, supported by digital platforms and an enhanced competency framework spanning strategic, business, institutional, and people leadership dimensions. Performance management processes remained consistent despite challenging conditions, reinforcing a culture of recognition and continuity. Engagement initiatives, including long-service recognition, feedback surveys, and organisation-wide interactions, further strengthened employee connect. As of FY26, our workforce comprised 9,405 employees, including field staff, forming a strong foundation for sustained execution and future growth.

More details refer to pg. 32

12. CORPORATE SOCIAL RESPONSIBILITY

As a responsible corporate organisation, we remain committed to creating meaningful economic and social value for all our stakeholders. Our approach focuses on enabling social transformation through impactful and sustainable initiatives that address the evolving needs of the communities we serve. Guided by an integrated community development framework, our CSR strategy seeks to deliver measurable outcomes across priority areas, ensuring that our interventions create long-term and inclusive value.

In FY26 our CSR initiatives extended across 2 states and 2 locations, focusing on geographies where support was most needed. During the year, we implemented two purpose-driven programmes designed to deliver locally relevant solutions to real challenges, positively impacting over 13,930 individuals. With 64% of the beneficiaries being women, our initiatives continued to emphasise inclusion, empowerment, and the creation of sustainable opportunities for underserved communities.

More details refer to pg. **36**

13. Outlook

SWOT analysis

Strengths

- In-depth industry experience
- Presence across India
- Extensive customer base
- Broad-based fund sources
- Technological integration

Weaknesses

- Vulnerability to economic downturns
- Customer base with modest economic background

Opportunities

- Rural India offers immense potential for microfinance lending, with the government emphasising rural development.
- Newer synergic products
- Digital financial services

Threats

- Weakening JLG discipline
- Increasing migration among borrowers
- Rising inflation
- Increasing geopolitical instability
- Competition from other MFIs & local financiers
- Increase in borrowing costs

14. RISK AND MITIGATION

Effective risk management is essential to safeguarding stakeholder interests, ensuring regulatory compliance, and supporting the long-term sustainability of the organisation. At Spandana, risk management forms an integral part of our business strategy, with a structured approach focused on minimising the potential impact of adverse developments through clearly defined policies, controls, and risk appetite frameworks. Drawing on over two decades of domain experience, we continue to strengthen our resilience, enhance stability, and support sustainable growth.

Given the nature of our lending activities and operating environment, we remain vigilant in identifying, assessing, and managing both existing and emerging risks through robust policies and well-defined governance processes. The Risk Management Committee periodically reviews and updates our risk framework to ensure its continued relevance and effectiveness.

Our risk management framework covers key risk categories, including:

- Credit risk
- Operational risk
- Information technology risk
- Financial risk
- Asset Liability Management (ALM) risk
- Liquidity risk
- People risk
- Regulatory risk

For each of these risk categories, we have established mitigation strategies that are regularly reviewed and refined to remain aligned with the evolving business environment and regulatory expectations.

More details refer to pg. **38**

15. INTERNAL CONTROL SYSTEMS

Robust internal controls are fundamental to minimising financial risk and ensuring the accuracy, completeness, and reliability of financial reporting. At Spandana, our internal control framework is designed to safeguard assets, ensure regulatory compliance, and prevent fraud or misconduct. Through a comprehensive approach to information security, we prioritise the confidentiality, integrity, and availability of both customer and organisational data, reinforcing trust and operational discipline.

To strengthen oversight, we adopt a multi-layered control mechanism comprising concurrent internal audits, structured management reviews, and process-driven monitoring across our branch network. Our internal audit function plays a critical role in ensuring adherence to defined policies and procedures, while proactively identifying potential irregularities. We maintain strong internal controls across both financial reporting and operational activities, supported by a dedicated team of 171 auditors deployed across branches to ensure continuous vigilance over portfolio quality and process compliance.

Alongside regular audits, we undertake specialised reviews triggered by internal risk indicators, enabling timely identification and resolution of control gaps. Branches with higher disbursement volumes undergo enhanced scrutiny to ensure adherence to operational standards, while periodic KYC audits are conducted across all branches to strengthen compliance integrity. Audit observations are systematically reviewed to improve monitoring effectiveness and reinforce a culture of accountability and transparency.

We are also in the process of implementing advanced software integrated with our Loan Management System (LMS), which will enable real-time monitoring and automated trigger-based alerts. This technology enhancement is expected to strengthen risk detection capabilities, improve operational efficiency, and support proactive identification of potential control weaknesses, thereby further reducing the risk of fraud and enhancing overall governance effectiveness.

16. DISCLOSURE OF ACCOUNTING TREATMENT:

The financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) prescribed under the Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time and notified under Section 133 of the Companies Act, 2013. The statements also comply with the applicable circulars, guidelines, and directions issued by the Reserve Bank of India (RBI), as well as the presentation requirements of Division III of Schedule III to the Act (Ind AS compliant Schedule III), as applicable to the Company.

Cautionary Statement

Statements in this report on Management Discussion and Analysis relating to the Company's objectives, projections, estimates, expectations or predictions may be forward looking within the meaning of applicable securities laws and regulations. These statements are based on certain assumptions and expectations of future events. Actual results might differ materially from those expressed or implied depending upon factors such as climatic conditions, global and domestic demand supply conditions, raw materials cost, availability and prices of finished goods, foreign exchange market movements, changes in Government regulations, tax structure, economic and political developments within India and other factors such as litigation and industrial relations. The Company has obtained all market data and other information from sources believed to be reliable or its internal estimates, although its accuracy or completeness cannot be guaranteed. The Company assumes no responsibility in respect of forward-looking statements herein which may undergo changes in future based on subsequent developments, information or events.

Board's Report

Dear Members,

Your Directors have pleasure in presenting the 23rd Annual Report of the Company together with the audited financial statements for the financial year ended March 31, 2026.

1. FINANCIAL SUMMARY /PERFORMANCE OF THE COMPANY:

The standalone and consolidated financial statements for the financial year ended March 31, 2026 ('FY26'), forming part of this Annual Report, have been prepared in accordance with the Indian Accounting Standards (Ind AS) as notified by the Ministry of Corporate Affairs and other relevant provisions of the Act, circulars, guidelines and directions issued by the Reserve Bank of India ("RBI") from time to time.

Key highlights of financial performance of your Company are summarized below:

(₹ in crore)

Particulars	Standalone		Consolidated	
	FY25-26	FY24-25	FY25-26	FY24-25
Income from Operations	906.59	2,180.72	1,023.96	2,355.16
Other Income	35.61	64.47	42.37	68.93
Profit Before Depreciation, Interest and Tax (PBDIT)	**(336.34)**	**(379.37)**	**(400.90)**	**(423.85)**
Depreciation	12.61	18.92	16.20	22.70
Financial charges	476.39	875.56	508.38	932.26
Profit Before Tax	**(825.35)**	**(1,273.85)**	**(925.48)**	**(1,378.80)**
Tax expenses	(201.30)	(317.11)	(226.33)	(343.64)
Profit/(Loss) After Tax	(624.05)	(956.74)	(699.15)	(1,035.16)
Transfer to Statutory Reserves	-	-		
Balance carried to Balance sheet	**(624.05)**	**(956.73)**		

During the year under review, the Income from operations of the Company was ₹ 906.59 crore. The Asset Under Management (AUM) of the Company was₹3,840.22 crore as on March 31, 2026, as compared to ₹ 6,029.08 crore as on March 31, 2025. During the year the Company suffered a loss before tax of ₹825.35 crore as compared to loss before tax of ₹ 1,273.85 crore in FY 2025.

Since the Company has reported a loss for the year ended March 31, 2026, no amount has been transferred to the statutory reserves.

During FY26, the Company disbursements reached 3584.10 crore. As on March 31, 2026, Return on Asset ("RoA") stood at (8.8%), Return on Equity ("RoE") stood at (25.9%) on standalone basis and Capital Adequacy Ratio was at 29.76% on standalone basis.

Your Company has strong distribution network of 1,297 branches spread across 390 Districts of 19 states and 1 union territory. On portfolio quality, the Gross collection efficiency of portfolio was 95.79% for the quarter ended March 31, 2026.

Your Company has AUM concentration norms at state, district & branch level which ensures low impact from region-specific issues. Detailed information is provided in the Management Discussion and Analysis report.

1.1 Resource Mobilization

Your Company has raised ₹3,042.32 crore of debt during FY26. With the diversified lender base, your Company has raised ₹750 crore through issue of debentures, ₹1,048.50 crore through term loan, ₹911.90 crore through securitization and ₹331.92 crore through direct assignment. Your Company has a strong funding access with adequate liquidity stood at ₹1,376.77 crore as on March 31, 2026. The issue proceeds from non-convertible debentures have been fully utilised as per the objects of the issue.

2. DIVIDENDS:

Considering your Company's growth, future strategy and plans, your Directors considers it is prudent to conserve resources and do not recommend any dividend on equity shares for FY26.

There are no unclaimed dividends pertaining to previous years or the year under review. Accordingly, there is no requirement to transfer any amount to the Investor Education and Protection Fund (IEPF) in accordance with the provisions of Section 125 of the Companies Act, 2013.

3. OPERATIONAL HIGHLIGHTS AND FUNDRAISE:

The operational highlights of your company are as follows:

Details	Mar-26	Mar-25	Mar-24
No. of States and UT	20	20	20
No. of Branches	1,297	1,628	1,559
No. of Districts	390	414	408
No. of Employees	9,405	16,454	13,097
No. of Borrowers (in million)	1.05	2.31	3.13
Gross Disbursements (₹ in crore)	3,584.10	5,017.00	10,042.14
Loan Portfolio (₹ in crore) on Balance Sheet	3,484.33	5,554.45	10,566.91
Asset Under Management- AUM (₹ in crore)	3840.22	6,029.08	11,198.72

- During FY26, the Company continued its operations in 19 states and 1 union territory (viz. Andhra Pradesh, Bihar, Chhattisgarh, Goa, Gujarat, Haryana, Himachal Pradesh, Jharkhand, Karnataka, Kerala, Madhya Pradesh, Maharashtra, Odisha, Rajasthan, Tamil Nadu, Telangana, Uttar Pradesh, Uttarakhand, West Bengal, and Pondicherry).
- During FY26, the number of borrowers has decreased from 24.94 lakh to 11.46 lakh on a consolidated basis. The number of branches reduced from 1,804 to 1,457 across the states on a consolidated basis, primarily due merger and rundown of select branches as a part of the branch rationalization process undertaken by the Company.
- For FY26, total standalone disbursements stood at ₹3584.10 crore.

3.1 Securitization:

Your Company has used securitization to improve its asset and liability mix in line with extant guidelines of RBI on securitization. As of March 31, 2026, out of total AUM, securitized portfolio was ₹764.71 crore on a standalone basis.

3.2 Direct Assignment :

During the year, your Company has sold loan portfolio of ₹368.80 crore through Direct Assignment. Assigned portfolio was ₹354.76 crore out of total AUM of ₹3,840.22 crore as of March 31, 2026 on a standalone basis.

3.3 Public Deposits:

Your Company is registered with the Reserve Bank of India (RBI), as a non-deposit accepting NBFC under section 45-IA of the Reserve Bank of India Act, 1934, (RBI Act, 1934) and reclassified as NBFC-MFI, effective from April 13, 2015. Your Directors hereby report that the Company has not accepted any public deposits during the year and it continues to be a non-deposit taking non-banking financial company in conformity with the RBI guidelines.

3.4 RBI Guidelines:

As on March 31, 2026, the Company is in compliance of the regulatory requirements of Net Owned Funds ('NOF') and Capital to Risk Assets Ratio ('CRAR'), as defined under section 45-IA of the RBI Act, 1934, to carry on the business of a Non-Banking Financial Institution ('NBFI'). Your Company's Capital Adequacy Ratio is as follows:

(₹ in crore)

Capital Adequacy Ratio	Mar-26	Mar-25	Mar-24
i) CAR –Tier I Capital (%)	29.76	36.31	31.95
ii) CAR – Tier II Capital (%)	-	-	-
Capital Adequacy Ratio	29.76	36.31	31.95

3.5 Statutory Reserve Fund:

As per section 45IC of RBI Act 1934, your Company is not in requirement to transfer any amount towards Statutory Reserve Fund for FY2026.

3.6 Asset Liability Management:

Your Company has a strong funding access with high quality liquid assets (HQLA) which covered the net cash outflow during FY26 in compliance with the RBI Circular on Liquidity Risk Management Framework for Non-Banking Financial Companies and Core Investment Companies dated November 04, 2019 as amended from time to time.

Your Company continued to secure confidence from its lenders for providing funds for its business operations. Your Company has been maintaining a higher liquidity surplus with positive mismatch across all ALM buckets. Details of HQLA and LCR during FY26 are given below:

(₹ in crore)

	June 30, 2025	Sep 30, 2025	Dec 31, 2025	March 31, 2026
High Quality Liquid Assets (HQLA) - comprises of cash and bank balances (₹ in crores)	212.46	200.76	172.67	249.24
Liquidity Coverage Ratio	133%	173%	169%	285%

4. SHARE CAPITAL/DEBENTURES:

During FY26, the Company issued 1,73,91,304 Rights Equity Shares at an issue price of ₹230 per Rights Equity Share (comprising a face value of ₹10 and a premium of ₹220 per share) on a partly paid-up basis.

Of the total issue price, ₹115 (₹5 towards face value and ₹110 towards securities premium) was payable on application, and the balance ₹115 (₹5 towards face value and ₹110 towards securities premium) was to be paid in one or more subsequent call(s). The number, timing, and quantum of such call(s) will be determined by the Board/Capital Raising Committee from time to time, with completion on or before March 31, 2027, unless extended by the Board or the Capital Raising Committee.

Pursuant to the allotment of Equity Shares under the Rights Issue, the Paid Up Equity Share Capital of the Company has increased from ₹71,30,51,440 (Rupees seventy-one crore thirty lakh fifty-one thousand four hundred forty), representing 7,13,05,144 fully paid-up Equity Shares of face value ₹10 each, to ₹79,97,23,250 (Rupees seventy-nine crore ninety-seven lakh twenty-three thousand two hundred fifty).

As on March 31, 2026, the Paid Up Share Capital of the Company stands at ₹79,97,23,250, comprising 7,13,05,144 fully paid-up Equity Shares of face value ₹10 each and 1,73,34,362 partly paid-up Equity Shares of paid-up value ₹5 each.

Allotment of shares under Employee Stock Options

During FY26, the Company has not made any issue of shares pursuant to the exercise of Employee Stock Options (ESOPs) by the eligible employees under the Spandana Employee Stock Option Schemes.

Preferential issue of shares and warrants

During FY26, the Company has not made any issue of shares or warrants under preferential basis and the Company has not issued shares with differential voting rights nor granted sweat equity. Further, the Company has also not provided any money for the purchase of its own shares by employees or for the benefit of employees of the Company.

Details of Secured Debt Securities as on March 31, 2026:

Sr. No.	ISIN	Date of Debenture Trust Deed	Facility	Type of charge created	Issued Amount (₹ in crore)	Outstanding (₹ in crore)	Status (Listed/ Unlisted)	Stock Exchange (BSE/ NSE)	Date of Maturity
1.	INE572J07612	01-Sep-23 27-Sep-23 (Reissuance) 25-Oct-23 (Reissuance) 07-Aug-24	NCD	Exclusive	30.00 30.00 40.00 50.00	150.00	Listed	BSE	04-Sep-26
2.	INE572J07679	06-Mar-24	NCD	Exclusive	70.00	17.50	Listed	BSE	03-Apr-26
3.	INE572J07703	27-Mar-24 29-April-24 (Reissuance)	NCD	Exclusive	50.00 50.00	100.00	Listed	BSE	02-Apr-26
4.	INE572J07711	26-June-24 01-Aug-24 (Reissuance) 11-Sep-24 (Reissuance)	NCD	Exclusive	75.00 150.00 100.00	325.00	Listed	BSE	28-Jun-26
5.	INE572J07729	09-July-24	NCD	Exclusive	50.00	32.00	Listed	BSE	10-Jul-26
6.	INE572J07745	21-April-23	NCD	Exclusive	100.00	1.05	Listed	BSE	24-Apr-26
7.	INE572J07752	04-Sep-24	NCD	Exclusive	50.00	27.27	Listed	BSE	15-Apr-27
8.	INE572J07760	24-Oct-25	NCD	Exclusive	250.00	237.50	Listed	BSE	30-Apr-28
9.	INE572J07778	16-Dec-25	NCD	Exclusive	85.00	74.38	Listed	BSE	17-Dec-27
10.	INE572J07786	22-Dec-25	NCD	Exclusive	140.00	140.00	Listed	BSE	30-Jun-28
11.	INE572J07794	22-Dec-25	NCD	Exclusive	75.00	75.00	Listed	BSE	31-Mar-28
12.	INE572J07802	22-Dec-25	NCD	Exclusive	200.00	200.00	Listed	BSE	30-Jun-28

5. EMPLOYEE STOCK OPTION PLAN (ESOP PLAN) AND EMPLOYEE STOCK OPTION SCHEME (ESOP SCHEME):

Your Company had instituted Spandana Employees Stock Option Scheme, 2018 ("the "ESOP Scheme 2018") and Spandana Employees Stock Option Scheme, 2021 ("the "ESOP Scheme 2021") under Spandana Employees Stock Option Plan, 2018 (the "ESOP Plan 2018"); and Spandana Employees Stock Option Scheme 2021- Series A" under Spandana Employees Stock Option Plan 2021- Series A ("ESOP 2021 – Series A") to attract, retain, motivate the personnel for positions of substantial responsibility and to provide additional incentive to the Management team, Directors and Employees of the Company and its Subsidiaries. The Members of the Company have approved the ESOP Plan 2018 and ESOP Scheme 2018 by passing a special resolution at their Meeting held on June 14, 2018. ESOP Scheme 2021 (under ESOP Plan 2018) was approved by the Members on March 26, 2021 by passing a special resolution through Postal Ballot. ESOP Scheme 2021 – Series A (under ESOP Plan 2021) was approved by the Members at the 18th Annual General Meeting ("AGM") of the Company held on September 28, 2021.

The Nomination and Remuneration Committee monitors the Plan in compliance with the Companies Act, 2013 ("the Act"), the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 {"SEBI (SBEB & SE) Regulations"} and related laws. A certificate from Secretarial Auditors of the Company that the Scheme has been implemented in accordance with SEBI (SBEB & SE) Regulations and are as per the resolutions passed by the Members of the Company is being placed at the ensuing Annual General Meeting. The disclosures as required under the SEBI (SBEB & SE) Regulations have been placed on the website of the Company at https:// spandanasphoorty.com/investors.

6. AUDITORS:

6.1 Statutory Auditors:

As per Section 139 of the Act, read with the Companies (Audit and Auditors) Rules, 2014, the Members of the Company at the 21st Annual General Meeting held on July 30, 2024, had appointed BSR & Co. LLP, Chartered Accountants (Firm Registration No101248W/W-100022) as Statutory Auditors of the Company to hold office for a term of three consecutive years from conclusion of the 21st Annual General Meeting till the conclusion of the 24th Annual General Meeting of the Company to be held in the calendar year 2027, subject to their continuity of fulfilment of the applicable eligibility norms.

The Audit Reports given by the Statutory Auditors on the Annual Audited Consolidated and Standalone Financial Statements of the Company for FY26 is unmodified and the same forms part of the Annual Report. The Auditors' Reports read along with the Notes on the Annual Audited Consolidated and Standalone Financial Statements are self-explanatory and do not call for any further clarifications under Section 134(3) (f) of the Act.

There has been no qualification, reservation or adverse remark or disclaimer in our Reports.

During FY26, the Auditors had not reported any matter under Section 143(12) of the Act, therefore no detail is required to be disclosed under Section 134(3) (ca) of the Act.

6.2 Secretarial Auditors:

Pursuant to the requirements of Section 204(1) of the Act read with Rule 9 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Regulation 24A of SEBI Listing Regulations, the Members of the Company at the 22nd Annual General Meeting held on September 16, 2025, had appointed M/s. Alwyn Jay & Co., Company Secretaries in Practice, (Firm Registration No: P2010MH021500),as the Secretarial Auditors of the Company to hold office for a consecutive term of 5 years from FY 2025-26 to FY 2029-30 subject to their continuity of fulfilment of the applicable eligibility norms.

During FY26, the Secretarial Auditors had not reported any matter under Section 143(12) of the Act, therefore no detail is required to be disclosed under Section 134 (3)(ca) of the Act.

Further, in accordance with Regulation 24A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), M/s Alwyn Jay & Co., Company Secretaries in Practice, has issued the Annual Secretarial Compliance Report, confirming compliance of the applicable SEBI regulations and circulars / guidelines issued thereunder by the Company. The Secretarial Audit Report and Annual Secretarial Compliance Report for the financial year ended March 31, 2026, are annexed to this report as "**Annexure I and Annexure II**" respectively.

During FY26, your Company has complied with the provision of applicable Acts, Rules, Regulations, Guidelines and applicable Secretarial Standards issued by the Institute of Company Secretaries of India, etc.

6.3 Internal Auditors:

The Company has an independent internal audit department headed by Chief Internal Auditor, Mr. Sunand Sahu. The internal audit department broadly assesses and contributes to the overall improvement of the organization's governance, risk management, and control processes using a systematic and disciplined approach. In line with applicable RBI guidelines on Risk Based Internal Audit, the Company has adopted a Risk Based Internal Audit Policy and the internal audit team follows the same which helps the organization to identify the risks and address them accordingly based on the risk priority and direction provided by the Board of Directors. The Internal audit reports are presented to the Audit Committee of the Board on a quarterly basis. Based on the reports of the internal audit team, the process owners undertake corrective action in their respective areas.

6.4 Cost Auditors:

The provisions of Section 148 of the Act read with the Companies (Cost Records and Audit) Rules, 2014 relating to Cost Audit and maintaining of cost audit records does not apply to the Company.

7. HOLDING / SUBSIDIARY COMPANIES / ASSOCIATES / JOINT VENTURES:

The Company has following subsidiaries as on March 31, 2026:

S. No.	Name of the Company	Particular	Date of becoming Subsidiary
1.	Caspian Financial Services Limited	Wholly owned Subsidiary Company	since its Incorporation i.e., October 13, 2017
2.	Criss Financial Limited	Subsidiary Company	December 27, 2018

The statement required to be provided with respect to subsidiaries, associate companies and joint ventures pursuant to the provisions of Section 129(3) of the Act and Rule 5 of the Companies (Accounts) Rules, 2014 in Form AOC – 1 is annexed herewith as "**Annexure III**".

During FY26, none of the Company ceased to be the Company's subsidiaries, joint ventures, or associate companies. Further, the Company had proposed merger of the Company and its subsidiary Criss Financial Limited. Accordingly, the Company has constituted a Merger Steering Committee, to evaluate and finalise the terms of the proposed merger, facilitate effective decision making on matters related to the proposed merger, and make a final proposal to the Board for its consideration and approval.

Based on the recommendations of the Merger Steering Committee, the Board will consider the proposed merger for its approval.

Regulation 16(1)(c) of the SEBI Listing Regulations defines "material subsidiary" as a subsidiary whose turnover or net worth exceeds 10% of the consolidated turnover or net worth respectively, of the listed holding company and its subsidiaries at the end of the immediately preceding financial year. None of the subsidiaries mentioned hereinabove was a material subsidiary as per the thresholds laid down under the SEBI Listing Regulations as on March 31, 2026.

The Audited Financial Statements, the Auditors Reports thereon and the Board's Reports for the year ended March 31, 2026, of the subsidiary companies, shall be available for inspection by the Members of the Company at the registered office, during business hours on all working days up to the date of the ensuing Annual General Meeting. A Member who is desirous of obtaining a copy of the accounts of the subsidiaries companies is requested to write to the Company Secretary of the Company at shareholders@spandanasphoorty.com. Further, pursuant to the provisions of section 136 of the Act, the financial statements, consolidated financial statements of the Company and separate financial statements along with auditors reports thereon of each of the subsidiary is also available on the website of the Company at https://spandanasphoorty.com/investors.

8. CONSOLIDATED FINANCIAL STATEMENTS:

The consolidated financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as prescribed in 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), the circulars, guidelines and directions issued by the Reserve Bank of India (RBI) from time to time ("the RBI guidelines") and other accounting principles generally accepted in India.

9. DIRECTORS AND KEY MANAGERIAL PERSONNEL:

The composition of the Board is in accordance with the provisions of Section 149 of the Act and Regulation 17 of the SEBI Listing Regulations, with an optimum combination of Non-Executive Directors and Independent Directors. The affairs of your Company are being managed by a professional board comprising of eminent personalities having experience and expertise suited to guide the Company in the right direction. Details (including changes) of the Directors of your Company during FY 26 and till the date of this report are as below:

Name of Director	Designation
Ms. Abanti Mitra (DIN: 02305893)	Chairperson and Independent Director
Mr. Animesh Chauhan (DIN: 02060457)	Independent Director
Mr. Deepak Calian Vaidya (DIN: 00337276)	Independent Director
Ms. Dipali Hemant Sheth (DIN: 07556685)	Independent Director
Mr. Vinayak Prasad (DIN: 05310658)	Independent Director
Mr. Neeraj Swaroop (DIN: 00061170)	Non-Executive Nominee Director
Mr. Ramachandra Kasargod Kamath (DIN: 01715073)	Non-Executive Nominee Director
Ms. Saakshi Gera (DIN: 08737182)	Non-Executive Nominee Director
Mr. Sunish Sharma (DIN: 00274432)	Non-Executive Nominee Director
Mr. Shalabh Saxena* (DIN: 08908237)	Managing Director & Chief Executive Officer
Mr. Venkatesh Krishnan* (DIN: 02078403)	Managing Director & Chief Executive Officer

*Mr. Shalabh Saxena resigned and ceased to be a Managing Director & Chief Executive Officer with effect from April 23, 2025. Mr. Venkatesh Krishnan was appointed as Managing Director & Chief Executive Officer with effect from November 27, 2025.

The terms and conditions of appointment of Independent Directors are available on the website of the Company at https://spandanasphoorty.com/investors. The Board is of the opinion that the Independent Directors of the Company possess requisite qualifications, experience, expertise and hold highest standards of integrity.

The profile of the Directors is provided in the beginning of the Annual Report. For more details of the Directors, please refer the Corporate Governance Report.

9.1 Rotation of Directors:

In terms of the provisions of Section 152 of the Act, Mr. Sunish Sharma and Ms. Saakshi Gera, Non-Executive Nominee Directors of the Company, being longest in the office are liable to retire by rotation at the 23rd Annual General Meeting and being eligible for reappointment, the Board of Director's at their meeting held on May 5, 2026, recommended the reappointment of Mr. Sunish Sharma and Ms. Saakshi Gera as the Non-Executive Nominee Directors to the Members of the Company.

Brief profile of Mr. Sharma and Ms. Gera along with Information as required under Regulation 36 of the SEBI Listing Regulations and SS-2 -Secretarial Standard on General Meetings with respect to Director's appointment forms part of the AGM Notice.

9.2 Declaration by Independent Directors:

The Company has received a declarations from all the Independent Directors of the Company, confirming that they meet the criteria of independence as prescribed under section 149 of the Act and have complied with the Code for Independent Directors as prescribed in Schedule IV to the Act.

9.3 Change in the Key Managerial Personnel of the Company:

In terms of Section 203 of the Act, the Key Managerial Personnel ('KMPs') the Company as on March 31, 2026, are: -

- Mr. Venkatesh Krishnan- Managing Director and Chief Executive Officer
- Mr. Ashish Kumar Damani- President and Chief Financial Officer
- Mr. Vinay Prakash Tripathi- Company Secretary

During FY 2026, Mr. Shalabh Saxena resigned and ceased to be the Managing Director & Chief Executive Officer with effect from April 23, 2025. Mr. Ashish Kumar Damani was appointed as Interim Chief Executive Officer with effect from April 23, 2025, and he ceased to be Interim Chief Executive Office pursuant to Appointment of Mr. Venkatesh Krishnan as Managing Director & Chief Executive Officer with effect from November 27, 2025.

9.4 Familiarisation Programme for Independent Directors:

The details of Familiarisation Programme for Independent Directors is elaborated in the Report on Corporate Governance which forms a part of this Report as **Annexure VIII.**

9.5 Board evaluation:

The details of Board evaluation of all the directors, committees, Chairman of the Board, and the Board as a whole is elaborated in the Report on Corporate Governance which forms a part of this Report as **Annexure VIII**.

10. MEETINGS OF THE BOARD OF DIRECTORS:

During FY26, 10 (Ten) Board Meetings were convened through in-person and AVEC means. The details related to Board Meetings are provided in Corporate Governance Report forming part of this Report.

The intervening gap between the Board Meetings is within the period prescribed under the Act and SEBI Listing Regulations. The notice and agenda of the meeting is circulated to all Directors sufficiently well in advance. All material information and minimum information required to be made available to the Board under Regulation 17 read with Schedule II Part-A of the SEBI Listing Regulations, were made available to the Board of Directors.

11. CODE OF CONDUCT FOR ITS DIRECTORS AND SENIOR MANAGEMENT:

Pursuant to Regulation 17(5) of the SEBI Listing Regulations, the Company has a Code of Conduct for its Directors and Senior Management (Code). The Code provides guidance and support needed for ethical conduct of business and compliance of law. The Code reflect the core values of the Company viz. Customer Value, Ownership Mindset, Respect, Integrity, One Team and Excellence. The Code is available at the website of the Company at https://www.spandanasphoorty.com/code-of-conduct.

The Code has been circulated to Directors and Senior Management Personnel, and its compliance is affirmed by them as per Regulation 26(3) of the SEBI Listing Regulations. A declaration signed by the Company's Managing Director and Chief Executive Officer to this effect forms part of this Report as **Annexure IV.**

12. CORPORATE SOCIAL RESPONSIBILITY (CSR):

In terms of Section 135 and Schedule VII of the Act read with rules made thereunder; the Board of Directors of your Company have constituted a CSR Committee. The composition of the Committee is provided in the Corporate Governance Report forming part of this Report.

The details of the Corporate Social Responsibility Policy adopted by the Company have been disclosed on the website of the Company at https://spandanasphoorty.com/policies and the details of various CSR initiatives taken by the Company have been disclosed on the website of the Company at https://www.spandanasphoorty.com/programs-impact-latest.

The Annual Report on CSR activities is annexed to this report as "**Annexure V**".

13. DETAILS OF COMMITTEES OF THE BOARD OF DIRECTORS OF COMPANY:

The Committees of the Board of Directors focuses on certain specific areas and make informed decisions in line with the delegated authority. They facilitate debate on important issues and can be effective forums for decision making. The following Board Committees, constituted by the Board of Directors functions as per their respective roles and defined scope:

1. Audit Committee
2. Nomination and Remuneration Committee
3. Corporate Social Responsibility Committee
4. Stakeholders' Relationship Committee
5. Risk Management Committee
6. IT Strategy Committee
7. Asset Liability Management Committee
8. Capital Raising Committee
9. Merger Steering Committee.
10. Management Committee

The details of Committee's composition, terms of reference, number of meetings held including attendance for respective committee meetings are elaborated in the Report on Corporate Governance which forms a part of this report as "**Annexure VIII**".

14. CORPORATE GOVERNANCE:

In terms of Regulation 34(3) read with Schedule V of the SEBI Listing Regulations, the detailed Report on Corporate Governance along with a certificate on compliance of Corporate Governance conditions, received from M/s. Alwyn Jay & Co., Company Secretaries in Practice, forms part of this report as "**Annexure VIII**".

15. MANAGEMENT DISCUSSION AND ANALYSIS REPORT:

The Management Discussion and Analysis Report as required under Schedule V of the SEBI Listing Regulations, forms part of this report.

16. BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT:

In pursuance of Regulation 34 of SEBI Listing Regulations, the Business Responsibility and Sustainability Report for FY26 is annexed to this report as "**Annexure IX**".

17. THE 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, a copy of Annual Return as at March 31, 2026 is available on the website of the Company at the link: https://spandanasphoorty.com/investors.

18. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, AND FOREIGN EXCHANGE EARNINGS AND OUTGO:

Information required under Section 134(3)(m) of the Act read with Rule 8 of the Companies (Accounts) Rules, 2014 for the financial year ended March 31, 2026, are as follows:

18.1 Conservation of Energy:

Your Company operations are not energy intensive. However, measures are being undertaken to reduce energy consumption by using energy-efficient computers and electrical equipment. The Company believes in the optimum utilization of resources to reduce usage and conserve energy. Your Company is also exploring products to promote the use of renewable energy sources among clients in their households.

18.2 Research and Development (R&D):

Research and Development (R&D) remains a perpetual endeavour for our Company, encompassing social research and the creation of novel products and methodologies. This endeavour serves to elevate our service quality and bolster borrower satisfaction by fostering continuous innovation. Within the framework of Microfinance Institution (MFI) norms, your Company has been tailoring diverse lending product versions to fulfil customer needs and thus reinforcing our commitment to serving our customers effectively.

18.3 Technology absorption, adaptation, and innovation:

As we continue to evolve in the digital age, it is imperative that we embrace technology to drive efficiency, enhance customer experience and maintain our competitive edge. Your Company is focused on modernizing core business solutions coupled with digitization and automation, leverage transformation solutions to drive cost and process efficiencies, enable analytics to reduce NPA, minimize credit loss, increase profitability, leverage insights driven data to upsell / cross sell products, manage risks effectively, design and deliver a scalable infrastructure to address expansion, build a secured environment to ensure no data breaches and comply with regulatory requirements.

To ensure successful technology absorption, the Company prioritizes continuous learning and training for our team members. By investing in their skill development and providing access to relevant resources, we empower our workforce to adapt to new technologies and drive innovation within the organization.

In adapting technology and innovations to support business needs, the company focuses on implementing solutions that are specifically tailored to meet the unique needs and challenges of our industry and bring efficiency in the ecosystem. The Company is in the process of developing micro-services-based architecture to make all applications fully capable of becoming agile in change management processes as per continuously changing business needs of the industry.

The Company additionally recognizes the importance of customizing and integrating technology solutions to seamlessly fit into our existing processes and infrastructure. By working closely with technology partners and vendors, we ensure that the solutions we implement enhance efficiency and effectiveness across the Organization.

18.4 Foreign exchange earnings and outgo:

During the year under review, the foreign exchange outgo was equivalent to ₹101.58 crore towards term loan interest & principal payments to foreign lenders, fees for technical services, other income (guarantee fee), etc.

19. PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES:

As on March 31, 2026, the total workforce of the Company is 9,405 employees with gender-wise composition comprises of 406 female employees, representing 4% and 8,999 male employees, representing 96%.

Further, the ratio of the remuneration of each director to the median's employee's remuneration and other details in terms Section 197(12) of the Act read with Rule 5(1) of the Companies (Companies Appointment and Remuneration of Managerial Personnel) Rules, 2014, has been annexed herewith as "**Annexure VI**" to this Report.

The details of employee remuneration as required under Section 197(12) of the Act, read with Rule 5 (2) and 5 (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and second proviso to Section 136 of the Act are available for inspection without any fee, up to the date of the ensuing AGM and shall also be made available to any Member upon request. Members seeking to inspect such documents can send an email to shareholders@spandanasphoorty.com.

None of these employees is a relative of any Director of the Company.

20. DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE:

During FY26, there were no significant and material orders passed by the Regulators or Courts or Tribunals impacting the going concern status and Company's operations in future, therefore the disclosure under Rule 8 (5)(vii) of Companies (Accounts) Rules, 2014, is not applicable to the Company.

21. DETAILS OF ESTABLISHMENT OF VIGIL MECHANISM FOR DIRECTORS AND EMPLOYEES:

The details of Vigil mechanism are covered in the Corporate Governance Report forming part of this Report as Annexure VIII.

22. INVESTOR RELATION:

The Company has established a comprehensive Investor Relations Program to ensure that all investors remain consistently informed about key developments. Under this program, crucial information is regularly updated and made available on the Company's website, accessible through the Investors section.

The Company also informs the National Stock Exchange of India Ltd. (NSE) and BSE Limited (BSE) regarding earnings call, investors meet, press release on the financial results of the Company and such other matters having direct/indirect bearing on the share price of the Company, in compliance with the SEBI Listing Regulations.

23. BORROWER GRIEVANCES:

Your Company has a dedicated Borrower Grievance Cell to receive and handle the day-to-day grievances of the borrowers. Further, details of the Customer Support Service, Grievance Redressal Officer of MFIN (Microfinance Institution Network), Grievance Redressal Officer of Sa-dhan and Principal Nodal Officer are also mentioned on the website of the Company, and a toll-free number is also displayed at every branch for the borrowers to lodge their complaints, if any. The borrowers can also directly reach out to the grievance redressal cell through the tollfree number to raise their concerns. All the grievances of borrowers are dealt expeditiously, in a fair and transparent manner.

The Company's Customer Support Grievance Redressal Mechanism, including the escalation matrix and relevant contact details, is available on the Company's website at: https://www.spandanasphoorty.com/customer-support.

The Company has appointed an Internal Ombudsman, in accordance with the applicable RBI guidelines for NBFCs, to review complaints that have been fully or partially rejected with respect to the RBI's regulatory requirements.

24. CODE OF CONDUCT FOR INSIDER TRADING:

Your Company has duly formulated and adopted a Code of Conduct for Prohibition of Insider Trading and Internal Procedure in accordance with SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended. The objective of this Code is to regulate, monitor and report trading by its Designated Persons and Immediate Relatives of Designated Persons towards achieving and protecting the interest of the Stakeholders at large.

This Code of Conduct is available on the Company's website at https://spandanasphoorty.com/code-of-conduct.

25. FAIR PRACTICE CODE:

Your Company has duly formulated and adopted Fair Practice Code (FPC) in compliance with the guidelines issued by RBI, to deliver quality services to the borrowers by maintaining highest levels of transparency and integrity. It also aims to provide valuable information to the borrowers for making an informed decision. The FPC (in English, Hindi, Oriya, Gujarati, Kannada, Bengali, Malayalam, Marathi, Tamil, Telugu Version) is available on the Company's website at https://spandanasphoorty.com/code-of-conduct.

26. RISK MANAGEMENT:

Risk management is ingrained in the Company's operational framework. Proper processes are in place for risk identification, measurement, reporting and management. The Company has a Risk Management Policy, wherein risk management practices are integrated into governance and operations and has developed a strong risk culture within the Organization. Further, the risk management process is continuously reviewed, improved and adapted in the context of changing risk scenario and the agility of the risk management process is monitored and reviewed for its appropriateness in the changing risk landscape. The process of continuous evaluation of risks includes taking stock of the risk landscape on an event-driven basis. Major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continuing basis.

The Board of Directors has constituted Risk Management Committee to identify, monitor and review all the elements of risk associated with the Company. The detail of the Risk Management Committee and its terms of reference are elaborated in the Report on Corporate Governance which forms a part of this Report as "**Annexure VIII**".

27. DIVIDEND DISTRIBUTION POLICY:

Your Company has formulated a Dividend Distribution Policy in accordance with SEBI Listing Regulations, for bringing transparency in the matter of declaration of dividend and to protect the interest of investors. The Dividend Distribution Policy is available on the website of the Company at https://spandanasphoorty.com/policies.

28. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186 OF THE ACT:

Pursuant to the provisions of Section 186 (11) of the Act, disclosure requirement w.r.t. particulars of loans given, investments made or guarantee given or securities provided is not applicable to the Company.

29. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES:

Your Company has formulated a policy on Related Party Transactions (RPT Policy) and is available on Company's website at https://spandanasphoorty.com/policies .

This Policy deals with the review and approval of Related Party Transactions. The Board of Directors of the Company has approved the criteria for granting the omnibus approval by the Audit Committee within the overall framework of the RPT Policy. Prior omnibus approval is obtained for Related Party Transactions which are of repetitive nature and entered in the ordinary course of business and on an arm's length basis.

As per Regulation 23 of the SEBI Listing Regulations, any transaction with a Related Party is considered material if the transaction(s), whether entered into individually or taken together with previous transactions during a financial year, exceed the materiality thresholds prescribed under Schedule XII of the Regulations. Any such material Related Party Transaction requires prior approval of the Members of the Company by way of an ordinary resolution. These requirements apply even when the transactions are undertaken in the ordinary course of business and on an arm's length basis.

Prior to the amendments notified in 2025, any transaction with a Related Party shall be considered material, if the transaction(s) entered into/ to be entered into individually or taken together with the previous transactions during a financial year, exceeds ₹1,000 crore or 10% of annual consolidated turnover as per the last audited financial statements of the Company, whichever is lower. Pursuant to the SEBI (LODR) Fifth Amendment Regulations, 2025, materiality is now determined in accordance with the scale based, turnover linked thresholds specified in Schedule XII of the Regulations.

For the Financial Year 2024–25, the annual consolidated turnover of the Company was ₹2424.09 crore. Accordingly, the applicable materiality threshold for Related Party Transactions, as per Schedule XII, works out to ₹242.41 crore ("Applicable Threshold for Material RPTs").

Accordingly, during FY26, the Company obtained approval from the Members of the Company for entering into certain material Related Party Transactions and the details of the postal ballot and business transacted thereto are mentioned in the Corporate Governance Report forming part of this Report.

Further, all Related Party Transactions that fall within the prescribed materiality limits are reviewed and approved by the Audit Committee and the Board of Directors, in accordance with the provisions of Section 188 of the Companies Act, 2013 and Regulation 23 of the SEBI Listing Regulations.

There are no materially significant Related Party Transactions made by the Company with Promoters, Key Managerial Personnel or other designated persons which may have potential conflict with interest of the Company at large. All Related Party Transactions are placed before the Audit Committee for approval. The details of the Related Party Transactions are disclosed as per Indian Accounting Standard (IND AS) – 24 and set out in the notes to the Financial Statements forming part of this annual report.

Particulars of contracts/ arrangements with Related Parties under Section 188 of the Act in Form AOC-2 is annexed with this report as "**Annexure VII**".

30. INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY:

The Company has a sound Internal Control System, commensurate with the nature, size, scale and complexity of its operations, which ensures that transactions are recorded, authorized and reported correctly. The Company has put in place policies and procedures for continuously monitoring and ensuring the orderly and efficient conduct of the business, including adherence to the Company's Policies, for safeguarding its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records. The Audit Committee periodically reviews and evaluates the effectiveness of internal financial control system.

31. DEBENTURE TRUSTEE:

To protect the Interest of the Debenture Holders of the Company, your Company has appointed the below mentioned Debenture Trustee:

Catalyst Trusteeship Limited

Registered Office: GDA House, Plot No. 85, Bhusari Colony (Right), Paud Road, Pune-411038

Tel: +9122-49220590/ Extn-587/537

Email: ComplianceCTL-Mumbai@ctltrustee.com

Website: www.catalysttrustee.com

32. INFORMATION REQUIRED UNDER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION & REDRESSAL) ACT, 2013:

Your Company has constituted an Internal Committee as required to be formed under Section 4 of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and Rules made thereunder which were notified on December 09, 2013.

The Company has zero tolerance towards sexual harassment at the workplace and has adopted a policy on prevention, prohibition and redressal of sexual harassment 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. The Company had also conducted awareness programs for the employees during the year. During FY26, two complaints were received by the Committee under the aforesaid Act and the same was duly closed during the year. None of the complaints were pending for a period more than 90 days. The policy on Prevention of Sexual Harassment at workplace is available on the website of the Company at https://spandanasphoorty.com/policies.

33. DIRECTORS' RESPONSIBILITY STATEMENT:

To the best of their knowledge and belief and according to the information and explanations obtained by them, your Directors make the following statements in terms of Section 134(3)(c) of the Act:

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

b. that such accounting policies as mentioned in Note no. 3 of the Notes to the Financial Statements have been selected and applied consistently and judgments and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2026 and of the profit/loss of the Company for the year ended on that date;

c. that proper and sufficient care has been taken 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;

d. that the annual financial statements for the financial year ended March 31, 2026 have been prepared on a going concern basis;

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

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

34. CREDIT RATING (INCLUDING REVISION):

During FY26, your Company has obtained credit ratings for Bank facilities and debt instruments. The details of the same as on March 31, 2026, are provided below:

Instrument	Rating Agency	Rating Action	Rated Amount (₹ Crore)
Bank Facilities	CARE Ratings Limited	CARE BBB+/Stable	800.00
	ICRA Limited	ICRA BBB+/Negative	2,105.00
	CRISIL Ratings Limited	CRISIL BBB+/Stable	1,700.00
	India Rating and Research	IND BBB+/ Negative	1,500.00
Non- Convertible Debentures	CARE Ratings Limited	CARE BBB+/Stable	880.00
	ICRA Limited	ICRA BBB+/Negative	423.00
	India Rating and Research	IND BBB+/ Negative	1,120.00
Commercial Paper	CARE Ratings Limited	CARE A2	100.00
Securitisation	ICRA Limited	ICRA A+(SO)	57.50
	ICRA Limited	ICRA AA- and A- (SO)	52.38
	ICRA Limited	ICRA AA-(SO)	49.04
	ICRA Limited	ICRA A+(SO)	30.33
	ICRA Limited	ICRA AA-(SO)	196.74
	ICRA Limited	ICRA AA-(SO)	125.29
	CARE Ratings Limited	CARE AA-(SO)	99.31
	ICRA Limited	ICRA AA and A (SO)	86.98
	CARE Ratings Limited	CARE AA-(SO)	138.31
	ICRA Limited	ICRA AA-(SO)	76.01

During the year, the Company's credit ratings were revised by rating agencies. ICRA Limited revised the rating from ICRA A/Negative to ICRA BBB+/Negative. CARE Ratings Limited revised the rating from CARE A/ Negative to CARE BBB+/Stable. Similarly, India Ratings and Research Limited revised the rating from IND A/ Negative to IND BBB+/Negative, while CRISIL revised the rating from CRISIL A-/Stable to CRISIL BBB+/Stable.

35. APPLICATION UNDER INSOLVENCY AND BANKRUPTCY CODE, 2016:

The Company has not made any application under the Insolvency and Bankruptcy Code, 2016 during FY 26.

36. DETAILS 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 THEREOF:

The Company has not made any such valuation during the FY 26.

37. OTHER DISCLOSURES:

- The Company has not revised Financial Statements as mentioned under Section 131 of the Act during FY26.
- There were no material changes and commitments affecting the financial position of the Company which occurred between the end of the financial year to which these financial statements relate and the date of this Report.
- The information on the affairs of the Company has been provided in the Management Discussion and Analysis Report forming part of this Report.
- Details of Penalty or Strictures are disclosed in Corporate Governance Report forming part of this Report.
- there has been no change in the nature of business of the Company during FY26.
- During the FY 26, the Company has complied with provisions relating to the Maternity Benefit Act 1961.

38. GRATITUDE AND ACKNOWLEDGEMENT:

Your Board expresses its deep sense of gratitude to the Government of India, Reserve Bank of India, Stock Exchanges, Depositories and other Regulators for the valuable guidance and support, the Company has received from them during the year. The Board would also like to express its sincere appreciation of the co-operation and assistance received from its Stakeholders, Members, Bankers, Service Providers and other Business Constituents during the year. The Board places on record its appreciation of the dedicated services and contributions made by the employees for the overall performance of the Company.

For & on behalf of the Board of Directors of Spandana Sphoorty Financial Limited

Abanti Mitra	**Venkatesh Krishnan**
Chairperson and Independent Director	Managing Director and Chief Executive Officer
DIN: 02305893	DIN: 02078403
Place: Hyderabad	Place: Hyderabad
Date: May 5, 2026	Date: May 5, 2026

Anexture I to the Board's Report

FORM NO. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED MARCH 31, 2026

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

To,

The Members,

Spandana Sphoorty Financial Limited

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Spandana Sphoorty Financial Limited (CIN: L65929TG2003PLC040648) (hereinafter called the "Company") for the financial year ended March 31, 2026.

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

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

(i) The Companies Act, 2013 (the "Act") and the Rules made thereunder;

(ii) The Securities Contracts (Regulation) Act, 1956 ("SCRA") and the Rules made thereunder;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

(iv) Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder for compliance to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings - Not applicable for the review period;

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ("SEBI Act") as amended from time to time:

   (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

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

   (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;

   (d) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;

   (e) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 2025 regarding the Companies Act and dealing with client – Not Applicable to the Company during the period under review;

   (f) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 - Not applicable for the review period;

   (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 - Not applicable for the review period;

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

   (i) The Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018.

(vi) Other specific business/industry related laws applicable to the Company:

The management has identified and confirmed the following law as specifically applicable to the Company:

The Company has complied with the Reserve Bank of India Act, 1934, Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 including RBI Master Directions and guidelines as applicable to NBFCs and the other applicable general laws, rules, regulations and guidelines.

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

(i) Secretarial Standards with regard to Meeting of Board of Directors (SS-1) and General Meetings (SS-2) issued by The Institute of Company Secretaries of India; and

(ii) SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above. Further, there were certain regulatory / statutory penalties / fine / additional fees imposed / administrative notices issued to the Company. The

Company has paid the requisite penalties/ fines / additional fees, wherever applicable and taken necessary corrective actions.

We further report that

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

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

The minutes of the Board Meetings and Committee Meetings have not identified any dissent by members of the Board/ Committee of the Board, hence we have no reason to believe that the decisions by the Board were not approved by all the directors present. The Minutes of the Board Meetings and Committee Meetings were duly approved at the meeting by the Chairperson of the Meeting.

We further report that there are adequate systems and processes in the Company commensurate with its size and operations, to monitor and ensure compliance with applicable laws, rules, regulations and guidelines. As informed, the Company has responded appropriately to communications received from various statutory / regulatory authorities including initiating actions for corrective measures, wherever found necessary.

We further report that during the audit period, following important resolutions passed or major events/actions have taken place, having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines and standards.:

1. The Company has issued and allotted 1,73,34,362 Partly Paid-up Equity Shares of ₹ 10/- each at a premium of ₹ 220/- per share on Rights basis on 12th August, 2025 under Section 62(1)(a) and Section 23(1)(c) of the Companies Act, 2013.
2. During the financial year, the Company has issued and allotted a total of 75,000 Listed, Rated, Senior, Secured, Redeemable, Non-Convertible Debentures having face value of ₹ 1,00,000/- each on private placement basis.
3. Approval of the Shareholders of the Company was obtained by way of Postal Ballot on 11th June, 2025 for amendment of Articles of Association of the Company.
4. Approval of the Shareholders of the Company was obtained at the 22nd Annual General Meeting of the company held on 16th September, 2025 to create, offer, invite issue and allot subordinated or unsubordinated, perpetual or non-perpetual, listed , secured or unsecured Non-Convertible Debentures on Private Placement basis during a period of one year from the date of passing of the resolution up to an amount not exceeding ₹ 4000 Crore.
5. In-principle approval of the Board of Directors of the Company vide its resolution dated January 10, 2026, was obtained for evaluating the prospects of merger of Criss Financial Limited (a subsidiary of the Company) into the Company and for constituting the Merger Steering Committee, a sub-delegated committee of the Board, to evaluate and finalise the terms of the proposed merger, facilitate effective decision making on matters related to the proposed merger, and make a final proposal to the Board for its consideration and approval.

For ALWYN JAY & Co.

Alwyn D'Souza

Partner

Place: Mumbai FCS.5559 C.P No.5137

Date May 5, 2026 UDIN : F005559H000276291

Note: This report is to be read with our letter of even date which is annexed as

Annexure A and forms an integral part of this report.

Annexure A

To

The Members,

Spandana Sphoorty Financial Limited

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

1. The compliance of provisions of all laws, rules, regulations, standards applicable to Spandana Sphoorty Financial Limited (hereinafter called “the Company”) is the responsibility of the Management of the Company. Our examination was limited to the verification of records and procedures on test check basis for the purpose of issue of the Secretarial Audit Report.

2. Maintenance of secretarial and other records of applicable laws is the responsibility of the Management of the Company. Our responsibility is to issue Secretarial Audit Report, based on the audit of the relevant records maintained and furnished to us by the Company, along with explanations where so required.

3. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial and other legal records, legal compliance mechanism and corporate conduct. Further, part of the verification was done on the basis of electronic data provided to us by the Company on test check basis to ensure that correct facts as reflected in secretarial and other records produced to us. We believe that the processes and practices we followed, provides a reasonable basis for our opinion for the purpose of issue of the Secretarial Audit Report.

4. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.

5. Wherever required, we have obtained the management representation about list of applicable laws, compliance of laws, rules and regulations and major events during the audit period.

6. 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.

Anexture II to the Board's Report

Secretarial Compliance Report of Spandana Sphoorty Financial Limited for the financial year ended March 31, 2026

[Pursuant to Regulation 24A of the SEBI (LODR) Regulations, 2015 read with SEBI Circular CIR/CFD/CMD1/27/2019 dated 08th February, 2019 and amendments thereof)

We have examined:

(a) all the documents and records made available to us and explanation provided by Spandana Sphoorty Financial Limited (hereinafter called the "Company"),

(b) the fillings/submissions made by the Company to the stock exchanges,

(c) Website of the Company,

(d) any other documents/filing, as may be relevant, which has been relied upon to make this Report, for the year ended March 31, 2026 ("Review Period") in respect of compliance with provisions of:

  (a) the Securities and Exchange Board of India Act, 1992 ("SEBI Act") and the Regulations, circulars, guidelines issued thereunder and,

  (b) the Securities Contract (Regulation) Act, 1956 ("SCRA"), rules made thereunder and the Regulations, circular, guidelines issued thereunder by the Securities and Exchange Board of India ("SEBI").

The specific Regulations, as amended from time to time, whose provisions and the circulars/guidelines issued thereunder, have been examined, include:

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

(b) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;

(c) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

(d) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 - Not applicable for the Review Period;

(e) Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;

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

(g) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 2025 regarding the Companies Act and dealing with client – Not applicable to the Company during the Review Period;

(h) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

(i) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 - Not applicable for the Review Period;

(j) The Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018 and circulars/guidelines issued thereunder.

And based on the above examination, we hereby report that during the Review Period:

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

Sr. No	Compliance Requirement (Regulations /Circulars /Guidelines including specific clause)	Regulation /Circular No.	Deviations	Action Taken by	Type of Action (Advisory/ Clarification/ Fine/ Show Cause Notice/ Warning etc.)	Details of Violation	Fine Amount (₹)	Observations /Remarks of the Practicing Company Secretary	Management Response	Remarks
Not Applicable										

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

Sr. No.	Observations/ Remarks of the Practicing Company Secretary (PCS) in the previous reports)	Observations made in the Secretarial Compliance report for the year ended March 31, 2025 (The years are to be mentioned)	Compliance Requirement (Regulations/ circulars/ guidelines including specific clause)	Details of violation / Deviations and actions taken /penalty imposed, if any, on the Company	Remedial actions, if any, taken by the Company	Comments of the PCS on the actions taken by the Company
1.	BSE Limited has levied fine of ₹ 23,600/- for the delay in submission of notice of Record Date	Delayed submission of the notice of Record Date for ISIN: INE572J07562, INE572J07745 for the month of November, 2024	Regulation 60(2) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015- Notice of Record Date	Delayed submission of the notice of Record Date for ISIN: INE572J07562, INE572J07745 for the month of November, 2024	The Company vide its email dated December 31, 2024, informed BSE regarding the said intimation in relation to the record date for captioned ISINs in compliance with Regulation 60(2) and further clarified that there was no delay, as stated by BSE Limited. The Company submitted a representation on January 3, 2025, to BSE, requesting a waiver of the fines imposed.	Based on submissions made by the Company, wherein the Company was not at fault, it was not required to pay any penalty, BSE vide its communication dated September 12, 2025 has withdrawn the fine levied on the Company.

Further, we hereby report that, during the review period, the Compliance status of the Company with the following requirements:

Sr. No.	Particulars	Compliance Status (Yes/No/NA)	Observations/ Remarks by PCS
1.	**Secretarial Standards:** The compliances of the Company are in accordance with the applicable Secretarial Standards (SS) issued by the Institute of Company Secretaries of India (ICSI).	Yes	None
2.	**Adoption and timely updation of the Policies:** • All applicable policies under SEBI Regulations are adopted with the approval of board of directors of the Company. • All the policies are in conformity with SEBI Regulations and has been reviewed & updated on time, as per the regulations/ circulars/ guidelines issued by SEBI.	Yes	None
3.	**Maintenance and disclosures on Website:** • The Company is maintaining a functional website. • Timely dissemination of the documents/ information under a separate section on the website. • Web-links provided in annual corporate governance reports under Regulation 27(2) are accurate and specific which redirects to the relevant document(s)/ section of the website	Yes	None
4.	**Disqualification of Director(s):** None of the Director(s) of the Company are disqualified under Section 164 of Companies Act, 2013 as confirmed by the Company.	Yes	None
5.	**Details related to subsidiaries of the Company have been examined w.r.t.:** (a) Identification of material subsidiary companies (b) Disclosure requirement of material as well as other subsidiaries.	Not Applicable	The Company does not have any material subsidiary during the review period
6.	**Preservation of Documents:** The Company is preserving and maintaining records as prescribed under SEBI Regulations and disposal of records as per Policy of Preservation of Documents and Archival policy prescribed under SEBI LODR Regulations, 2015	Yes	None
7.	**Performance Evaluation:** The Company has conducted performance evaluation of the Board, Independent Directors and the Committees at the start of every financial year/ during the financial year as prescribed in SEBI Regulations	Yes	None
8.	**Related Party Transactions:** (a) The Company has obtained prior approval of Audit Committee for all Related party transactions (b) In case no prior approval obtained, the Company shall provide detailed reasons along with confirmation whether the transactions were subsequently approved/ ratified/ rejected by the Audit committee.	Yes	None
9.	**Disclosure of events or information:** The Company has provided all the required disclosure(s) under Regulation 30 along with Schedule III of SEBI LODR Regulations, 2015 within the time limits prescribed thereunder.	Yes	None
10.	**Prohibition of Insider Trading:** The Company is in compliance with Regulation 3(5) & 3(6) SEBI (Prohibition of Insider Trading) Regulations, 2015	Yes	None

Sr. No.	Particulars	Compliance Status (Yes/No/NA)	Observations/ Remarks by PCS
11.	**Actions taken by SEBI or Stock Exchange(s), if any:** No actions has been taken against the Company/ its promoters/ directors/ subsidiaries either by SEBI or by Stock Exchanges (including under the Standard Operating Procedures issued by SEBI through various circulars) under SEBI Regulations and circulars/ guidelines issued thereunder	Yes	None
12.	**Resignation of statutory auditors from the Company or its material subsidiaries:** In case of resignation of statutory auditor from the Company or any of its material subsidiaries during the financial year, the Company and / or its material subsidiary(ies) has / have complied with paragraph 6.1 and 6.2 of section V-D of chapter V of the Master Circular on compliance with the provisions of the LODR Regulations by the company(s).	Not Applicable	Not Applicable
13.	**Additional non-compliances, if any:** No additional non-compliance observed for any SEBI regulation/ circular/ guidance note etc. except as reported above.	Not Applicable	Not Applicable

We further, report that the Company is in compliance with the disclosure requirements of Employee Benefit Scheme Documents in terms of regulation 46(2) (za) of the LODR Regulations.

Assumptions & Limitation of scope and Review:

1. Compliance with the applicable laws and ensuring the authenticity of documents and information furnished, are the responsibilities of the Management of the Company.
2. Our responsibility is to report based upon our examination of relevant documents and information. This is neither an audit nor an expression of opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. This Report is solely for the intended purpose of compliance in terms of Regulation 24A (2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and 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.

For ALWYN JAY & Co.

Alwyn D'Souza

Partner

FCS.5559 C.P No.5137

UDIN : F005559H000276302

Place: Mumbai

Date May 5, 2026

Annexure III to the Board's Report

Form AOC-1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

PART A: SUBSIDIARIES

(₹ in Crore)

Sl. No	Particulars	Caspian Financial Services Limited	Criss Financial Limited
1.	CIN/ any other registration number	U65999TG2017PLC120042	U65993TG1992PLC014687
2.	Date when subsidiary was acquired	October 13,2017	December 27,2018
3.	Provisions of the Act, pursuant to which the company has become the subsidiary	Section 2(87)(ii)	Section 2(87)(ii)
4.	Share Capital	2.00	15.67
5.	Reserves & Surplus	(1.74)	217.44
6.	Total Assets	0.26	678.43
7.	Total Liabilities (Other than Net worth)	-	445.32
8.	Investments	-	-
9.	Turnover	-	152.80
10.	Profit before taxation	(0.01)	(100.12)
11.	Provision for taxation	-	(25.03)
12.	Profit after taxation	(0.01)	(75.09)
13.	Proposed Dividend	-	-
14.	% of shareholding	100%	99.92%

1. **NAMES OF SUBSIDIARIES WHICH ARE YET TO COMMENCE OPERATIONS:**

   Nil

2. **NAMES OF SUBSIDIARIES WHICH HAVE BEEN LIQUIDATED OR SOLD DURING THE YEAR:**

   No subsidiaries have been liquidated or sold during the year under review.

   The Company does not have any associate company or joint venture company during the year under review. Hence,

Part B of Form AOC-1 is not applicable.

For & on behalf of the Board of Directors of Spandana Sphoorty Financial Limited

Abanti Mitra
Chairperson and Independent Director
DIN: 02305893

Venkatesh Krishnan
Managing Director and Chief Executive Officer
DIN: 02078403

Place: Hyderabad
Date: May 5, 2026

Place: Hyderabad
Date: May 5, 2026

Annexure IV to the Board Report

Declaration on Compliance with the Company's Code of Conduct for Board and Senior Management Personnel

I hereby declare that the Board Members and Senior Managerial Personnel of the Company have affirmed compliance with the Code of Conduct for the Board and Senior Management Personnel, for the Financial Year 2025-26.

Venkatesh Krishnan
Managing Director and Chief Executive Officer

Place: Hyderabad
Date: May 5, 2026

Annexure V

Format for The Annual Report on CSR Activities to be Included in the Board's Report for Financial Year April 01, 2025, to March 31, 2026

1. **Brief outline on CSR Policy of the Company.**

   Spandana is a Micro Finance Institution offering a range of financial products and services to low-income households and individuals to improve their quality of life, Spandana is committed to community development. The underlying goal of all its interventions is to transform the lives of communities through a result oriented, participatory approach. The efforts are directed towards achieving inclusive growth, to reach out to the vulnerable communities and help them build a better future.

   The Company is committed to being an active and responsive corporate citizen in the communities where we operate. This commitment is reflected in our strategic approach to design and implement impactful programs that contribute positively to society.

2. **Composition of CSR Committee:**

S. No.	Name of Director	Category	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Ramachandra Kasargod Kamath	Chairperson	3	3
2.	Neeraj Swaroop	Member	3	2
3.	Dipali Hemant Seth	Member	3	3
4.	Venkatesh Krishnan*	Member	1*	1

* Since Mr. Venkatesh Krishnan was appointed as the member of the Committee with effect from November 27, 2025 he was eligible to attend One (1) meeting for the FY 2025-26.

3. **Provide the web-link where Composition of CSR Committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company**

   CSR Committee Weblink: https://www.spandanasphoorty.com/board-committees

   CSR Policy Weblink: https://www.spandanasphoorty.com/policies

   CSR Project Weblink: https://www.spandanasphoorty.com/programs-Impact

4. **Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable.**

   As the Company was not subject to mandatory Impact Assessment requirements, no Impact Assessment was conducted during the year.

5. **Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any** - ₹0.19 crore

6. **Average net profit of the company as per section 135(5).**

   a. Two percent of average net profit of the company as per section 135(5) – NIL

   b. Surplus arising out of the CSR projects, programmes, or activities of the previous financial years – NIL

   c. Amount required to be set off for the financial year, if any – NIL

   d. Total CSR obligation for the financial year (6a+6b+6c) - NIL

7. (a) CSR amount spent or unspent for the financial year:

Total amount Spent for the Financial Year. (₹ in crores)	Amount Unspent (₹ in crores)				
	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount (₹ in crores)	Date of transfer	Name of the Fund	Amount	Date of transfer.
0.59	Nil	NA	NA	NA	NA

(b) Details of CSR amount spent against ongoing projects for the financial year:

1.	2.	3.	4.		5.	6.	7.	8.	9.	10.	
S. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area		Location of the project.	Project duration.	Amount allocated for the project (₹ in crores)	Amount transferred to Unspent CSR Account for the project as per section 135(6) (₹ in crores)	Amount transferred to Unspent CSR Account for the project as per section 135(6) (₹ in crores)	Mode of Implementation – Director (Yes/No).	
			State	district						Name	CSR Registration number
	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA

(c) Details of CSR amount spent against other than ongoing projects for the financial year:

Total Amount Spent for the Financial Year. (₹ in crores)	Amount Unspent (₹ in crores)				
	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount (₹ in crores)	Date of transfer	Name of the Fund	Amount	Date of transfer
₹0.58	0	NA	NA	NA	NA

(d) Amount spent in Administrative overheads – ₹0.01 crore

(e) Amount spent on Impact Assessment, if applicable – NIL

(f) Total amount spent for the Financial Year (7b+7c+7d+7e) – ₹0.59 crore

(g) Excess amount for set off, if any - ₹0.19 Crore

Sl. No.	Particular	Amount (₹ in crores)
(i)	Two percent of average net profit of the company as per section 135(5)	NIL
(ii)	Total amount spent for the Financial Year	₹ 0.59
(iii)	Excess amount spent for the financial year [(ii)-(i)]	NIL
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	₹ 0.19
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	₹ 0.19

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

Amount (₹ in crores)

S. No	Preceding Financial Year.	Amount transferred to Unspent CSR Account under section 135 (6)	Amount spent in the reporting Financial Year	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.			Amount remaining to be spent in succeeding financial years.
				Name of the Fund	Amount	Date of transfer	
1	2023-24	0	0	NA	NA	NA	NA
2	2024-25	0	0	NA	NA	NA	NA
3	2025-26	0	0	NA	NA	NA	NA
	Total	0	0	NA	NA	NA	NA

9. Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):
Not Applicable

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
S No.	Project ID	Name of the Project	Financial Year in which the project was commenced	Project duration	Total amount allocated for the project (₹ in crores)	Amount spent on the project in the reporting Financial Year (₹ in crores)	Cumulative amount spent at the end of reporting Financial Year. (₹ in crores)	Status of the project Completed /Ongoing
-	-	-	-	-	-	-	-	-
	Total		-	-	-	-		

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year – Not Applicable

(a) Date of creation or acquisition of the capital asset(s). – Not Applicable

(b) Amount of CSR spent for creation or acquisition of capital asset. – Not Applicable

(c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc. – Not Applicable

(d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset). – Not Applicable

11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5).

– Not Applicable

For and on behalf of the Board of Directors of Spandana Sphoorty Financial Limited

Ramachandra Kasargod Kamath
Chairperson – CSR Committee
DIN: 01715073

Date: May 5,2026
Place: Hyderabad

Venkatesh Krishnan
Managing Director and Chief Executive Officer
DIN: 02078403

Date: May 5,2026
Place: Hyderabad

Annexure VI

DISCLOSURES ON MANAGERIAL REMUNERATION

The ratio of the remuneration of each director to the median employee's remuneration and other details in terms of subsection 12 of Section 197 of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

S. No	Requirement	Disclosure
1.	The ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year;	The ratio of remuneration of Mr. Shalabh Saxena* - 1:333.67 (annualized) The ratio of remuneration of Mr. Venkatesh Krishnan** - 1:172 (annualized) The ratio of remuneration of , Mr. Animesh Chauhan, Mr. Deepak Calian Vaidya, Ms. Dipali Hemant Sheth, Mr. Vinayak Prasad, Mr. Ramachandra Kasargod Kamath and Mr. Neeraj Swaroop for the Financial Year 2025-26 is 1:13.79. The ratio of remuneration of Ms. Abanti Mitra, Financial Year 2025-26 is 1:18.38.
2.	The percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary, or Manager, if any, in the financial year 2025-26;	Mr. Shalabh Saxena (MD& CEO): 0.00% Mr. Venkatesh Krishnan (MD& CEO): NA** Mr. Ashish Kumar Damani (President & CFO): 0.00% Mr. Vinay Prakash Tripathi: 0.00% Ms. Abanti Mitra (Chairperson & Independent Director): 33.33%
3.	The Percentage Increase in the Median Remuneration of Employees in the Financial Year;	7.95%
4.	The number of permanent employees on the rolls of the company (as of March 31, 2026);	9,405
5.	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration;	The average percentile increased in the remuneration of all employees (other than managerial personnel) for the FY 26 stand at 6.77 whereas average percentile increased in the remuneration of managerial personnel (KMPs) stands at 0.00%. Further, there were no exceptional circumstances for increase in the managerial remuneration during the FY26.
6.	Affirmation that the remuneration is as per the remuneration policy of the company.	The remuneration is paid as per the remuneration policy of the Company

*Mr. Shalabh Saxena resigned and ceased to be Managing Director & Chief Executive Officer with effect from April 23, 2025.
** Mr. Venkatesh Krishnan was appointed as Managing Director & Chief Executive Officer with effect from November 27, 2025.
***Mr. Sunish Sharma and Ms. Saakshi Gera are not paid any remuneration by the Company.

For and on behalf of the Board of Directors of Spandana Sphoorty Financial Limited

Abanti Mitra
Chairperson and Independent Director
DIN: 02305893

Place: Hyderabad
Date: May 5, 2026

Venkatesh Krishnan
Managing Director and Chief Executive Officer
DIN: 02078403

Place: Hyderabad
Date: May 5, 2026

Annexure VII to the Board's Report

Form AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms-length transactions under third proviso thereto

1. **Details of contracts or arrangements or transactions not at arm's length basis:** Nil
2. **Details of material contracts or arrangement or transactions at arm's length basis:**

a)	CIN	U655993TG1992PLC014687
b)	Name(s) of the related party and nature of relationship:	Criss Financial Limited (CFL), Subsidiary Company
c)	Nature of contracts/arrangements/transactions:	Inter-corporate advances
d)	Duration of the contracts / arrangements / transactions:	FY 25-26 (One Year)
e)	Salient terms of the contracts or arrangements or transactions including the value, if any:	Inter-corporate advances granted (gross) - 447.50 Crore CFL is primarily engaged in the business of providing individual loans, small business loans, and loans against property. These inter-corporate advances are extended to support CFL's working capital needs and day-to-day business operations. The interest income is the consequential transaction flowing out of the principal transaction in the form of Inter-Corporate Advances and the same is not included in the aforesaid amount. The Company has also entered into certain other Related Party Transactions with Criss Financial Limited and for more details of the same, refer to Note no. 34 of the Financial Statements.
f)	Date of approval by the Board	May 5, 2025
g)	Amount paid as advances, if any:	NA

For & on behalf of the Board of Directors of Spandana Sphoorty Financial Limited

Abanti Mitra
Chairperson and Independent Director
DIN: 02305893

Place: Hyderabad
Date: May 5, 2026

Venkatesh Krishnan
Managing Director and Chief Executive Officer
DIN: 02078403

Place: Hyderabad
Date: May 5, 2026

Annexure VIII to the Board's Report

Corporate Governance Report

(Pursuant to Section 134 of the Companies Act, 2013 and Part C of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

Corporate governance is about promoting fairness, transparency, accountability, disclosure, commitment to ethical business conduct and values. Moreover, it recognizes the impact of considering the diverse interests of all stakeholders, fostering trust and striving to maximize long-term corporate value throughout business operations.

This report outlines compliance with various requirements under the Companies Act, 2013, as amended (the 'Act'), the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and amendments thereto, (the 'SEBI Listing Regulations') and the Master Direction - Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 (the 'RBI Master Direction'), as applicable to the Company.

1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Corporate Governance encompasses a comprehensive framework of rules, regulations, processes and good practices & systems that enables an organisation to perform efficiently and ethically to generate long-term wealth and create value for its stakeholders. Sound governance practices and responsible corporate behaviour are pivotal in fostering superior long-term performance of an organisation. At Spandana, we strongly believe in the practice of conducting business activities with unwavering ethical standards, ensuring a high level of accountability and trust for all our stakeholders. Our commitment is to create and sustain long-term, sustainable value through ethically driven business processes.

Our principles of Corporate Governance are deeply rooted in our values and policies; and also embedded in our day-to-day business practices, leading to value-driven growth. We have embraced the best governance practices and disclosure standards, leading to enhanced shareholders' value while safeguarding the interest of all the stakeholders.

At Spandana, we are committed towards achieving highest standards of Corporate Governance through efficient conduct of our business and fulfilling our responsibilities towards our stakeholders. We strongly emphasis on transparency, fairness, professionalism, accountability and integrity throughout the organization.

2. BOARD OF DIRECTORS

The Board plays a pivotal role in ensuring good corporate governance. The Board of Directors is the apex body that governs the overall functioning of a company. Keeping commitment to the principle of integrity and transparency in business operations for good corporate governance, a Company's policy should have an appropriate blend of independent and non-independent directors to maintain independence of the board and to separate the board functions of governance and management.

As stewards of corporate governance, the Board ensures that the Company operates with integrity, transparency, and adherence to legal and ethical standards. They oversee the formulation and implementation of effective policies, risk management strategies, and long-term strategic plans. Through their collective wisdom and experience, they provide guidance to the Management Team, offering valuable insights and oversight to steer the organization towards sustainable growth.

The Board has delegated the operational conduct of the day-to-day affairs of the Company to the Managing Director & Chief Executive Officer of the Company.

a) Board Composition:

Composition of the Board is in conformity with Regulations 17 of the SEBI Listing Regulations, which stipulates that the Board should have an optimum combination of Executive and Non- Executive Directors with at least one-Independent Woman Director and that at least fifty percent (50%) of the Board should consist of Non-Executive Directors. It further stipulates that if the Chairperson of the Board is a Non-Executive and Non-Promoter Director then at least one-third of the Board should comprise of Independent Directors.

The Company is managed and controlled by a professional Board of Directors, which comprises ten (10) Directors drawn from diverse fields/ professions. Out of ten Directors, (5) are Independent Directors. The Chairperson of the Board is an Independent Director. The profile of Directors is available at https://www.spandanasphoorty.com/board-of-director.

During the financial year 2025–26 (FY26), Mr. Shalabh Saxena (DIN: 08908237) resigned from the position of Managing Director and Chief Executive Officer of the Company with effect from April 23, 2025, to pursue opportunities outside the organization. Following his resignation, the Company appointed Mr. Ashish Kumar Damani, as the Interim Chief Executive Officer, in addition to his existing role as President and Chief Financial Officer effective April 23, 2025. Subsequently, during year, the Company appointed Mr. Venkatesh Krishnan as the Managing Director and Chief Executive Officer with effect from November 27, 2025. Upon this appointment, Mr. Ashish Kumar Damani ceased to hold his position as the Interim Chief Executive Officer.

Pursuant to Section 149(6) of the Act read with Rule 5 of the Companies (Appointment and Qualification of Directors) Rules, 2014 and the Regulation 16(1)(b) of the SEBI Listing Regulations, all the Independent Directors of the Company have provided the declaration to the Board confirming satisfaction of the conditions of their independence. In the opinion of the Board, the Independent Directors fulfil the conditions as specified in Schedule V of the SEBI Listing Regulations and are independent of the Management of the Company. None of the Independent Directors resigned before the expiry of their respective tenures during FY26. As per Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 ('RBI Master Directions'), none of the Independent Directors are on the Board of more than three NBFCs. Further, all the Directors of the Company meet the "fit & proper" criteria as stipulated by RBI. None of the Directors of the Company are related to each other.

b) Board Procedures:

The Board meets at regular intervals to discuss and decide on Company/business policies and strategy apart from other board businesses. The Board/ Committee Meetings are pre-scheduled, and a tentative annual calendar of the Board and Committee Meetings is circulated to the Directors well in advance to facilitate them to plan their schedule and to ensure meaningful participation in the meetings. However, in case of a special and urgent business need, the Board's approval is taken by passing resolutions by circulation, as permitted under the Act, which are noted and confirmed in the subsequent Board/Committee Meeting.

The Notices of Board/Committee Meetings are given well in advance to all the Directors. The agenda of the Board/Committee Meetings are set by the Company Secretary in consultation with the Chairperson and Managing Director of the Company. The agenda is circulated seven (7) days in advance from the date of the Meeting. With reference to the matters, where it is not practicable to circulate any document or the agenda item is of a confidential nature or contains unpublished price sensitive information, the same is circulated separately or tabled at the meeting, as the case may be. In special and exceptional circumstances, consideration of any additional agenda item is taken up with the permission of the Chairperson and with the consent of majority of Directors present at the meeting. Prior approval from the Board is obtained for circulating the agenda items with shorter notice for businesses that form part of the Board and Committee agenda and are considered to be in the nature of Unpublished Price Sensitive Information.

The agenda includes an action taken report comprising of actions emanating from the previous Board/ Committee Meetings and status updates thereof. Agenda for the Board and Committee Meetings covers items set out as per the Act, various SEBI Regulations and RBI Master Directions, to the extent it is relevant and applicable. The agenda for the Board and Committee Meetings includes detailed notes on the items to be discussed at the Meeting to enable the Directors to take an informed decision. The Company also provides its directors with an option to participate through audio/ video conference at each of the Board/Committee meeting.

At the Board Meetings, presentations are made by the Senior Management covering plans, performance, operations, financial performance, risk management, compliance status and other issues and matters which the Board wants to be apprised of on a periodic basis. The Company Secretary is responsible for the collation, review and distribution of all papers submitted to the Board and Committees thereof for consideration and convening of the Board and Committee Meetings. The Company Secretary attends all the Meetings of the Board and its Committees, to the extent possible. He advises/assures the Board and its Committees on compliance and governance principles; and ensures appropriate recording of minutes of the Meetings. With a view to leverage technology and reducing paper consumption, the Company circulates the agenda papers and all the relevant annexures via e-mail and through board meeting management application.

The draft minutes of the Board and Committee meetings are circulated amongst the Directors/ Members for their perusal and comments in accordance with Secretarial Standard-1 (SS-1) issued by the Institute of Company Secretaries of India. Suggestions, if any, received from the Directors/Committee Members are suitably incorporated in the draft minutes, in consultation with the Chairperson of the Board/Committee.

c) Membership of other Boards:

None of the Directors of the Company hold directorships in more than twenty companies including not more than ten (10) public companies. Pursuant to Regulation 17A of the SEBI Listing Regulations, none of the Directors of the Company hold directorship in more than seven (7) listed companies and independent directorship in more than seven (7) listed companies. Further, pursuant to Regulation 26 of the SEBI Listing Regulations, none of the Directors serves as a member of more than ten (10) committees or as the chairperson of more than five (5) committees. The offices held by the Directors are in compliance with the Act and the SEBI Listing Regulations. For more information on the same, refer the table under the next section i.e. 'Meeting and attendance'.

d) Meeting and attendance:

During FY26, a total of ten (10) Board Meetings were held on April 23, 2025, May 15, 2025, May 30, 2025, July 15, 2025, July 18, 2025, August 08, 2025, August 14, 2025, October 31, 2025, November 25, 2025 and January 27, 2026. The meetings are generally held at the Registered

Office of the Company situated at Hyderabad. The meetings were held at least once in a quarter and the gap between two meetings have not been more than one hundred and twenty days. The required quorum was present at all the abovementioned meetings. During the year, the Board also transacted some of the businesses by passing resolutions by circulation.

The details of attendance of the Members of the Board at the meetings held during the year and also the number of other Directorships and Memberships / Chairmanships of Committees held by them as on March 31, 2026, are as follows:

Name and Category	DIN	Date of Joining the Board	Number of shares held in the Company	Directorship(s) in other Companies	Membership(s) of Committee of other Companies#	Chairmanship(s) of Committees of other Companies#
Independent Director						
Ms. Abanti Mitra – Chairperson of the Board	02305893	04-05-2017	4,247	4	3	3
Mr. Animesh Chauhan	02060457	04-08-2022	-	7	6	3
Mr. Deepak Calian Vaidya	00337276	06-06-2018	-	4	3	-
Ms. Dipali Hemant Sheth	07556685	02-05-2023	-	10	7	-
Mr. Vinayak Prasad	05310658	02-05-2023	-	1	1	-
Non-Executive Nominee Directors						
Mr. Neeraj Swaroop	00061170	04-08-2022	-	3	4	1
Mr. Ramachandra Kasargod Kamath	01715073	04-05-2017	-	7	2	1
Mr. Sunish Sharma	00274432	31-03-2017	-	3	1	-
Ms. Saakshi Gera	08737182	22-05-2024	-	6	-	-
Managing Director and Chief Executive Officer						
Mr. Venkatesh Krishnan*	02078403	27-11-2025	-	0	0	-

#Includes only Audit Committee and Stakeholders' Relationship Committee. Membership includes Chairmanship.
* Mr. Shalabh Saxena resigned and ceased to be the Managing Director and Chief Executive Officer with effect from April 23, 2025. Subsequently, Mr. Venkatesh Krishnan was appointed as Managing Director & Chief Executive Officer with effect from November 27, 2025.

Sr. No.	Name of the Directors	Category of Directorship	April 23, 2025	May 15, 2025	May 30, 2025	July 15, 2025	July 18, 2025	August 08, 2025	August 14, 2025	October 31, 2025	November 25, 2025	January 27, 2026	Attendance	Whether attended the Annual General Meeting held on September 16, 2025
1.	Ms. Abanti Mitra	Chairperson & Independent Director	Yes	Yes	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes	09/10	Yes
2.	Mr. Animesh Chauhan	Independent Director	No	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	08/10	Yes
3.	Mr. Deepak Calian Vaidya	Independent Director	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	10/10	Yes
4.	Ms. Dipali Hemant Sheth	Independent Director	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes	No	Yes	08/10	Yes
5	Mr. Vinayak Prasad	Independent Director	Yes	Yes	Yes	Yes	No	Yes	Yes	Yes	Yes	Yes	9/10	Yes
6.	Mr. Neeraj Swaroop	Non-Executive Nominee Director	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	09/10	Yes
7.	Mr. Ramachandra Kasargod Kamath	Non-Executive Nominee Director	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	09/10	Yes
8.	Mr. Sunish Sharma	Non-Executive Nominee Director	Yes	Yes	Yes	No	No	Yes	Yes	Yes	Yes	Yes	08/10	Yes

Sr. No.	Name of the Directors	Category of Directorship	April 23, 2025	May 15, 2025	May 30, 2025	July 15, 2025	July 18, 2025	August 08, 2025	August 14, 2025	October 31, 2025	November 25, 2025	January 27, 2026	Attendance	Whether attended the Annual General Meeting held on September 16, 2025
9.	Ms. Saakshi Gera	Non-Executive Nominee Director	No	Yes	Yes	No	Yes	Yes	Yes	No	Yes	Yes	07/10	Yes
10.	Mr. Shalabh Saxena*	Managing Director & Chief Executive Officer	Yes	NA	NA	NA	NA	NA	NA	NA	NA	NA	01/01	NA
11.	Mr. Venkatesh Krishnan**	Managing Director & Chief Executive Officer	NA	NA	NA	NA	NA	NA	NA	NA	NA	Yes	01/01	NA

Note: Leave of absence was granted to the Director(s) who were part of the Board and could not attend respective meeting(s), if any.
* Resigned and ceased to be the Managing Director & Chief Executive Officer on April 23, 2025.
** Appointed as the Managing Director & Chief Executive Officer with effect from November 27, 2025.

The details pertaining to the directorships held by the Directors in listed companies other than Spandana Sphoorty Financial Limited as on March 31, 2026, are as follows:

Name of the Director	Name of the listed entity	Nature of Directorship
Ms. Abanti Mitra	Vedant Fashions Limited	Independent Director
Mr. Animesh Chauhan	Canara HSBC Life Insurance Company Limited	Independent Director
Ms. Dipali Hemanth Sheth	Welspun Corporation Limited AWL Agri Business Limited Latent View Analytics Limited Endurance Technologies Limited Raymond Realty	Independent Director
Mr. Neeraj Swaroop	SBFC Finance Limited	Independent Director
Mr. Sunish Sharma	Vedant Fashions Limited	Non-Executive - Nominee Director

a. **Separate Meeting of Independent Directors:**
Section 149(8) of the Act read with Schedule IV of the Act and Regulation 25(3) of SEBI Listing Regulations require the Independent Directors of the Company to hold at least one meeting as per regulatory requirements without the attendance of non-independent directors and members of the management. In view of the aforesaid requirements, the Independent Directors of the Company met on August 08, 2025 during FY2026. The matters considered and discussed thereat, inter-alia, included matters pertaining to the Company's affairs and those prescribed in Regulation 25 of the SEBI Listing Regulations and Schedule IV of the Act.

b. **Familiarization Programme for the Independent Directors:**
The Company has in place the familiarization program for the Independent Directors appointed from time to time. The program aims to familiarize the Independent Directors with various aspects of the Company including the nature of financial services industry, operations and performance of the Company and its subsidiaries, roles, rights and responsibilities of the Independent Directors; and other relevant information required by Independent Directors to discharge their functions as well as with the nature of industry and business model of the Company. The Directors are also explained in detail the compliance required from him/her under the Companies Act, 2013, the SEBI (LODR) Regulations and other relevant regulations and affirmation are taken with respect to the same.

The familiarization programme includes:

1) For each Director, a one-to-one discussion with the Managing Director & CEO and the Chief Financial Officer to familiarize the former with the Company's operations.

2) An opportunity to interact with other business heads and senior officials of the Company, who also make presentations to the Directors briefing them on the operations of the Company, strategy, risk, new initiatives, etc.

3) The Chief Compliance Officer of the Company makes presentations to the Board periodically on the amendments to applicable laws, new enactments which are critical to the business operations of the Company and the compliance status of such laws.

The details of familiarization Programme imparted to the Independent Directors of the Company are available on the Company's website at https://www.spandanasphoorty.com/investors.

c. **Board Diversity and skills/expertise/ competencies:** The Company has in place a policy on Board Diversity. Diversity is ensured through consideration of several factors, including but not limited to skills, regional and industry experience, background and other qualities. The current composition of the Board represents an optimal mix of professionalism, knowledge and experience and enables the Board to discharge its responsibilities and provide effective leadership to the business.

The following table provide details of the skills/ expertise/competence identified by the Board of Directors pursuant to Regulation 34(3) read with Schedule V Part (C) (2)(h)(ii) of SEBI Listing Regulations and currently available with the Board. However, the absence of mark against a member's name does not necessarily mean that the member does not possess the corresponding qualification or skill

Directors	Financial Acumen	Legal and Comp-liance	Corp orate Gover nance	ALM and Risk Manage-ment	Strategy and Strategic Planning	Information Technology and Digital	Active Contributor to the Board/ Committee Information Technology and Digital	Under-standing of Business/ Industry	Mentor
Ms. Abanti Mitra	✓	✓	✓	✓	✓	✓	✓	✓	✓
Mr. Animesh Chauhan	✓	✓	✓	✓	✓	✓	✓	✓	✓
Mr. Deepak Calian Vaidya	✓	✓	✓	-	✓	-	✓	✓	✓
Ms. Dipali Hemant Sheth	✓	-	✓	-	✓	✓	✓	✓	✓
Mr. Vinayak Prasad	✓	-	✓	-	✓	✓	✓	✓	✓
Mr. Neeraj Swaroop	✓	-	✓	✓	✓	✓	✓	✓	✓
Mr. Ramachandra Kasargod Kamath	✓	✓	✓	✓	✓	✓	✓	✓	✓
Mr. Sunish Sharma	✓	-	✓	✓	✓	-	✓	✓	✓
Ms. Saakshi Gera	✓	-	✓	✓	✓	✓	✓	✓	-
Mr. Shalabh Saxena*	✓	✓	✓	✓	✓	✓	✓	✓	✓
Mr. Venkatesh Krishnan**	✓	✓	✓	✓	✓	✓	✓	✓	✓

* Resigned and ceased to be the Managing Director and Chief Executive Officer with effect from April 23, 2025.
**Appointed as the Managing Director & Chief Executive Officer with effect from November 27, 2025

e) COMMITTEES OF THE BOARD OF DIRECTORS

The Board Committee(s) play a crucial role in the governance structure of the Company and have been constituted to deal with specific areas/activities as mandated by applicable regulations, which concern the Company and need a closer review. The Committees of the Board are set up under the formal approval of the Board to carry out clearly defined roles which are considered to be performed by the Members of the Board, as a part of good governance practice. The Chairperson of the respective Committee informs the Board about the summary of the discussions held during the Committees Meetings. The Minutes of the Meetings of all such Committees are placed before the Board for review. During the year, all recommendations of the Committees of the Board which were mandatorily required have been accepted by the Board.

The composition and functioning of these Board Committee(s) is in compliance with the applicable provisions of the Act, SEBI Listing Regulations and the RBI Master Directions, as applicable.

The Board has established the following statutory and non-statutory Board Committees:

A. Audit Committee

B. Nomination and Remuneration Committee

C. Corporate Social Responsibility Committee

D. Stakeholders' Relationship Committee

E. Risk Management Committee

F. IT Strategy Committee

G. Asset-Liability Management Committee

H. Capital Raising Committee

I. Merger Steering Committee

J. Management Committee

a. Audit Committee:

Pursuant to Section 177 of the Act read with applicable rules thereto and in accordance with Regulation 18 read with Part D of Schedule II of SEBI Listing Regulations and RBI Master Directions, the Company has an Audit Committee. All the Members of the Committee are financially literate and have accounting or related financial management expertise.

Composition of the Committee is in adherence to provisions of the Act, SEBI Listing Regulations and the RBI Master Directions.

All the Members of the Committee are financially literate and learned, experienced and well known in their respective fields. The Committee acts as a link between the Statutory Auditors, the Secretarial Auditors, the Internal Auditors and the Board of Directors of the Company. The Company Secretary acts as the Secretary to the Committee. The Meetings of the Audit Committee are also attended by the Chief Financial Officer, Head Internal Auditor and the Statutory Auditors as invitees.

Current Composition

Sr. No.	Name of the Director	Designation	Category
1.	Mr. Animesh Chauhan	Independent Director	Chairperson
2.	Ms. Abanti Mitra	Independent Director	Member
3.	Mr. Deepak Calian Vaidya	Independent Director	Member
4.	Ms. Saakshi Gera	Non-Executive Nominee Director	Member

Terms of Reference

The broad terms of reference of the Committee inter alia, include the following:

The Audit Committee shall act in accordance with the terms of reference specified in writing by the Board which shall inter alia, include:

a) Overseeing the Company's financial reporting process and disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;

b) Recommending to the Board, the appointment, re-appointment, and replacement, remuneration, and terms of appointment of the statutory auditor, internal auditor, cost auditor and secretarial auditor;

c) Reviewing and monitoring the auditor's independence and performance and the effectiveness of audit process;

d) Approving payments to the statutory auditors, internal auditor, cost auditor and secretarial auditor, for any other services rendered by them;

e) Reviewing with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:

   (i) Matters required to be stated in the Director's responsibility statement to be included in the Board's report in terms of Section 134(3)(c) of the Act;

   (ii) Changes, if any, in accounting policies and practices and reasons for the same;

   (iii) Major accounting entries involving estimates based on the exercise of judgment by management;

   (iv) Significant adjustments made in the financial statements arising out of audit findings;

   (v) Compliance with listing and other legal requirements relating to financial statements;

   (vi) Disclosure of any related party transactions; and

   (vii) Qualifications and modified opinions in the draft audit report.

f) Reviewing with the management, the quarterly, half-yearly and annual financial statements before submission to the Board for approval;

g) Scrutiny of inter-corporate loans and investments;

h) Valuation of undertakings or assets of the Company, wherever it is necessary;

i) Evaluation of internal financial controls and risk management systems;

j) Approval or any subsequent modification of transactions of the Company with related parties;

   Explanation: The term "Related Party Transactions" shall have the same meaning as provided in Clause 2(zc) of the SEBI Listing Regulations and/or the applicable Accounting Standards and/or the Act.

k) Reviewing with the management, the statement of uses/application of funds raised through an issue (public issue, rights issue, preferential issue, qualified institutional placement, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public issue or rights issue or preferential issue or qualified institutional placements, and making appropriate recommendations to the Board to take up steps in this matter;

l) Establishing a vigil mechanism for directors and employees to report their genuine concerns or grievances;

m) Reviewing, with the management, the performance of statutory and internal auditors and adequacy of the internal control systems;

n) Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;

o) Discussion with internal auditors on any significant findings and follow up thereon;

p) Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;

q) Discussion with statutory auditors, internal auditors and cost auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;

r) Looking into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;

s) Approval of appointment of the chief financial officer (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;

t) Reviewing the functioning of the whistle blower mechanism, in case the same is existing;

u) Reviewing the utilization of loans and/ or advances from/investment by the Company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments;

v) Consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholders;

w) Carrying out any other functions as provided under the Act, the SEBI Listing Regulations and other applicable laws;

x) To formulate, review and make recommendations to the Board to amend the Audit Committee charter from time to time;

y) To review the financial statement with respect to its subsidiaries, if any, in particular investments made by the unlisted subsidiaries;

z) To examine the efficacy of audit functions and systems and suggesting steps on a periodic basis (quarterly, half yearly) for its improvement;

aa) To facilitate smooth conduct of audits by external agencies, Statutory Auditors, RBI, lenders and any other external auditors as appointed by the Company or any other stakeholders (lenders, shareholders, regulators, government etc.);

bb) To report, on a quarterly basis, the key findings of the quarter, as well as the action taken report on the same for previous quarters, to the Board of Directors;

cc) To review compliance of various inspections and audit reports of internal, concurrent and statutory auditors and commenting on the action taken report prepared by the management and ensuring submission to the Board of the Company from time to time;

dd) To monitor and review all frauds that may have occurred in the Company involving an amount of ₹ 0.1 million and above or as decided from time to time;

ee) To report such frauds and other flag-offs to the Board of Directors regulators and other stakeholders, as the case warrants, along with the extent of losses. This would include drafting a calendar of reporting frauds and the remedial measures taken, to the Board of the Company;

ff) To conduct a root cause analysis and identify the systemic lacunae, if any, that may have facilitated perpetration of the fraud and put in place measures to rectify the same. Also, to ascertain reasons for delay in detection of such frauds, if any;

gg) To ensure the staff accountability is examined at all levels in all the cases of frauds and actions, if required, is completed quickly without loss of time;

hh) To review efficacy of remedial actions taken to prevent recurrence of frauds, such as strengthening internal controls and putting in place other measures as may be considered relevant to strengthen preventive mechanism;

ii) Reviewing and recommending to the board of directors of the Company potential risks involved in any new business plans and processes;

jj) Framing, devising, monitoring, assessing and reviewing the risk management plan and policy of the Company from time to time and recommend for amendment or modification thereof; and

kk) Any other similar or other functions as may be laid down by Board from time to time and/or as may be required under applicable laws.

The audit committee shall mandatorily review the following information:

a) management discussion and analysis of financial condition and results of operations;

b) management letters / letters of internal control weaknesses issued by the statutory auditors;

c) internal audit reports relating to internal control weaknesses;

d) the appointment, removal and terms of remuneration of the Chief Internal Auditor shall be subject to review by the audit committee; and

e) statement of deviations:

i) quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1).

ii) annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7).

The Audit Committee met seven (7) times during financial year 2025-26. The required quorum was present in all the Audit Committee Meetings. The gap between two meetings was less than one hundred and twenty (120) days. The attendance of the Directors at the said Meetings was as follows:

Date of meetings	Name of Members			
	Mr. Animesh Chauhan	Ms. Abanti Mitra	Mr. Deepak Calian Vaidya	Ms. Saakshi Gera
May 13, 2025	Yes	Yes	No	No
May 30, 2025	No	Yes	Yes	Yes
August 08, 2025	Yes	Yes	Yes	Yes
August 14, 2025	Yes	No	Yes	No
October 31, 2025	Yes	Yes	Yes	No
January 21, 2026	Yes	Yes	Yes	Yes
January 27, 2026	Yes	Yes	No	No

b. Nomination and Remuneration Committee:

The Nomination and Remuneration Committee ("NRC") has been constituted by the Company in accordance with Section 178(1) of the Act and applicable rules thereto and in accordance with Regulation 19 read with Part D of Schedule II of SEBI Listing Regulations.

The composition of the NRC is in adherence to provisions of the Act, SEBI Listing Regulations and the RBI Master Directions.

Current Composition

Sr. No.	Name of the Director	Designation	Category
1.	Ms. Dipali Hemant Sheth	Independent Director	Chairperson
2.	Mr. Deepak Calian Vaidya	Independent Director	Member
3.	Mr. Sunish Sharma	Nominee Non-Executive Director	Member

Terms of Reference

The broad terms of reference of the Committee inter alia, include the following:

a) Formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees in accordance with Section 178(4) of the Act;

b) Formulation of criteria for the performance of evaluation of independent directors and the Board;

c) For every appointment of an independent director, the Nomination and Remuneration Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may:

i) use the services of an external agencies, if required;

ii) consider candidates from a wide range of backgrounds, having due regard to diversity; and

iii) consider the time commitments of the candidates

d) Devising a policy on Board diversity;

e) Identify persons who are qualified to become directors or who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal and shall carry out evaluation of every director's performance. The Company shall disclose the remuneration policy and the evaluation criteria in its annual report;

f) To recommend to the board, all remuneration, in whatever form, payable to senior management;

g) To determine key performance indicators of senior executives of the Company and specify deliverables for the executive in line with the business plan of the Company;

Senior executive to include the Chief Executive Officer, Chief Operating Officer, Chief Financial Officer, Whole Time Directors, the Head of

Departments of various functions and other key managerial personnel as decided from time to time in consultation with the Board of the Company and other stakeholders.

h) To objectively examine the annual manpower plan in relation to the business plan of the Company and to examine management recommendations regarding manpower strategy and suggest corrective actions, if required;

i) To finalise top tier organization structure including top field level functionaries and direct reportees on a periodical basis or as and when required;

j) To evaluate and approve the compensation packages of above mentioned persons with particular reference to fixed and variable pay (including bonuses and Employees Stock Options);

k) To recommend to the Board a policy, relating to remuneration for the Directors and Key Managerial Personnel;

l) Determining the Company's policy on specific remuneration packages for executive directors including pension rights and any compensation payment, and determining remuneration packages of such directors;

m) Perform such functions as are required to be performed by the compensation committee under the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, including the following:

n) administering employee stock option schemes, employee stock purchase schemes, stock appreciation rights schemes, general employee benefits scheme and retirement benefit schemes (the "Schemes");

o) delegating the administration and superintendence of the Schemes to any trust set up with respect to the Schemes;

p) formulating detailed terms and conditions for the Schemes including provisions specified by the Board of Directors of the Company in this regard;

q) determining the eligibility of employees to participate under the Schemes;

r) granting options to eligible employees and determining the date of grant;

s) determining the number of options to be granted to an employee;

t) determining the exercise price under of the Schemes; and

u) Construing and interpreting the Plan and any agreements defining the rights and obligations of the Company and eligible employees under the Schemes, and prescribing, amending and/or rescinding rules and regulations relating to the administration of the Schemes.

v) Framing suitable policies and systems to ensure that there is no violation of securities laws by, the Company, its employees or trust set up with respect to the Schemes, if any, of any applicable laws in India or overseas, including:

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

    ii. The Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to the Securities Market) Regulations, 2003, as amended;

w) Determine whether to extend or continue the terms of appointment of the independent directors, on the basis of the report of performance evaluation of independent directors;

x) and Perform such other activities as may be delegated by the Board of Directors and/or are statutorily prescribed under any law to be attended to by such committee.

Meetings and Attendance:

The NRC met Seven (7) times during the financial year 2025-26. The required quorum was present for all the NRC Meetings. The attendance of the Directors at the said meetings was as follows:

Date of meetings	Name of Members		
	Ms. Dipali Hemant Sheth	Mr. Deepak Calian Vaidya	Mr. Sunish Sharma
April 23, 2025	Yes	Yes	Yes
May 23, 2025	Yes	Yes	Yes
May 30, 2025	Yes	Yes	Yes
June 20, 2025	Yes	Yes	Yes
August 07, 2025	Yes	Yes	No
November 19, 2025	Yes	Yes	No
January 22, 2026	Yes	No	Yes

Criteria for Performance Evaluation of Directors:

In compliance with the provisions of SEBI Listing Regulations and pursuant to the provisions of Section 134, 149 and 178 of the Act read with Schedule IV of the Act and the Rules made there under, the Company has a Board approved framework on Performance Evaluation of Directors providing the criteria of performance evaluation of Board, its Committees, its Chairperson and Individual Directors.

An annual performance evaluation for the financial year 2025-26 was carried out in an independent and fair manner in accordance with the framework, as stated above. The performance evaluation of the Board, Board Chairperson, Managing Director & CEO, Board Committees, Non-Executive Directors and Independent Directors was conducted through separate structured questionnaires, one each for Independent and Non-Executive Directors, Managing Director, Board Chairperson, Board Committees and the Board as a whole. These questionnaires were uploaded into an online platform, to enable the directors to complete the survey online. The evaluation process focused on various aspects of the functioning of the Board and Committees such as composition of the Board, improving Board effectiveness, performance of Board Committees, Board knowledge sessions and time allocation for strategic issues, etc. Separate exercises were carried out to evaluate the performance of Directors on parameters, inter-alia, such as attendance, contribution and independent judgment.

Policy on Nominations & Remuneration for Directors, Key Managerial Personnel, Senior Management and Other Employees:

In terms of the provisions of the Act read with applicable rules and SEBI Listing Regulations, the Board of Directors has adopted the 'Nomination & Remuneration Policy' covering aspects relating to remuneration to be paid to Directors including criteria for making payment to Executive and Non-Executive Directors, Senior Management, including Key Managerial Personnel and other employees of the Company.

The Nomination and Remuneration Policy inter-alia ensure that remuneration paid by the Company is in compliance with the requirements of the applicable law(s) and relationship of remuneration to performance is clear and meets appropriate performance benchmarks. The Nomination & Remuneration Policy is available on the website of the Company at https://www.spandanasphoorty.com/policies.

Further, in compliance with the RBI guidelines on compensation of Key Managerial Personnel (KMP) and Senior Management in NBFCs dated April 29, 2022, the Company has a Board approved Compensation Policy for KMPs & SMPs as recommended by the NRC.

Details of remuneration paid to Directors for FY 2025-26

Remuneration is paid as per the details provided in the Form MGT-7 (annual return) which is hosted on the website of the Company and can be accessed at https://www.spandanasphoorty.com/investors.

(i) Remuneration paid to Non-Executive Directors including Independent Directors for FY2025-26:

Name of the Directors	Salary, Perquisite & Pension	Remuneration	Commissions	Stock Options	Total
Ms. Abanti Mitra*	-	40,00,000	-	-	40,00,000
Mr. Animesh Chauhan	-	30,00,000	-	-	30,00,000
Mr. Deepak Calian Vaidya	-	30,00,000	-	-	30,00,000
Ms. Dipali Hemant Sheth	-	30,00,000	-	-	30,00,000
Mr. Vinayak Prasad	-	30,00,000	-	-	30,00,000
Mr. Neeraj Swaroop	-	30,00,000	-	-	30,00,000
Mr. Ramachandra Kasargod Kamath	-	30,00,000	-	-	30,00,000
Ms. Saakshi Gera*	-	-	-	-	-
Mr. Sunish Sharma*	-	-	-	-	-

*Increase in remuneration of Ms. Abanti Mitra from ₹30 lakh to ₹50 lakh per annum effective October 1, 2025 as approved by the shareholders.
**Mr. Sunish Sharma and Ms. Saakshi Gera are not paid any remuneration by the Company.

(i) Criteria for making payments to Non-Executive Directors:

The criteria for making payment to Non-Executive Directors including Independent Directors are prescribed in the Nomination and Remuneration Policy which is available on the website of the Company at https://www.spandanasphoorty.com/policies.

(ii) Remuneration paid to Executive Directors for FY 2025-26 along with details of fixed components and performance linked incentives along with the Performance Criteria (full details covered under note no. 34 of the notes to Financial Statements.):

Name of the Executive Director	Short-term employee benefits	Other long-term benefits	Share-based payment^
Mr. Shalabh Saxena*	34,59,856	-	(4,50,41,313)^^
Mr. Venkatesh Krishnan**	1,47,81,421	2,18,879	1,68,43,050

* Resigned and ceased to be the Managing Director and Chief Executive Officer with effect from April 23, 2025.

**Appointed as the Managing Director & Chief Executive Officer of the Company with effect from November 27, 2025.

^ Represents remuneration in the form of share-based payments towards employee stock options, whereby employees render services as consideration for equity instruments (equity-settled transactions). The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using the Black Scholes valuation model and amortized over vesting schedule.

^^The total cost reversed in respect of share-based payments relating to employee stock options (10,28,127) amounted to ₹18.91 crore, including a reversal of ₹4.50 crore pertaining to unvested options, which has been recognised through the Statement of Profit and Loss.

(iii) Details of service contracts, notice period, severance fees:

Mr. Venkatesh Krishnan is eligible for a severance of three (3) months' notice or fee of 3 months' pay upon termination of the Employment Agreement by the Board. The service contract and the notice period are as per the terms of agreement entered into by him with the Company. The joining bonus granted to him is subject to clawback provision, under which the full amount becomes repayable to the Company if his employment terminates as per the terms of agreement entered into by him with the Company.

Mr. Krishnan has been appointed as the Managing Director and Chief Executive Officer w.e.f. November 27, 2025.

Share Allotment Committee

The Share Allotment Committee has been constituted for approval, issue and allotment of shares under ESOP Schemes. The Share Allotment Committee is entrusted with this authority by the Nomination and Remuneration Committee to expedite the process of allotment and issue of shares to eligible employees under the Stock Option Plan of the Company from time to time. Actions taken by this Committee are placed in the NRC meetings.

Change in Senior Management Personnels

The details of Senior Management Personnel(s) have been provided under 'Leadership Team' section of the Annual Report.

Mr. Vijay Mohan Reddy was appointed as the Chief Compliance Officer w.e.f. September 18, 2025, in place of Mr. Ramesh Perisamy who resigned w.e.f. September 17, 2025.

Further Mr. G Parthasarathy was appointed as the Chief Risk Officer w.e.f. October 16, 2025, in place of Mr. Amit Anand who resigned w.e.f. October 15, 2025.

Furthermore, Mr. Avinash Yadav has been appointed as the Chief Information Officer w.e.f. February 17, 2026, in place of Mr. Arvind Murarka who resigned w.e.f. December 22, 2025.

Further, Mr. Ganesh KV was appointed as the Chief Operating Officer w.e.f. April 3, 2026, in place of Mr. Vishal Sharma, who resigned from the position with effect from the close of business hours on April 2, 2026. Prior to his appointment as Chief Operating Officer, Mr. Ganesh KV was appointed as the Chief Transformation Officer of the Company from January 27, 2026, and consequently ceased to hold such position upon his appointment as Chief Operating Officer.

c. Corporate Social Responsibility Committee:

The Corporate Social Responsibility ("the CSR") Committee is constituted in accordance with Section 135 of the Act and the applicable rules thereto.

Current Composition

Sr. No.	Name of the Director	Designation	Category
1.	Mr. Ramachandra Kasargod Kamath	Non-Executive Nominee Director	Chairperson
2.	Ms. Dipali Hemant Sheth	Independent Director	Member
3.	Mr. Neeraj Swaroop	Non-Executive Nominee Director	Member
4.	Mr. Venkatesh Krishnan*	Managing Director & Chief Executive Officer	Member

* Appointed as the Managing Director & Chief Executive Officer of the Company and Member of the Committee with effect from November 27, 2025.

Terms of Reference

The broad terms of reference of the CSR, inter alia, include the following:

Formulate and recommend to the Board, an annual action plan in pursuance of the CSR policy, which includes the following:

a. the list of CSR projects or programs that are approved to be undertaken in areas or subjects specified in Schedule VII of the Act;
b. the manner of execution of such projects or programs;
c. the modalities of utilization of funds and implementation schedules for the projects or programs;
d. monitoring and reporting mechanism for the projects or programs;
e. details of need and impact assessment, if any, for the projects undertaken by the Company;
f. Recommend the alteration to annual action plan, if any, to the Board during the financial year;
g. Recommend the amount of expenditure to be incurred on such activities;
h. Review the periodical progress in implementing the CSR initiatives and ensure completion as per plan;
i. Assess the impact of the CSR initiatives of the Company including appointment of independent firm/agency to conduct the impact assessment;
j. Identify the ongoing CSR projects and recommend the CSR spend for such ongoing CSR Projects; and
k. Review the periodical progress in implementing the initiatives of ongoing CSR Projects and recommend modifications, if any, to the Board during the financial year for smooth implementation of such projects.

Meetings and Attendance

The CSR Committee met Three (3) times during the financial year 2025-26. The required quorum was present for all the CSR meetings. The attendance of the Directors at the said meetings was as follows:

Date of meetings	Name of Members			
	Mr. Ramchandra Kasargod Kamath	Ms. Dipali Hemant Sheth	Mr. Neeraj Swaroop	Mr. Venkatesh Krishnan
May 23, 2025	Yes	Yes	Yes	NA
October 31, 2025	Yes	Yes	Yes	NA
January 20, 2026	Yes	Yes	No	Yes

d. Stakeholders' Relationship Committee:

The Stakeholders' Relationship Committee ("the SRC") is constituted in accordance with Section 178 of the Act and the applicable rules thereto and in accordance with Regulation 20 of the SEBI Listing Regulations.

Current Composition

Sr. No.	Name of the Director	Designation	Category
1.	Mr. Ramachandra Kasargod Kamath	Non-Executive Nominee Director	Chairperson
2.	Mr. Vinayak Prasad	Independent Director	Member
3.	Mr. Deepak Calian Vaidya	Independent Director	Member
4.	Mr. Venkatesh Krishnan*	Managing Director & Chief Executive Officer	Member

Appointed as the Managing Director & Chief Executive Officer of the Company and Member of the Committee with effect from November 27, 2025.

Terms of Reference

The terms of reference of the SRC, inter-alia, includes the following:

a. Various aspects of interest of shareholders, debenture holders and other security holders, including complaints related to the transfer of shares, including non-receipt of share certificates and review of cases for refusal of transfer/ transmission of shares and debentures, non- receipt of balance sheet, non-receipt of annual reports, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings, or any other documents or information to be sent by the Company to its shareholders, etc. and assisting with quarterly reporting of such complaints;
b. Allotment of shares, approval of transfer or transmission of shares, debentures or any other securities;
c. Dematerialisation of shares and re-materialisation of shares, issue of duplicate certificates and new certificates on split/consolidation/renewal;
d. Overseeing the performance of the registrars and transfer agents of our Company and to recommend measures for overall improvement in the quality of investor services;

e. Review of measures taken for effective exercise of voting rights by shareholders;

f. Review of adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent;

g. Review of the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/ statutory notices by the shareholders of the company; and

h. Carrying out any other function as prescribed under the SEBI Listing Regulations, Act and the rules and regulations made thereunder, each as amended or other applicable laws.

Meetings and Attendance

The SRC met four (4) times during the financial year 2025-26. The required quorum was present for all the SRC meetings.

The attendance of the Directors at the said meetings was as follows:

Date of meetings	Name of Members			
	Mr. Ramchandra Kasargod Kamath	Mr. Vinayak Prasad	Mr. Deepak Calian Vaidya	Mr. Venkatesh Krishnan
May 30, 2025	Yes	Yes	Yes	NA
August 08, 2025	Yes	Yes	Yes	NA
October 31, 2025	Yes	Yes	Yes	NA
January 20, 2026	Yes	Yes	No	Yes

Details of Investor Grievances:

Mr. Vinay Prakash Tripathi, Company Secretary is the Compliance Officer for resolution of Shareholders' /Investors grievances. During the financial year 2025-26, no complaints were received from investors/shareholders of the Company.

e. Risk Management Committee:

The Risk Management Committee of the Board has been constituted as per the provisions of the Act, SEBI Listing Regulations and the Master Direction – Reserve Bank of India (Non-Banking Financial Company– Scale Based Regulation) Directions, 2023.

The Company has a risk management framework duly approved by its Board. The Committee and the Board periodically review the Company's risk assessment and minimization procedures to ensure that the Management identifies and controls risk through a properly defined framework.

Current Composition

Sr. No.	Name of the Director	Designation	Category
1.	Mr. Neeraj Swaroop	Non-Executive Nominee Director	Chairperson
2.	Mr. Animesh Chauhan	Independent Director	Member
3.	Ms. Saakshi Gera	Non-Executive Nominee Director	Member
4.	Mr. Venkatesh Krishnan*	Managing Director & Chief Executive Officer	Member

Appointed as the Managing Director & Chief Executive Officer of the Company and Member of the Committee with effect from November 27, 2025

Terms of Reference:

The terms of reference of the Risk Management Committee were revised w.e.f. January 23, 2025. The revised terms of reference inter alia, include the following:

a) To formulate a detailed risk management policy which shall include:

    i) A framework for identification of internal and external risks specifically faced by the listed entity, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee.

    ii) Measures for risk mitigation including systems and processes for internal control of identified risks.

    iii) Business continuity plan.

b) To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;

c) To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;

d) To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;

e) To keep the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken;

f) The appointment, removal and terms of remuneration of the Chief Risk Officer (if any) shall be subject to review by the Risk Management Committee;

g) To coordinate its activities with other committees, in instances where there is any overlap with activities of the other committees, as per the framework laid down by the board of directors;

h) To review Company's risk management policies in relation to various risks (credit, market, liquidity, operational and reputation risk);

i) To review the risk return profile of the Company, Capital adequacy based on risk profile of the MFI's balance sheet, business continuity plan and disaster recovery plan, key risk indicators and significant risk exposures and implementations of enterprise risk management; and

j) To hold such risk reviews to ensure adequate monitoring as may be felt necessary by the internal as well as external stakeholders and to apprise the Board of the Company on a periodic basis.

Meetings and Attendance:

The RMC met four (4) times during the financial year 2025-26. The required quorum was present for all the RMC meetings. The attendance of the Directors at the said meetings was as follows:

Date of Meetings	Name of Members			
	Mr. Neeraj Swaroop	Mr. Animesh Chauhan	Ms. Saakshi Gera	Mr. Venkatesh Krishnan
May 23, 2025	Yes	Yes	Yes	NA
August 08, 2025	Yes	Yes	Yes	NA
October 28, 2025	Yes	Yes	No	NA
January 21, 2026	Yes	Yes	Yes	Yes

f. IT Strategy Committee:

The IT Strategy Committee has been constituted pursuant to RBI Master —Direction - Information Technology Framework for the NBFC Sector.

Current Composition:

Sr. No.	Name of the Director	Designation	Category
1.	Mr. Vinayak Prasad	Independent Director	Chairperson
2.	Ms. Saakshi Gera	Non-Executive Nominee Director	Member
3	Mr. Venkatesh Krishnan*	Managing Director & Chief Executive Officer	Member
4.	Mr. Ashish Kumar Damani	President and Chief Financial Officer	Member
5.	Mr. Avinash Yadav**	Chief Information Officer	Member

* Appointed as the Managing Director & Chief Executive Officer of the Company and Member of the Committee with effect from November 27, 2025.

**Appointed as a member of the Committee with effect from April 15, 2026.

Terms of Reference:

The terms of reference of the IT Strategy Committee, inter-alia, includes the following:

a. Approving IT strategy and policy documents and ensuring that the management has put an effective strategic planning process in place;

b. Ascertaining that management has implemented processes and practices that ensure that the IT delivers value to the business;

c. Ensuring IT investments represent a balance of risks and benefits and that budgets are acceptable;

d. 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; and

e. Ensuring proper balance of IT investments for sustaining NBFC's growth and becoming aware about exposure towards IT risks and controls.

Meetings and Attendance:

The Committee met four (4) times during the financial year 2025-26. The required quorum was present for all the meetings. The attendance of the Directors at the said meetings was as follows:

Date Of Meetings	Name of Members				
	Mr. Vinayak Prasad	Ms. Saakshi Gera	Mr. Arvind Murarka*	Mr. Venkatesh Krishnan#	Mr. Ashish Kumar Damani
May 23, 2025	Yes	Yes	Yes	NA	Yes
July 24, 2025	Yes	No	Yes	NA	Yes
October 28, 2025	Yes	Yes	Yes	NA	Yes
January 20, 2026	Yes	No	NA	Yes	Yes

*Resigned from the position of Chief Information Officer (CIO) with effect from December 22, 2025, and accordingly ceased to be a member of the Committee.

Appointed as the Managing Director & Chief Executive Officer of the Company and Member of the Committee with effect from November 27, 2025.

g. Management Committee:

The Board of Directors has constituted a Management Committee for execution of transactions inter-alia related to borrowings, investments, managing various bank accounts and other day-to-day business transactions.

Current Composition:

Sr. No.	Name of the Director	Designation	Category
1.	Mr. Venkatesh Krishnan*	Managing Director & Chief Executive Officer	Chairperson
2.	Ms. Saakshi Gera	Non-Executive Nominee Director	Member
3.	Mr. Ashish Kumar Damani	Interim Chief Executive Officer, President and Chief Financial Officer	Member

*Appointed as the Managing Director & Chief Executive Officer of the Company and Chairperson of the Committee with effect from November 27, 2025.

Terms of Reference:

The terms of reference, inter alia, includes the following:

a. to apply for loans and to provide security including hypothecation of book debts of the Company at such terms and conditions as may be decided by the Committee from time to time;

b. to borrow moneys from time to time subject to an aggregate amount as approved by the Shareholders of the Company;

c. to determine the terms of the Issue(s) of Debentures, and finalise the terms and conditions of such Issue(s) including the number of Debentures to be allotted in each Issue, Issue Price, Face Value, Rate of Interest, Redemption Period, the nature of security etc. for the purpose of raising funds in its absolute discretion as deemed fit and to do all such acts, deeds and things as may be required necessary in this regard;

d. to determine the terms of the Issue(s) of Commercial Papers, and finalise the terms and conditions of such Issue(s) including the quantum of Commercial Papers to be allotted in each Issue, Issue Price, Face Value, Rate of Interest, Redemption Period, etc. for the purpose of raising funds in its absolute discretion as deemed fit and to do all such acts, deeds and things as may be required necessary in this regard;

e. to sell loan portfolios of the Company up to a limit of ₹1,500 Crore per sanction;

f. to securitize the loan receivables arising from an identified pool of loans ("Receivables") provided to various persons from time to time standing in the books of the Company up to a limit of ₹1,500 Crore per sanction;

g. to purchase book debts of other micro-finance/ NBFC Companies up to a limit of ₹50 Crore per sanction;

h. to grant loans including inter corporate loans and advances on such terms and conditions as it may deem fit;

i. to give guarantee or provide security for securing the loans or advances availed or to be availed by its subsidiaries.

j. to authorize Company official/s for execution of any agreements, deeds and documents on behalf of the Company, including any loan documents;

k. to change and authorise any officials of the Company to open, operate and close the Bank Accounts and Demat Accounts of the Company.

l. to invest funds of the Company in Fixed Deposits to the extent necessary to avail credit facilities/ loans from the Banks/ Financial Institutions etc. and to invest surplus funds in liquid funds (i.e. mutual funds etc.) for the benefit of the Company including authorising the officials of the Company for such investments;

m. to approve capital and operational expenditure including any exception thereof as per the Delegation of Authority Matrix as approved by the Board and amended from time to time.

n. to appoint /authorize Company official/s for execution of documents, agreement, deeds and papers as may be required from time to time in relation to day-to-day operations of the Company;

o. to make applications for obtaining licenses, registrations, connections, clearances, services etc. and to authorize/appoint directors/ employees/officers for signing applications, returns, forms, bonds, agreements, documents, papers etc. and for representing Company before the authorities under various Laws including but not limited to Corporate Laws, Industrial Laws, Tax Laws, Labour Laws and other Business Laws applicable to the Company in respect of all present and future offices of the Company, for compliance of all provisions, rules, clauses, regulations, directives and other related matters under the said Laws, which may be applicable to the Company;

p. to review lease, assign, sell, transfer or otherwise dispose of, any fixed assets or investments, whether by one transaction or by a series of transactions (whether related or not);

q. any proposal relating to borrowings including issue of debt securities or commercial papers to be placed before the Committee should be pre-approved by the two Directors who are Members of the Committee;

r. to consider, determine and approve entering into arrangements such as business correspondence, co-lending, partnership agreements under various schemes of Banks/ Financial Institutions etc., and finalizing the terms and conditions of such arrangement including the quantum in each such arrangement, etc. and as deemed fit and to do all such acts, deeds and things as may be required necessary in this regard including but not limited to authorization of official of the Company to execute the transaction related document as may be necessary.*

Meetings and Attendance:
The Management Committee (MC) met twenty-eight (28) times during the financial year 2025-26. The required quorum was present for all the MC meetings.

h. Asset Liability Management (ALM) Committee:
The ALM Committee has been constituted pursuant to Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023, consisting of Board and Senior Management of the Company.

Current Composition

Sr. No.	Name of the Director	Designation	Category
1.	Mr. Venkatesh Krishnan*	Managing Director & Chief Executive Officer	Chairperson
2.	Ms. Abanti Mitra	Independent Director	Member
3.	Ms. Saakshi Gera**	Non-Executive Nominee Director	Member
4.	Mr. Ashish Kumar Damani	Interim Chief Executive Officer, President and Chief Financial Officer	Member
5.	Mr. Subhrangsu Chakravarty	Financial Controller	Member
6.	Mr. G Parthasarathy***	Chief Risk Officer	Member

* Appointed as the Managing Director & Chief Executive Officer of the Company and Chairperson of the Committee with effect from November 27, 2025.
**Inducted as a Member of the Committee with effect from October 31, 2025.
***Inducted as a Member of the Committee with effect from October 31, 2025..

Terms of Reference
The terms of reference for the ALM, inter alia, includes the following:

a. To manage the Balance Sheet of the Company within the risk parameters laid down by the Board of Directors or a Committee thereof, with a view to manage the current income as well as to take steps for enhancing the same;

b. To review the capital & profit planning and growth projections of the Company in line with the business plan and ensure that the same is reported to the Board of the Company;

c. To put in place an effective liquidity management policy, including, inter alia, the funding strategies, liquidity planning under alternative crisis scenarios, prudential limits and to review the same periodically;

d. To articulate the interest rate view of the Company and decide the pricing methodology for advances in line with extant regulatory guidelines;

e. To oversee the implementation of the ALM system and review the functioning periodically and to ensure that the decisions taken on financial strategy are in line with the objectives of the Committee;

f. To consider and recommend any other matter related to liquidity and market risk management to the Board of Directors of the Company for suitable action; and

g. To forecast and analyse the ‘What if scenario’ and preparation of contingency plan.

Meetings and Attendance

The ALM Committee met five (5) times during the financial year 2025-26. The required quorum was present for all the meetings. The attendance of the Members at the said meetings was as follows:

Date of Meetings	Name of Members						
	Mr. Venkatesh Krishnan	Ms. Abanti Mitra	Ms. Saakshi Gera	Mr. Ashish Kumar Damani	Mr. Subhrangsu Chakravarty	Mr. Amit Anand*	Mr. G Parthasarathy
May 22, 2025	NA	Yes	NA	Yes	No	Yes	NA
August 07, 2025	NA	Yes	NA	Yes	Yes	Yes	NA
September 17, 2025	NA	Yes	NA	Yes	Yes	Yes	NA
October 28, 2025	NA	No	NA	Yes	Yes	NA	NA
January 21, 2026	Yes	Yes	No	Yes	Yes	NA	Yes

*Resigned as the Chief Risk Officer and ceased to be member of the Committee with effect from October 15, 2025.

i. Capital Raising Committee

The Capital Raising Committee has been constituted by the Board on January 23, 2025, for the purpose of raising capital by way of Rights Equity Shares.

Current Composition:

Sr. No.	Name of the Director	Designation	Category
1.	Ms. Abanti Mitra	Non-Executive Independent Director	Chairperson
2.	Ms. Saakshi Gera	Non-Executive Nominee Director	Member
3.	Mr. Neeraj Swaroop	Non-Executive Nominee Director	Member
4.	Mr. Ashish Kumar Damani	President and Chief Financial Officer	Permanent Invitee

Terms of Reference

The terms of reference for the Capital Raising Committee, inter alia, includes the following:

i. finalize the Issue expenses;

ii. incur expenses including the statutory payments/ deposits in relation to/connected with the Issue as may be appropriate;

iii. decide the Record Date for the purpose of the Issue in order to ascertain the names of the Eligible Equity Shareholders who will be entitled to the Equity Shares to be issued pursuant to the Issue;

iv. make applications to the Stock Exchanges for in-principle approval and final listing and trading of the Equity Shares and to execute any relevant document with the concerned Stock Exchanges;

v. negotiate, finalize, settle and execute the draft letter of offer, the letter of offer (in each case, including the withdrawal thereof), the agreement, ad agency agreement, bankers to the issue agreement, underwriting agreement (if any), monitoring agency agreement, composite application form, split application form, and all other documents, forms, applications, deeds, agreements and instruments as well as amendments, corrigenda, or supplements thereto in connection with the Issue;

vi. appoint bankers to the issue and open cash escrow, refund and such other account(s) in such style, with them as the Committee may deem fit and empower any officer(s) of the Company to operate such account(s) on its behalf in connection with the Issue;

vii. dispatch refund orders, if any;

viii. decide the terms of the Issue including the total number of Equity Shares, Issue Price, rights entitlement ratio, use of proceeds and schedule of implementation and deployment of net proceeds, terms of the payment of the Issue Price, instrument, manner and process of making the offer to Eligible Equity Shareholders, issue period (including any extension thereof), and other terms and conditions for the issuance of the Equity Shares, and to suitably vary / amend / modify the size of the Issue or other terms of the Issue;

ix. approval of materiality policy, if required, for the purposes of disclosure in the draft letter of offer/ letter of offer in accordance with the SEBI ICDR Regulations;

x. decide the treatment to be given to the fractional entitlement, if any, including rounding upward or downwards or ignoring such fractional entitlements (subject to Applicable Laws) or issue of fractional coupons and the terms and conditions for consolidation of fractional entitlements and application to the Company for the same as well as to decide the disposal of the shares representing the fractional coupons which are not so consolidated and presented to the Company for allotment of whole shares or treating fractional entitlement in the manner as may be approved by the Stock Exchanges;

xi. decide in accordance with Applicable Laws, the timing, opening and closing dates, objects and all the other terms and conditions of the Issue and to extend, vary or alter any of the above, including any modification to the Issue Price as it may deem fit at its absolute discretion or as may be suggested by the SEBI, the Stock Exchanges or any other regulatory authority;

xii. to approve and issue in such newspapers as it may deem fit and proper, all notices, including any advertisement(s)/ supplement(s)/corrigendum(s) required to be issued in terms of the SEBI ICDR Regulations or other applicable SEBI guidelines and regulations or in compliance with any direction from SEBI and/or such other applicable statutory/ regulatory/ governmental authorities;

xiii. decide the basis and process of making the offer to Eligible Equity Shareholders within India and outside India in accordance with Applicable Law;

xiv. finalize the basis of allotment of the Equity Shares, the registrar to the Issue and the Stock Exchanges, if necessary;

xv. to appoint/re-appoint and enter into arrangements with legal advisors, registrar, bankers to the Issue, underwriters (if any), advertising agency(ies) and all other intermediaries and advisors necessary for the Issue;

xvi. to appoint any one of the Stock Exchanges as the designated stock exchange for the purpose of Issue ("Designated Stock Exchange");

xvii. issue and allot Equity Shares, the registrar, the Designated Stock Exchange and to do all necessary acts and execute documents and undertakings with National Securities Depository Limited and Central Depository Services (India) Limited in connection with the Issue;

xviii. take all such actions and give all such directions as may be necessary or desirable and also to settle any question or difficulty or doubts that may arise in regard to the creation, offer, issue and allotment of the Equity Shares;

xix. to dispose of the unsubscribed portion of the Equity Shares in such manner as it may think most beneficial to the Company;

xx. issue the letters of allotment to the proposed allottees;

xxi. to decide on the marketing strategy of the Issue and the costs involved;

xxii. enter the names of the allottees in the register of members of the Company;

xxiii. to open requisite bank accounts with any nationalised bank/private bank/foreign bank for the purpose of the Issue;

xxiv. take any and all action in connection with obtaining approvals and consents (or entering into any arrangement or agreement in respect thereof) in connection with the Issue, including, but not limited to, approvals from the lenders of the Company, other third parties, SEBI, RBI, the registrar of companies and the Stock Exchanges (including in-principle approval and final listing and trading approval);

xxv. to take any steps that may be required for process of credit of rights entitlements in the demat account and renunciation thereof and obtaining separate ISINs, if so required;

xxvi. file necessary certificates /returns/forms with SEBI, RBI, Stock Exchanges, the Registrar of Companies and other authorities;

xxvii. issue public advertisements and notices/ supplements/addendum/corrigenda in accordance with the SEBI ICDR Regulations in consultation with the relevant intermediaries appointed for the Issue;

xxviii. in case of a issue of partly paid securities, to the extent permissible under law, to decide number of calls, the timing and quantum of such calls and other terms and conditions in respect of making the securities fully paid-up;,

xxix. to take all actions and give all such directions as may be necessary or desirable and to settle all questions, difficulties or doubts that may arise in relation to the Issue and matter incidental thereto as it may, in its absolute discretion deem fit; and

xxx. executing and delivering any and all other documents, papers or instruments and doing or causing to be done any and all acts, deeds or things as they may, in their discretion, deem necessary or desirable for the purpose of the Issue, including to carry out the purposes and intent of the foregoing or the Issue."

Meetings and Attendance

The Capital Raising Committee met one (1) time during the financial year 2025-26. The required quorum was present for the Meeting. The attendance of the Members at the said meeting was as follows:

Date of Meetings	Name of Members			
	Ms. Abanti Mitra	Ms. Saakshi Gera	Mr. Neeraj Swaroop	Mr. Ashish Kumar Damani
August 12, 2025	Yes	Yes	Yes	Yes

j. Merger Steering Committee

The Merger Steering Committee has been constituted by the Board on January 10, 2026, to evaluate the proposed merger of Criss Financial Limited with the Company, facilitate effective decision-making in relation thereto, and submit its recommendations to the Board for final approval:

Current Composition:

Sr. No.	Name of the Director	Designation	Category
1.	Ms. Dipali Hemant Sheth	Non-Executive Independent Director	Chairperson
2.	Mr. Ramachandra Kasargod Kamath	Non-Executive Nominee Director	Member
3.	Ms. Saakshi Gera	Non-Executive Nominee Director	Member
4.	Mr. Venkatesh Krishnan	Managing Director and Chief Executive Officer	Member
5.	Mr. Ashish Kumar Damani	Permanent Invitee	Permanent Invitee

Terms of Reference

The terms of reference for the Merger Steering Committee, inter alia, includes the following:

a. Member, Managing Director and Chief Executive Officer appointing and engaging intermediaries, advisors, legal counsel, valuers, or other professionals as deemed necessary;

b. drafting, finalizing, and approving the draft scheme of merger and all related documents;

c. determining the share exchange / share swap ratio, terms of merger, and any other conditions;

d. negotiating and executing agreements, deeds, and other documents;

e. making applications, filings, and representations before the Securities and Exchange Board of India, Reserve Bank of India, Stock Exchanges, Regional Director, or any other regulatory or governmental authority;

f. seeking approvals, consents, or no-objection certificates from lenders, shareholders, creditors, security trustee, debenture trustee or other stakeholders;

g. managing communications, disclosures, and stakeholder engagements related to the merger;

h. planning and coordinating post-merger integration, including employee transfers and asset rationalization if applicable; and

i. doing all such acts, deeds, matters, and things as may be incidental or consequential thereto for the purpose of evaluation, including maintaining records, and reporting progress and recommendations to the Board of Directors for its final approval.

The Merger Steering Committee met one (1) time during the financial year 2025-26. The required quorum was present for the Meeting. The attendance of the Members at the said meeting was as follows:

Date of Meetings	Name of Members				
	Ms. Dipali Hemant Sheth	Mr. Ramachandra Kasargod Kamath	Ms. Saakshi Gera	Mr. Venkatesh Krishnan	Mr. Ashish Kumar Damani
March 17, 2025	Yes	Yes	Yes	Yes	Yes

f) OTHER DISCLOSURES

a. Directors and Officers Insurance

The Company has in place a Directors and Officers Liability Insurance Policy in line with the requirements of Regulation 25(10) of the SEBI Listing Regulations.

b. General Meetings/Postal Ballot

i. The details of Annual General Meeting ("AGM") held during the last 3 years and the special resolutions passed thereat are as under:

Meeting	Day/Date/Time	Location	Summary of special resolutions passed
20th Annual General Meeting	Day: Tuesday Date: August 01, 2023 Time: 3:30 P.M.	Through Video Conferencing (VC)/ Other Audio-Visual Means (OAVM) facility	1. Issue of Non-Convertible Debentures (NCDs) on Private Placement Basis. 2. Appointment of Ms. Dipali Hemant Sheth (DIN: 07556685) as an Independent Director of the Company. 3. Appointment of Mr. Vinayak Prasad (DIN: 05310658) as an Independent Director of the Company. 4. Re-appointment of Mr. Deepak Calian Vaidya (DIN: 00337276) as an Independent Director of the Company for the second term of 3 years i.e., from June 06, 2023, up to June 05, 2026. 5. To approve payment of remuneration to Non- Executive Director (including Independent Directors) of the Company.
21st Annual General Meeting	Day: Tuesday Date: July 30, 2024 Time: 3:00 P.M.	Through Video Conferencing (VC)/ Other Audio-Visual Means (OAVM) facility	1. Issue of Non-Convertible Debentures (NCDs) on Private Placement Basis.
22nd Annual General Meeting	Day: Tuesday Date: September 16, 2025 Time: 3:00 P.M.	Through Video Conferencing (VC)/ Other Audio-Visual Means (OAVM) facility	1. Appointment of Alwyn Jay & Co., Company Secretaries, as the Secretarial Auditors of the Company. 2. Issue of Non-Convertible Debentures (NCDs) on Private Placement Basis.

ii. The details of Business transacted through Postal Ballot during the Financial Year 2025-26:

During the Financial Year 2025-26, the Company has passed the following special businesses through Postal Ballot on June 11, 2025, July 08, 2025 and January 17, 2026 conducted in accordance with the provisions of Sections 108 and 110 and other applicable provisions of the Act read together with Rules 20 and 22 of the Companies (Management and Administration) Rules, 2014 (as amended), Secretarial Standard (SS-2) on General Meetings and the SEBI Listing Regulations:

Details of special business passed through Postal Ballot on June 11, 2025:

Sr. No.	Description of the Resolution	Type of the Resolution	Number of votes polled	Votes cast in favour		Votes cast against	
				No. of votes	%	No. of votes	%
1.	To approve the amendments to the Articles of Association of the company:	Special Resolution	4,00,72,850	4,00,61,049	99.97	11,801	0.02

Details of special business passed through Postal Ballot on July 08, 2025:

Sr. No.	Description of the Resolution	Type of the Resolution	Number of votes polled	Votes cast in favour		Votes cast against	
				No. of votes	%	No. of votes	%
1.	Related Party Transactions with Criss Financial Limited for financial Year 2025-26	Ordinary Resolution	61,06,605	58,88,597	96.43	2,18,008	3.57

Details of special business passed through Postal Ballot on January 17, 2026:

Sr. No.	Description of the Resolution	Type of the Resolution	Number of votes polled	Votes cast in favour		Votes cast against	
				No. of votes	%	No. of votes	%
1.	To approve the appointment of Mr. Venkatesh Krishnan (DIN: 02078403) as a Director of the Company:	Ordinary Resolution	5,24,57,457	5,24,54,877	99.99	2,580	0.0049
2.	To approve the appointment and remuneration of Mr. Venkatesh Krishnan (DIN: 02078403) as the Managing Director and Chief Executive Officer of the Company:	Special Resolution	5,24,57,457	5,24,54,388	99.99	3,069	0.0059
3.	To approve revision of annual remuneration payable to Ms. Abanti Mitra (DIN: 02305893), Chairperson and Independent Director of the Company:	Ordinary Resolution	5,24,55,100	5,24,50,711	99.99	4,389	0.0084

Procedure adopted for postal ballot:

In accordance with the requirements prescribed by the Ministry of Corporate Affairs ('MCA') for holding general meetings/conducting postal ballot process through e-Voting vide General Circular Nos. 14/2020 dated April 8, 2020, 17/2020 dated April 13, 2020, and subsequent circulars issued in this regard, the latest being 03/2025 dated September 22, 2025 (collectively the 'MCA Circulars'), resolutions were proposed to be passed by means of Postal Ballot to transact the aforesaid special business by passing Ordinary/Special resolutions by way of postal ballot, only by voting through electronic means ('remote e-Voting')

The Company had provided the facility to its members to cast their votes electronically through the e-voting platform of Kfin Technologies Limited. The Company had appointed Mr. Y. Ravi Prasada Reddy, Company Secretary, Proprietor of M/s. RPR & Associates, Company Secretaries, Hyderabad, as Scrutinizer for Postal Ballot to conduct the Postal Ballot process in a fair and transparent manner. The Company followed the procedure as prescribed under the Act, the Rules made thereunder, the Secretarial Standard on General Meetings (SS-2) and other applicable statutes, if any, for conducting the Postal Ballot.

The scrutiniser's report for the above postal ballots have been placed on the Company's website and can be accessed at https://www.spandanasphoorty.com/investors.

Due Dates for transfer of unclaimed Dividend to Investor Education and Protection Fund

In terms of Section 125 of the Act, unclaimed dividends are required to be transferred to the Investors Education and Protection Fund. There is no dividend which remained unclaimed pertaining to previous years and the year under review and hence, there is no requirement of transferring the same to the Investors Education and Protection Fund for the year under the review

Means of Communication

Effective communication of information is an essential component of Corporate Governance. It is the process of sharing information, ideas, thoughts, opinions and plans to all stakeholders which promotes relations between the management and shareholders. The Company regularly interacts with its stakeholders through multiple channels of communication such as Results Announcements, Investor Releases, Company's Website and Stock Exchanges.

Quarterly/Annual Financial Results:

The quarterly/annual financial results are regularly submitted to the Stock Exchanges in accordance with the SEBI Listing Regulations and published in Financial Express, English newspaper and in Nava Telangana, Telugu newspaper. The quarterly/annual results, press releases and the presentations made to the Institutional Investors/Analysts are also uploaded on the website at https://spandanasphoorty.com/investors

Website:

The Company's website viz., www.spandanasphoorty.com provides information about the businesses carried on by the Company. It is the primary source of information to all the stakeholders of the Company and to general public at large. It also contains a separate dedicated section on Investor Relations. Financial Results, Annual Reports, Shareholding Pattern, Quarterly Corporate Governance Report, various policies adopted by the Board and other general information about the Company and such other disclosures as required under the SEBI Listing Regulations, are made available on the Company's website.

Price Sensitive Information:

All price sensitive information and such other matters which in the opinion of the Company are of importance to the shareholders/investors are promptly intimated to the Stock Exchanges in terms of the Company's Policy for Determination of Materiality of Events/ Information and the SEBI Listing Regulations.

Corporate Filings with Stock Exchanges:

The Company is regular in filing of various reports, certificates, intimations etc. to the BSE and NSE. This includes filing of audited and unaudited results, shareholding patterns, Corporate Governance Report, intimation of Board Meeting/general meeting and its proceedings.

Press releases/Investor Updates and Investor presentations:

The Company uploads the investor presentation, press release, earning call details periodically on BSE and NSE and also on the website of the Company for the benefit of all the stakeholders.

Investor Service

The Company has appointed KFin Technologies Limited as Registrar and Transfer Agent and they have been authorised to attend/address investors' complaints. The Secretarial department also assists in resolving various investor complaints. The Company has created a separate e-mail id shareholders@spandanasphoorty.com exclusively for the investors to communicate their grievances to the Company.

Shareholders/ Investors may write to the Company Secretary at the following address:

Registered office address:

Galaxy, Wing B, 16th Floor, Plot No.1, Sy No 83/1, Hyderabad Knowledge City,

TSIIC, Raidurg Panmaktha, Hyderabad, Rangareddi TG 500081 IN

Email: shareholders@spandanasphoorty.com Phone no: 040-486126666

Shareholders/ Investors may write to the Registrar & Transfer Agent at the following address:

Kfin Technologies Limited (Formerly known as "Kfin Technologies Private Limited")
(Unit: Spandana Sphoorty Financial Limited) Selenium Tower B, Plot 31 & 32,

Financial District, Nanakramguda, Serilingampally Mandal,

Hyderabad - 500 032, Telangana.

Email ID einward.ris@kfintech.com

Toll Free/ Phone Number: 1800 309 4001

WhatsApp Number: (91) 910 009 4099

KPRISM (Mobile Application): https://kprism.kfintech.com/

KFINTECH Corporate Website: https://www.kfintech.com

RTA Website: https://ris.kfintech.com

Investor Support Centre (DIY Link): https://ris.kfintech.com/clientservices/isc

Share transfer system: SEBI vide Notification dated June 8, 2018, had restricted the transfer of shares in physical form with effect from December 5, 2018. As on March 31, 2025, all the shares of the Company are traded in dematerialized mode and are freely tradable. Further, pursuant to Regulation 40(9) and 61(4) of the SEBI Listing Regulations, a half-yearly certificate of compliance with the share/debt transfer formalities is obtained from the Company Secretary in Practice and a copy of the certificate is filed with BSE and NSE within the prescribed time.

SEBI Complaints Redress System (SCORES) and SMART ODR:
The investor complaints are processed in a centralized web-based complaints redressal system through SCORES and SMART ODR portal. The Action Taken Reports are uploaded online by the Company for any complaints received on the said platforms, thereby making it convenient for the investors to view their status online.

General Shareholder Information

23rd Annual General Meeting

Day and Date	August 18, 2026
Time	11.30 a.m.
Venue	The Company will conduct meeting through video conferencing (VC)/other audiovisual means (OAVM) pursuant to the MCA circular. For details, please refer to the Notice of 23rd AGM.
Financial Year	2025-26
Dividend Payment Date	NA
The name and address of each stock exchange(s) at which the listed entity's securities are listed and a confirmation about payment of annual listing fee to each of such stock exchange(s).	**BSE Limited** P J Towers, Dalal Street, Mumbai – 400 001. Tel: 91 22 2272 1233/4 Fax: 91 22 2272 1919 Website: www.bseindia.com **National Stock Exchange of India Limited** Exchange Plaza, 5th Floor, Plot no. C/1, G Block, Bandra-Kurla Complex, Bandra (East), Mumbai – 400 051. Tel: 91 22 26598100/14 Fax: 91 22 26598120 Website: www.nseindia.com The Company has paid the annual listing fees for (Equity and Debt) and custodian fees for the financial year 2025-26 and financial year 2026-27 to the Stock Exchanges and Depositories.

Tentative Schedule for the Meetings for the financial year 2026-27:

Particulars	Period
For consideration of unaudited/ Audited Financial Results	
First quarter ending June 30, 2026 (Unaudited)	On or before August 14, 2026
Second quarter and half year ending September 30, 2026 (Unaudited)	On or before November 14, 2026
Third quarter and nine months ending December 31, 2026 (Unaudited)	On or before February 14, 2027
Fourth quarter and financial year ending March 31, 2027 (Audited)	On or before May 30, 2027

Book Closure Date: The Register of Members of the Company shall not be closed as the Company has opted for the Cut-off date to determine the eligibility of e-Voting at the AGM in accordance with the provisions of the Act.

Distribution of Shareholding as on March 31, 2026:

Category	Shareholders		Equity Shares	
	Number	Percentage	Number	Percentage
1 - 5,000	111858	99.6428	13964204	19.5837
5,001 - 10,000	230	0.2049	1638714	2.2982
10,001 - 20,000	87	0.0775	1225883	1.7192
20,001 - 30,000	26	0.0232	621937	0.8722
30,001 - 40,000	9	0.008	303838	0.4261
40,001 - 50,000	4	0.0036	191714	0.2689
50,001 - 100,000	16	0.0143	1176611	1.6501
100,001 & above	29	0.0258	52182243	73.1816
Total	**1,12,259**	**100.00**	**7,13,05,144**	**100.00**

Categories of Shareholders as on March 31, 2026:

Category	No. of shareholders	No. of Equity Shares	Holding in Equity Share Capital (%)
(A) Promoter and Promoter Group			
Indian	1	50,13,295	7.03
Foreign	1	2,93,03,172	41.10
Total Shareholding of Promoter and Promoter Group	2	3,43,16,467	48.13
(B) Public Shareholding			
Institutions	14	37,72,395	5.57
Institutions (Foreign)	53	1,36,92,449	19.58
Non-Institutions	1,13,002	1,95,23,833	26.71
Total Shareholding of Public	1,13,069	3,69,88,677	51.86
Total of (A & B)	1,13,071	7,13,05,144	100.00

List of top ten public shareholders as on March 31, 2026:

S. No.	Name of Shareholders	No. of Shares	Percentage (%)
1	Kangchenjunga Limited	2,93,03,172	41.0955
2	Kedaara Capital Fund III LLP	50,13,295	7.0308
3	Goldman Sachs Funds - Goldman Sachs India Equity P	26,83,121	3.7629
4	SG India Alpha Holdings LLC	25,44,954	3.5691
5	Valiant Mauritius Partners Offshore Limited	21,70,221	3.0436
6	Valiant Mauritius Partners FDI Limited	17,87,889	2.5074
7	ICICI Prudential Life Insurance Company Limited	17,41,969	2.443
8	Valiant Mauritius Partners Limited	10,27,095	1.4404
9	ACM Global Fund VCC	9,05,962	1.2705
10	JM Financial India Trust II-JM Financial India Fun	6,82,313	0.9569

c. Plant Locations:

Being a financial services company, Spandana Sphoorty Financial Limited has no plant locations.

d. Dematerialisation of Shares and Liquidity:

All shares of the Company are held in dematerialised form. The entire Promoter's holdings are in electronic form and the same is in line with the directions issued by SEBI. Further, Equity shares of the Company are available for trading in the dematerialised form under both the Depositories i.e., NSDL and CDSL. The International Securities Identification Number (ISIN) allotted to the Company's equity shares under the Depository System is INE572J01011 and IN9572J01019. The Company's equity shares are regularly traded on BSE and NSE.

Number of Shares held in dematerialised and physical form as on March 31, 2026, are as under:

Particular	No. of Shareholders	No. of Shares	Holding in Equity Share Capital (%)
Held in dematerialised form with NSDL	32,110	7,55,61,141	84.2927
Held in dematerialised form with CDSL	95,531	1,30,78,365	15.7073
Physical	-	-	-
Total	1,27,641	8,86,39,506	100.00

e. **Credit Rating of the Company:** The details of the Credit Ratings along with revisions thereto have been provided in the Board's Report.

f. **Policies Determining Material Subsidiaries and Related Party Transactions:** Pursuant to requirements of Regulation 16 and Regulation 23 of the SEBI Listing Regulations, the Board of Directors of the Company has adopted the policies for determining material subsidiaries and on related party transactions and the said policies is available on the Company's website at https://www.spandanasphoorty.com/policies.

g. **Disclosure on Material Related Party Transactions:** There were no material related party transactions entered by the Company during the financial year 2025-26 which may have potential conflict with the interest of the Company. The details of related party transactions have been provided in the Directors' Report.

h. **Penalty or Strictures:** During the financial year 2025-26, no fines were imposed on the Company by SEBI and the Stock Exchanges.

i. **Breach of Covenants:** The Company was in breach of a few specific covenant with respect to Non-Convertible Debt Securities issued by the Company. Details regarding Breach of Covenants are covered under Note No. 15(b) of the Notes to Financial Statements.

j. **Vigil Mechanism/Whistle Blower Policy:** The Company has established Vigil Mechanism/Whistle Blower Policy for the directors and employees to report their genuine concerns about any unethical behavior, financial irregularities including fraud or suspected fraud, which is against the interest of the Company. Further, the mechanism adopted by the Company encourages the employees to report genuine concerns or grievances and provides for adequate safeguards against victimization of employees who avail such a mechanism and also provides for direct access to the Chairperson of the Audit Committee, in exceptional cases. Furthermore, no employee has been denied access to the Chairperson of the Audit Committee.

The Policy provides that no adverse action shall be taken or recommended against a director or an employee in retaliation to his/her disclosure in good faith of any unethical and improper practices or alleged wrongful conduct. This mechanism protects such directors and employees from any unfair or prejudicial treatment by anyone within the Company. The Whistle Blower Policy/Vigil Mechanism is uploaded on the Company's website: https://spandanasphoorty.com/policies.

k. **Commodity Price Risk or Foreign Exchange Risk and Hedging Activities:** This is not applicable since the Company does not have any derivatives or liabilities denominated in foreign currency.

l. **Company Secretary in Practice certification:** In accordance with the SEBI Listing Regulations, the Company has obtained the certificate from a practicing company secretary confirming that as on March 31, 2026, none of the Directors of the Company has been debarred or disqualified from being appointed or continuing as Directors by Securities and Exchange Board of India/Ministry of Corporate Affairs or any such authority and the same is appended to this Report as Annexure-B to the Corporate Governance Report.

m. **Total Fees Paid to Statutory Auditors:** The total amount of fees paid to the Statutory Auditors of the Company and its subsidiaries during the financial year 2025-26 is stated in notes to financial statements, which forms part of this Annual Report.

n. **Disclosure by listed entity and its subsidiaries of 'Loans and advances in the nature of loans to firms/ companies in which directors are interested by name and amount:** Other than the loans and advances grated to the Subsidiary Company i.e. Criss Financial Limited as stated in the notes to account, the Company has not granted any loans and advances in the nature of loans to firms / companies in which directors are interested.

o. **Disclosures related to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and**

Redressal) Act, 2013: The details have been provided in the Directors' Report.

p. **Outstanding GDRs / ADRs / Warrants or any Convertible instruments, conversion date and likely impact on equity:** The Company does not have any outstanding GDRs / ADRs / Warrants or any Convertible instruments as on March 31, 2026.

q. **Compliance with Mandatory/Non-Mandatory Requirements:** The Company has complied with all the mandatory requirements of corporate governance specified in SEBI Listing Regulations. The Board has taken cognizance of the discretionary requirements as specified in Part E of Schedule II to the SEBI Listing Regulations and are being reviewed from time to time.

r. **Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A):** During the year, the Company has not issued any share through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A).

s. **Details of material subsidiaries:** None of our subsidiaries is a material subsidiary as per the thresholds laid down under the SEBI Listing Regulations.

t. In terms of Regulation 34(3) read with Schedule V of the SEBI Listing Regulations, the detailed Report on Corporate Governance along with a certificate on compliance of Corporate Governance, received from M/s. Alwyn Jay & Co., Company Secretaries in Practice, forms part of this report as **Annexure A.**

u. **Disclosures with respect to demat suspense account / unclaimed suspense account:** Not applicable, as there are no shares held in the demat suspense account or unclaimed suspense account during the reporting period.

v. The Company has not entered into any agreement requiring disclosure under clause 5A of paragraph A of Part A of Schedule III of SEBI Listing Regulations.

For Spandana Sphoorty Financial Limited

Abanti Mitra
Chairperson and Independent Director
DIN: 02305893

Mr. Venkatesh Krishnan
Managing Director & Chief Executive Officer,
DIN: 02078403

Date: May 05 , 2026
Place: Hyderabad

Annexure A to the Corporate Governance Report

CERTIFICATE OF COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

To,

The Members

SPANDANA SPHOORTY FINANCIAL LIMITED

Galaxy, Wing B, 16th Floor, Plot No.1, Sy No 83/1,

Hyderabad Knowledge City, TSIIC, Raidurg Panmaktha,

Hyderabad – 500081.

1. We have examined the compliances of the conditions of Corporate Governance by **SPANDANA SPHOORTY FINANCIAL LIMITED** (the "Company") for the financial year ended **March 31, 2026**, as prescribed in Regulations 17 to 27, clauses (b) to (i) of sub- regulation (2) of regulation 46 and paras C, D and E of Schedule V of SEBI (Listing Obligations and Disclosures Requirements) Regulations 2015 ('Listing Regulations').
2. The compliance of the conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
3. In our opinion and to the best of our information and according to the explanation given to us and representations made by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Regulations.
4. We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For ALWYN JAY & Co.

Alwyn D'Souza

Partner

FCS.5559 C.P No.5137

UDIN : F005559H000276324

Place: Mumbai

Date: May 5, 2026

Annexure B to the Corporate Governance Report

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

[Pursuant to Regulation 34(3) read with sub-clause (10)(i) of Clause C of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

To,
The Members of
Spandana Sphoorty Financial Limited
Galaxy, Wing B, 16th Floor, Plot No.1,
Sy No 83/1, Hyderabad Knowledge City,
TSIIC, Raidurg, Panmaktha, Rangareddi,
Hyderabad, Telangana, India, 500081

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **Spandana Sphoorty Financial Limited** having **CIN: L65929TG2003PLC040648** and having registered office at Galaxy, Wing B, 16th Floor, Plot No.1, Sy No 83/1, Hyderabad Knowledge City, TSIIC, Raidurg, Panmaktha, Rangareddi, Hyderabad, Telangana, India, 500081 (hereinafter referred to as the '**Company**'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Sub-clause 10(i) of Clause C of Schedule V of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company, We hereby certify that none of the Directors of the Company holding directorship on the Board of the Company during financial year ending **March 31, 2026** have been debarred or disqualified from being appointed or continuing as director of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

Sr. No.	Name of Director	DIN	Designation	Date of appointment
1	Venkatesh Krishnan(1)	02078403	Managing Director	27/11/2025
2	Sunish Sharma	00274432	Nominee Director	31/03/2017
3	Neeraj Swaroop	00061170	Nominee Director	04/08/2022
4	Animesh Chauhan	02060457	Independent Director	04/08/2022
5	Abanti Mitra	02305893	Independent Director	04/05/2017
6	Deepak Calian Vaidya	00337276	Independent Director	06/06/2018
7	Ramchandra Kasargod Kamath	01715073	Nominee Director	04/05/2017
8	Saakshi Gera	08737182	Nominee Director	22/05/2024
9	Dipali Hemant Sheth	07556685	Independent Director	02/05/2023
10	Vinayak Prasad	05310658	Independent Director	02/05/2023

Note:

1. Mr. Venkatesh Krishnan appointed w.e.f. 27/11/2025

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

For ALWYN JAY & Co.
Alwyn D'Souza
Partner
FCS.5559 C.P No.5137
UDIN : F005559H000276313

Place: Mumbai
Date: May 5, 2026

COMPLIANCE CERTIFICATE BY CHIEF EXECUTIVE OFFICER AND CHIEF FINANCIAL OFFICER FOR THE FINANCIAL YEAR 2025-26

(Pursuant to Regulation 17(8) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Part-B of Schedule –II)

To,

The Board of Directors

Spandana Sphoorty Financial Limited

We hereby certify that:

A. We have reviewed financial statements and the cash flow statement for the year and that to the best of their knowledge and belief:

   i. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

   ii. these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

B. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.

C. We accept our responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

D. We have indicated to the auditors and the Audit committee:

   a. significant changes in internal control over financial reporting during the year;

   b. significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and

   c. instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

   Kindly take the same on records.

Thanking You.

For Spandana Sphoorty Financial Limited

Venkatesh Krishnan
Managing Director and Chief Executive Officer

Ashish Kumar Damani
President and Chief Financial Officer

Place: Hyderabad
Date: May 05, 2026

Business Responsibility & Sustainability Report 2025-26

Principle 1

Businesses should conduct and govern themselves with integrity in a manner that is ethical, transparent, and accountable.

Principle 2

Businesses should provide goods and services in a manner that is sustainable and safe.

Principle 3

Businesses should respect and promote the wellbeing of all employees, including those in their value chains.

Principle 4

Businesses should respect the interests of and be responsive to all its stakeholders.

Principle 5

Businesses should respect and promote human rights.

Principle 6

Businesses should respect, protect, and make efforts to restore the environment.

Principle 7

Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent.

Principle 8

Businesses should promote inclusive growth and equitable development.

Principle 9

Businesses should engage with and provide value to their consumers in a responsible manner.

SECTION A: GENERAL DISCLOSURES

I. Details of the listed entity

1.	Corporate Identity Number (CIN) of the Entity	L65929TG2003PLC040648
2.	Name of the Entity	Spandana Sphoorty Financial Limited ("SSFL or Company")
3.	Year of incorporation	2003
4.	Registered office address	Galaxy, Wing B, 16th Floor, Plot No.1, Sy No 83/1, Hyderabad Knowledge City, TSIIC, Raidurg, Panmaktha, Rangareddy, Hyderabad, Telangana, India, 500081
5.	Corporate address	Galaxy, Wing B, 16th Floor, Plot No.1, Sy No 83/1, Hyderabad Knowledge City, TSIIC, Raidurg, Panmaktha, Rangareddy, Hyderabad, Telangana, India, 500081
6.	E-mail	secretarial@spandanasphoorty.com
7.	Telephone	+9140-45474750
8.	Website	www.spandanasphoorty.com
9.	Financial year for which reporting is being done	01 April 2025 to 31 March 2026
10.	Name of the Stock Exchange(s) where shares are listed	BSE Limited (BSE); and National Stock Exchange of India Limited (NSE)
11.	Paid-up Capital	₹ 79,97,23,250
12.	Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report	Mr. A. Bhanu Prakash Vice President - CSR & Sustainability 040-45474750
13.	Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e., only for the entity) or on a consolidated basis (i.e., for the entity and all the entities which form a part of its consolidated financial statements, taken together).	Disclosures made in this BRSR report are on standalone basis.
14.	Name of assurance provider	-
15.	Type of assurance obtained	-

II. Products/Services

16. Details of business Activities (accounting for 90% of the turnover):

S. No.	Description of Main Activity	Description of Business Activity	% of Turnover of the entity
1.	Microfinance	Spandana Sphoorty Financial Ltd. is a Non-Banking Financial Company – Microfinance Institution (NBFC-MFI) focused on providing microcredit to women from low-income households across India. The Company extends affordable and responsible financial services to support income-generating activities, thereby enabling financial inclusion among financially underserved and unbanked populations. Through its microfinance offerings, Spandana Sphoorty plays a vital role in promoting women entrepreneurship, particularly in rural and remote regions. These efforts contribute to livelihood enhancement, economic empowerment of women, and the sustainable development of communities.	100%

17. Products/Services sold by the entity (accounting for 90% of the entity's turnover):

S. No.	Product/Service	NIC Code	% of total Turnover contributed
1.	Microfinance	64990	100%

III. OPERATIONS

18. Number of locations where plants and/or operations/offices of the entity are situated:

Location	Number of plants	Number of offices	Total
National	1321	6	1327
International	Nil	Nil	Nil

19. Markets served by the entity:

a. Number of locations

Locations	Number
National (No. of States and Union Territories)	20
International (No. of Countries)	Nil

b. What is the contribution of exports as a percentage of the total turnover of the entity?

0.0%

c. A brief on the types of customers

We serve the low-income and financially underserved segments of the population in India, primarily in rural and semi-urban areas, providing micro loans to support income-generation activities that empower individuals and communities.

We lend under the Joint Liability Group (JLG) model to only women borrowers. These women often lack access to traditional banking services. The small loans we provide give a steady drift to help our borrowers soar higher in their entrepreneurial flight while also giving them a strong chance to dream of a better life for their families and themselves. Our loans have a one-to-two-year tenure and are provided for purposes like agriculture, handlooms & handicrafts, cattle raring, cottage industries & micro entrepreneurial ventures like tailoring, grocery stores, education and healthcare etc.,

IV. EMPLOYEES

20. Details as at the end of Financial Year

a. Employees (including differently abled)

S. No.	Particulars	Total	Male		Female	
		(A)	No. (B)	% (B/A)	No. (C)	% (C/A)
EMPLOYEES						
1.	Permanent (D)	9405	8999	96%	406	4%
2.	Other than Permanent (E)	Not Applicable				
3.	**Total Employees (D+E)**	**9405**	**8999**	**96%**	**406**	**4%**
WORKERS						
4	Permanent (F)	Not Applicable				
5	Other than Permanent (G)					
6	**Total workers (F+G)**					

b. Differently abled Employees and workers:

S. No.	Particulars	Total (A)	Male No. (B)	Male % (B/A)	Female No. (C)	Female % (C/A)
DIFFERENTLY ABLED EMPLOYEES						
1	Permanent (D)	0	0	-	0	-
2	Other than Permanent (E)	Not Applicable				
3	**Total Employees (D+E)**	0	0	-	0	-
DIFFERENTLY ABLED WORKERS						
4	Permanent (F)	Not Applicable				
5	Other than Permanent (G)					
6	**Total workers (F+G)**					

21. Participation/Inclusion/Representation of Women

	Total (A)	No. and percentage of Females No. (B)	% (B/A)
Board of Directors	10	3	30.0%
Key Management Personnel	3	0	-

22. Turnover rate for permanent employees and workers

(Disclose trends for the past 3 years)

	FY 2026			FY 2025			FY 2024		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	95.45%	83.97%	95.05 %	56.87%	43.02%	56.53%	48.49%	31.39%	48.14%
Permanent Workers	Not Applicable								

V. HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES (INCLUDING JOINT VENTURES)

23. (a) Names of holding/subsidiary/associate companies/joint ventures

S. No.	Name of the holding/ subsidiary/associate companies/joint ventures (A)	Indicate whether holding/ Subsidiary/ Associate/ Joint Venture	% of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
1.	Caspian Financial Services Ltd	Wholly owned subsidiary company	100.0%	Yes
2.	Criss Financial Ltd (formerly Criss Financial Holdings Ltd)	Subsidiary company	99.92%	Yes

VI. CSR DETAILS

24. (i) **Whether CSR is applicable as per section 135 of Companies Act, 2013 (Yes/No):** Yes

(ii) **Turnover (in ₹):** ₹942.2 Crore

(iii) **Net worth (in ₹):** ₹2,193.75 Crore

VII. TRANSPARENCY AND DISCLOSURES COMPLIANCES

25. Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No) (If yes, then provide web-link for grievance redress policy	FY 2025-26 Current Financial Year			FY 2024-25 Previous Financial Year		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Communities	Yes https://spandanasphoorty.com/customer-support	0	0	No complaint received	0	0	-No complaint received
Investors (other than shareholders)	Yes https://spandanasphoorty.com/customer-support	0	0	No complaint received	0	0	No complaint received
Shareholders	Yes https://spandanasphoorty.com/customer-support	0	0	No complaint received	0	0	No complaint received
Employees	Yes https://spandanasphoorty.com/customer-support	1447	9	All the 9 complaints were resolved in 1st Quarter of FY2026-27	1310	44	Out of the 44 tickets, 40 are already closed during the 1st Quarter of FY2025-26, and currently 4 tickets are in process
Customers	Yes https://spandanasphoorty.com/customer-support	3326	187	All 187 complaints were resolved during 1st quarter in the month of April, 2026	1303	31	8 complaints resolved during 1st Quarter of FY 2024-25
Value Chain Partners	Yes https://spandanasphoorty.com/customer-support	0	0	No complaint received	0	0	No complaint received
Others (please specify)		0	0	No complaint received	0	0	No complaint received

26. Overview of the entity's material responsible business conduct issues.

Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along-with its financial implications, as per the following format.

S. No.	Material Issue Identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/ opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1.	Customer Centricity	Opportunity	Opportunity The company's commitment to customer centricity is central to its mission of empowering the financially unserved and underserved rural women. Customer centricity enables building stronger customer loyalty, driving increased sales and market share. It also promotes innovation by tailoring products and services to customer needs, enhancing brand reputation and trust.	-	Positive It leads to higher customer retention and increased sales, boosting overall revenue. It also reduces marketing and acquisition costs, as satisfied customers are more likely to provide referrals and repeat business.

S. No.	Material Issue Identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/ opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
2.	Commitment to Employees	Opportunity	Opportunity Commitment to employees enhances job satisfaction and loyalty, reducing turnover and associated recruitment costs. It also fosters a positive work environment, driving productivity and innovation, which contribute to the company's overall success. Ensuring fair wages, benefits, and a supportive work environment for employees contributes to the company's social mission and employee retention.	-	Positive Commitment to employees reduces turnover and recruitment costs, leading to significant savings. Additionally, it boosts productivity and innovation, driving revenue growth and improving the company's financial performance.
3.	Positive Social Impact of Products and Services	Opportunity	Opportunity Emphasizing the positive social impact of company's products and services of providing microloans to financially unserved and undeserved groups enhances customer loyalty and brand reputation. It also attracts socially conscious investors, thereby contributing to long-term financial success.		Positive It leads to building a broad customer base and enhances brand value, thereby increasing revenue and sales.
4.	Brand and Reputation Management	Opportunity	Opportunity Brand and reputation management provide opportunities for companies to build trust and credibility with customers, enhancing brand loyalty and repeat business. It also enables companies to differentiate themselves in the market, thereby attracting new customers.		Positive Brand reputation and management can significantly enhance an organization's financial value and future business prospects. In the context of the company's mission to provide financial services to underserved communities, it can play a pivotal role in driving demand and sales growth.
5.	Regulatory Compliance and Ethical Business Practices	Opportunity	Opportunity Adhering to relevant rules and regulations bolsters investor confidence and enhances client and customer trust, leading to reputational and financial growth. Aligning business practices with the highest standards of ethics and governance ensures transparency and accountability, facilitating responsible and ethical decision-making. This approach helps prevent corporate scandals and fraud.		Positive It leads to cost savings that otherwise might be incurred due to noncompliance. These costs include fines, penalties, and legal fees. Practicing ethical behaviour leads to improved customer loyalty, thereby resulting in increased sales and revenue. It also leads to cost savings as the company will not be at risk of running into financial loss due to unethical or irresponsible behaviour.

SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

The National Guidelines on Responsible Business Conduct (NGRBC) were prescribed by the Ministry of Corporate Affairs (MCA), Government of India, in 2018. They are built over the National Voluntary Guidelines on the Social, Environmental and Economic Responsibilities of Business (NVGs) released by the MCA in 2011. The NGRBC have been designed to guide businesses to perform beyond the requirements of regulatory compliance and contribute towards wider developmental goals including environmental and social.

The NGRBC advocates for nine principles referred as P1-P9 as given below:

P1 Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable.

P2 Businesses should provide goods and services in a manner that is sustainable and safe.

P3 Businesses should respect and promote the well-being of all employees, including those in their value chains.

P4 Businesses should respect the interests of and be responsive to all its stakeholders.

P5 Businesses should respect and promote human rights.

P6 Businesses should respect and make efforts to protect and restore the environment.

P7 Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent.

P8 Businesses should promote inclusive growth and equitable development.

P9 Businesses should engage with and provide value to their consumers in a responsible manner.

Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
Policy and Management Processes									
1. a. Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
b. Has the policy been approved by the Board? (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
c. Weblink to the policies, if available. (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
2. Whether the entity has translated the policy into procedures. (Yes / No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
3. Do the enlisted policies extend to your value chain partners? (Yes/No).	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
4. Name of the national and international codes/certifications/labels/ standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustee) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
5. Specific commitments, goals and targets set by the entity with defined timelines, if any.	The Company recognizes its responsibility to create long term positive impact by integrating sustainable business practices across its operations, along with investor awareness and Corporate Social Responsibility (CSR) initiatives. It is committed to promoting an inclusive workplace, ensuring merit based hiring, reducing its environmental footprint, and prioritizing employee upskilling in line with evolving business requirements. The Company places strong emphasis on maintaining strict adherence to established policies and procedures, including the Code of Conduct and Fair Practice Code, supported by transparent and timely disclosures. The Company continuously undertakes measures to align its internal processes and control mechanisms with the principles of sustainable, ethical, and responsible business conduct.								
6. Performance of the entity against the specific commitments, goals and targets along with reasons in case the same are not met.	The company actively monitors and assesses the implementation of its action plan to ensure strict compliance with established norms. We meticulously track and record key parameters within our policies as part of a continuous learning and development process, with the objective of continually improving and enhancing our policies.								

Governance, Leadership and Oversight

At Spandana, sustainability is embedded in our strategy and culture. As a leading microfinance institution, our purpose is anchored in financial inclusion, customer well-being and responsible growth. We believe durable value is created when commercial outcomes are aligned with measurable social impact, prudent governance and responsible environmental stewardship.

Women's empowerment remains central to our business model. With a portfolio comprising 100% women borrowers, we extend formal credit to segments that have historically been unserved and underserved. During the year, we supported 33,527 first-time borrowers in beginning their formal financial journey and onboarded 2,18,609 new customers across our expanding footprint. Through our responsible lending approach, we have indirectly impacted over 50 lakh lives reinforcing the role of inclusive finance in building resilient households and communities.

Our reach is deeply rooted in rural India, with 85% of our branches located in rural areas to ensure last-mile access. Beyond core lending, we advanced community development through CSR programmes focused on Health (Digital Dispensary) and Skill Development & Livelihood (Tailoring Training). These interventions positively impacted 13,930 individuals, of whom 64% were women and 99% belonged to rural communities.

Our people and practices are critical to delivering responsible finance. We continue to strengthen diversity and inclusion by increasing women representation across field and leadership roles, while maintaining a strong focus on safety, dignity and employee well-being. During the year, over 90% of employees from entry level to managerial roles underwent training on ESG-linked themes, including fair practices, POSH, anti-money laundering and sustainable project categorisation. Senior management and the Board also received focused inputs on applicable regulatory frameworks (Companies Act and relevant RBI/SEBI guidelines), fair lending, and risk management.

This progress is supported by an ESG governance architecture that is in place, including Board-level oversight, an ESG Committee and an established suite of policies. We are strengthening internal ownership, data systems and controls so that sustainability considerations are increasingly integrated into decision-making and disclosures are aligned with the BRSR framework.

Going forward, we will deepen ESG integration across the organisation by expanding responsible access to credit, further enhancing customer protection and grievance redressal, and supporting the development of resilient rural communities. As financial aspirations continue to evolve, we will respond through tailored individual loan offerings, underpinned by prudent underwriting and responsible collections.

In parallel, we will continue to improve our environmental performance through operational efficiencies and mindful resource utilisation, while advancing people-centric policies that promote diversity, safety and capability-building. Anchored in disciplined governance, transparent disclosures and progressively stronger ESG measurement, we remain committed to building a resilient institution that creates sustainable value for all stakeholders empowering communities today while safeguarding the interests of future generations.

7.	**Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy(ies).**	Mr. Venkatesh Krishnan, MD & CEO Telephone number: 040-45474750 E-mail address: secretarial@spandanasphoorty.com
8.	**Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details.**	Yes, The Board of Directors will provide oversight of the Company's sustainability strategy and vision, with a focus on integrating sustainability considerations into the overall business strategy and supporting the achievement of defined objectives. The Head of Sustainability will lead and oversee sustainability related actions and will track progress against key performance indicators. Further, a Sustainability Working Group, comprising senior representatives from various departments and led by the Managing Director & CEO, will support the implementation of sustainability policies and facilitate the execution of related initiatives across the organization.

9. Details of Review of the NGRBCs by the Company:

Subject for Review	Indicate whether review was undertaken by Director / Committee of the Board/Any other Committee									Frequency (Annually/ Half yearly/ Quarterly/ Any other – please specify)								
	P1	P2	P3	P4	P5	P6	P7	P8	P9	P1	P2	P3	P4	P5	P6	P7	P8	P9
Performance against above policies and follow up action	All policies are approved by the Board and signed by the official who oversees the implementation of such policies. The Codes have been circulated to Directors and Management Personnel, and its compliance is affirmed by them annually as per Regulation 26(3) of the SEBI Listing Regulations.																	
Compliance with statutory requirements of relevance to the principles and rectification of any non-compliances	The company has internal control measures that ensure adherence to applicable laws and compliances and give guidance and support needed for ethical conduct. The Codes are circulated to Directors and Management Personnel, and its compliance is undertaken by them annually as per Regulation 26(3) of the SEBI Listing Regulations.																	

10. Has the Company carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide the name of the agency.

P1	P2	P3	P4	P5	P6	P7	P8	P9
No	No	No	No	No	No	No	No	No

11. If answer to question (1) above is "No" i.e. not all Principles are covered by a policy, reasons to be stated.

Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
The entity does not consider the principles material to its business (Yes/No)	Not Applicable								
The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)									
The entity does not have the financial or/human and technical resources available for the task (Yes/No)									
It is planned to be done in the next financial year (Yes/No)									
Any other reason (please specify)									

SECTION C: PRINCIPLE-WISE PERFORMANCE DISCLOSURES

Principle 1: Businesses should conduct and govern themselves with integrity in a manner that is ethical, transparent, and accountable.

ESSENTIAL INDICATORS

1. Percentage coverage by training and awareness programmes on any of the principles during the financial year:

Segment	Total number of training and awareness programmes held	Topics/principles covered under the training and its impact	% of persons in respective category covered by the awareness programmes
Board of Directors	4	Regulatory updates under Companies Act, 2013 & SEBI Regulations, RBI Master Directions & Circulars on NBFCs, Outsourcing of Information Technology Services, Fair Lending Practices, Risk Management.	100%
Key Managerial Personnel	4		100%
Employees other than BoD and KMPs	908	AML&KYC, ESG and POSH	100%
Workers	Not Applicable		

2. Details of fines / penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year, in the following format. (Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 and as disclosed on the entity's website):

	Monetary				
	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Amount (in ₹)	Brief of the case	Has an appeal been preferred? (Yes/No)
Penalty/Fine					
Settlement			Nil		
Compounding Fee					

	Non-monetary			
	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Brief of the case	Has an appeal been preferred? (Yes/No)
Imprisonment			Nil	
Punishment				

3. Of the instances disclosed in Question 2 above, details of the Appeal/ Revision preferred in cases where monetary or non-monetary action has been appealed.

Case Details	Name of the regulatory/ enforcement agencies/ judicial institutions
Nil	

4. Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy.

The Company is committed to conducting business by following the highest ethical standards. Employees are expected to conduct business strictly adhering to all applicable laws as per the Company's Code of Conduct. This is also imbibed in the company's operations manual and regular trainings that are provided to employees.

The Company conducts its business in adherence to all statutory and regulatory requirements. The Code of Conduct for Directors and Senior Management of the Company has been posted on the Company's website.

Additionally, the company has Vigil/Whistleblowing mechanism to help report any instances of corruption or bribery that take place within the organization. These guidelines also extend to the subsidiaries.

5. Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption.

	FY 2025-26 (Current Financial year)	FY 2024-25 (Previous Financial year)
Directors	0	0
KMPs	0	0
Employees	0	0
Workers	Not Applicable	Not Applicable

6. Details of complaints with regard to conflict of interest.

	FY 2025-26 (Current Financial year)		FY 2024-25 (Previous Financial year)	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of conflict of interest of the directors	0	-	0	-
Number of complaints received in relation to issues of conflict of interest of the KMPs	0	-	0	-

7. Provide details of any corrective action taken or underway on issues related to fines / penalties / action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest.

No corrective action was necessitated in FY 25-26.

8. Number of days of accounts payable ((Accounts payable *365) / Cost of goods and services procured) in the following format:

	FY 2025-26	FY 2024-25
Number of days of accounts payables	Not Applicable	Not Applicable

9. Open-ness of business.

Provide details of concentration of purchases and sales with trading houses, dealers, and related parties along-with loans and advances & investments, with related parties, in the following

Parameter	Metrics	FY 2025-26	FY 2024-25
Concentration of Purchases	a. i) Purchases from trading houses	0.00	0.00
	ii) Total purchases	0.00	0.00
	iii) Purchases from trading houses as % of total purchases		
	b. Number of trading houses where purchases are made	0	0
	c. i) Purchases from top 10 trading houses	0.00	0.00
	ii) Total purchases from trading houses	0.00	0.00
	iii) Purchases from top 10 trading houses as % of total purchases from trading houses		
Concentration of Sales	a. i) Sales to dealer / distributors	0.00	0.00
	ii) Total Sales	0.00	0.00
	iii) Sales to dealer / distributors as % of total sales		
	b. Number of dealers / distributors to whom sales are made	0	0
	c. i) Sales to top 10 dealers / distributors	0.00	0.00
	ii) Total Sales to dealer / distributors	0.00	0.00
	iii) Sales to top 10 dealers / distributors as % of total sales to dealer / distributors		

Parameter	Metrics		FY 2025-26	FY 2024-25
Share of RPTs in	a. i)	Purchases (Purchases with related parties)	-	0.00
	ii)	Total Purchases	-	0.00
	iii)	Purchases (Purchases with related parties as % of Total Purchases)		
	b. i)	Sales (Sales to related parties)	-	0.00
	ii)	Total Sales	-	0.00
	iii)	Sales (Sales to related parties as % of Total Sales)		
	c. i)	Loans & advances given to related parties	311.67	23.57
	ii)	Total loans & advances	3,761.25	5578.02
	iii)	Loans & advances given to related parties as % of Total loans & advances	8.29%	0.42%
	d. i)	Investments in related parties	315	315.00
	ii)	Total Investments made	428.51	424.75
	iii)	Investments in related parties as % of Total Investments made	73.51%	74.16%

LEADERSHIP INDICATORS

1. **Awareness programmes conducted for value chain partners on any of the principles during the financial year:**

Total number of awareness programmes held	Topics/principles covered under the training	%age of value chain partners covered (by value of business done with such partners) under the awareness programmes
No such awareness programmes were conducted for value chain partners in FY 25-26.		

2. **Does the entity have processes in place to avoid/manage conflict of interests involving members of the Board? (Yes/No) If Yes, provide details of the same.**

   Yes, the company has a Code of Conduct policy for Board and KMPs. According to the policy the Board Members and Senior Management Personnel of the Company shall not involve in taking any decision on a subject matter in which a conflict of interest arises or which in his/her opinion is likely to arise and shall make disclosures to the competent authority relating to all material financial and commercial transactions.

Principle 2: Businesses should provide goods and services in a manner that is sustainable and safe.

ESSENTIAL INDICATORS

1. **Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.**

	Current Financial Year	Previous Financial Year	Details of improvements in environmental and social impacts
R&D	Not Applicable	Not Applicable	Not Applicable
Capex	46% (₹ 0.66 Crore)	54% (₹ 6.28 Crore)	Not Applicable

2. a. **Does the entity have procedures in place for sustainable sourcing? (Yes/No)**

   Yes

   b. **If yes, what percentage of inputs were sourced sustainably?**

   100%

3. **Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste.**

   We have a properly documented and audited process for the E-waste of all IT assets

4. **Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.**

   No

LEADERSHIP INDICATORS

1. **Has the entity conducted Life Cycle Perspective / Assessments (LCA) for any of its products (for manufacturing industry) or for its services (for service industry)? If yes, provide details in the following format?**

NIC Code	Name of Product/Service	% of total Turnover Contributed	Boundary for which the Life Cycle Perspective/ Assessment was conducted	Whether conducted by independent external agency (Yes/No)	Results Communicated in public domain (Yes/No) If yes, provide a web link.
Not Applicable					

2. **If there are any significant social or environmental concerns and/or risks arising from production or disposal of your products / services, as identified in the Life Cycle Perspective / Assessments (LCA) or through any other means, briefly describe the same along-with action taken to mitigate the same.**

Name of the Product/Service	Description of the risk/concern	Action Taken
Not Applicable		

3. **Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry).**

Indicate Input Material	Recycled or re-used input material to total material	
	FY 2025-26 Current Financial Year	FY 2024-25 Previous Financial Year
Not Applicable		

4. **Of the products and packaging reclaimed at end of life of products, amount (in metric tonnes) reused, recycled, and safely disposed, as per the following format:**

	FY 2025-26			FY 2024-25		
	Re-used	Recycled	Safely Disposed	Re-used	Recycled	Safely Disposed
Plastics (including packaging)	Not Applicable					
E-waste						
Hazardous Waste						
Other waste						

5. **Reclaimed products and their packaging materials (as percentage of products sold) for each product category.**

Indicate Product Category	Reclaimed products and their packaging materials as % of total products sold in respective category
Not Applicable	

Principle 3: Businesses should respect and promote the wellbeing of all employees, including those in their value chains.

ESSENTIAL INDICATORS

1. a. **Details of the measures for the well-being of employees.**

Category	% of employees covered by										
	Total (A)	Health Insurance		Accident Insurance		Maternity Benefits		Paternity Benefits		Day care Facilities	
		No. (B)	% (B/A)	No. (C)	% (C/A)	No. (D)	% (D/A)	No. (E)	% (E/A)	No. (F)	% (F/A)
Permanent Employees											
Male	8999	8999	100%	8999	100%			8999	100%	0	-
Female	406	406	100%	406	100%	406	100%				
Total	**9405**	**9405**	**100%**	**9405**	**100%**	**406**	**4%**	**8999**	**96%**	**0**	**-**
Other than Permanent Employees											
Male	Not Applicable										
Female											
Total											

b. **Details of measures for the well-being of workers.**

Category	% of workers covered by										
	Total (A)	Health Insurance		Accident Insurance		Maternity Benefits		Paternity Benefits		Day care Facilities	
		No. (B)	% (B/A)	No. (C)	% (C/A)	No. (D)	% (D/A)	No. (E)	% (E/A)	No. (F)	% (F/A)
Permanent Employees											
Male	Not Applicable										
Female											
Total											
Other than Permanent Employees											
Male	Not Applicable										
Female											
Total											

c. **Spending on measures towards well-being of employees and workers (including permanent and other than permanent) in the following format.**

	FY 2025-26	FY 2024-25
Cost incurred on well-being measures as a % of total revenue of the company	0.9% (₹8.59 Crore)	0.4% (₹8.23 Crore)

2. **Details of retirement benefits for the current and previous financial year.**

Category	FY 2025-26			FY 2024-25		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)
PF	100%	Not Applicable	Y	100%	Not Applicable	Y
Gratuity	100%		No employee deduction; employer deposits directly with the authority.	100%		Y
ESI	100%		Y	100%		Y
Others – please specify						

3. Accessibility of workplaces

Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.

Yes, head office of the company provides accessibility to differently abled people.

4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.

Yes,

Policy is available at company's website. https://spandanasphoorty.com/images_gallary/1714739367-617277-20240305050527-0848352001714739367.pdf

5. Return to work and retention rates of permanent employees that took parental leave.

Gender	Permanent employees		Permanent workers	
	Return to work rate	Retention rate	Return to work rate	Retention rate
Male	100%	100%	Not Applicable	
Female	100%	100%		
Total	100%	100%		

6. Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If yes, give details of the mechanism in brief.

	Yes/No (If Yes, then give details of the mechanism in brief)
Permanent Workers	Not Applicable
Other than Permanent Workers	Not Applicable
Permanent Employees	Yes, We regularly interact with the employees to understand their concerns. Employees can submit their grievances via a designated phone number and email. Any grievances related to POSH are addressed through internal committee. We also have a Vigil Mechanism and Whistle Blower Policy (https://spandanasphoorty.com/policies).
Other than Permanent Employees	Not Applicable

7. Membership of employees and worker in association(s) or Unions recognized by the entity.

Category	FY 2025-26 (Current Financial Year)			FY 2024-25 (Previous Financial Year)		
	Total employees/ workers in respective category (A)	No. of employees/ workers in respective category, who are part of association(s) or Union (B)	% (B/A)	Total employees/ workers in respective category (C)	No. of employees/ workers in respective category, who are part of association(s) or Union (D)	% (D/C)
Total Permanent Employees	9405	0	-	16454	0	-
Male	8999	0	-	15974	0	-
Female	406	0	-	480	0	-
Total Permanent Workers	Not Applicable					
Male						
Female						

8. Details of training given to employees and workers:

Category	FY 2025-26 Current Financial Year					FY 2024-25 Previous Financial Year				
	Total (A)	On Health and safety measures		On Skill upgradation Total (D)		Total (D)	On Health and safety measures		On Skill upgradation	
		No. (B)	% (B/A)	No. (C)	% (C/A)	No. (D)	No. (E)	% (E/D)	No. (F)	% (F/D)
Employees	9405	8845	94.05%	8029	85.37%	16454	15382	93.48%	10578	64.29%
Male	8999	8529	94.78%	7773	86.38%	15975	15165	94.93%	10404	65.13%
Female	406	316	77.83%	256	63.05%	480	217	45.21%	174	36.25%
Workers	Not Applicable									
Male										
Female										

9. Details of performance and career development reviews of employees and worker:

Category	FY 2025-26 Current Financial Year			FY 2024-25 Previous Financial Year		
	Total (A)	No. (B)	% (B / A)	Total (C)	No. (D)	% (D / C)
Employees						
Male	8999	7445	82.73%	15974	10771	67.43%
Female	406	244	60.10%	480	239	49.79%
Total	**9405**	**7689**	**81.75%**	**16454**	**11010**	**66.91%**
Workers						
Male	Not Applicable					
Female						
Total						

10. Health and safety management system:

a. Whether an occupational health and safety management system has been implemented by the entity? (Yes/ No). If yes, the coverage such system?

The Company's operations are inherently designed to minimize health and safety risks for its employees. We acknowledge the significance of prioritizing the well-being the workforce. We have taken proactive measures such as maintaining fully stocked fire extinguishers, installing smoke detectors, and implementing fire alarm systems at our major offices. Furthermore, we ensure that our employees are well informed about assembly points. We prominently display floor plans and emergency contact information throughout our offices. To foster a secure and ethical work environment, we have also established policies addressing Sexual Harassment and Whistleblower protections.

b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?

All offices are equipped with necessary measures for fire safety. At head office, a designated team is entrusted to identify any potential work-related hazards and implement preventive measures.

c. Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks? (Yes/No)

Not Applicable

d. Do the employees/ workers of the Company have access to non-occupational medical and healthcare services? (Yes/No)

All employees are covered by health insurance, group life insurance and accident insurance.

11. Details of safety related incidents, the following format.

Safety Incident/Number	Category*	FY 2025-26	FY 2024-25
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	0	0
	Workers	Not Applicable	Not Applicable
Total recordable work-related injuries	Employees	0	0
	Workers	Not Applicable	Not Applicable
No. of fatalities	Employees	17	0
	Workers	Not Applicable	Not Applicable
High consequence work-related injury or ill-health (excluding fatalities)	Employees	0	0
	Workers	Not Applicable	Not Applicable

*Including in the contract workforce

12. Describe the measures taken by the entity to ensure a safe and healthy workplace.

Company has a health & safety policy.

- Regular internal communication and training sessions are conducted on safety measures, including fire safety and evacuation procedures.
- Regular equipment checks are done to mitigate any wear and tear due to continued use, e.g.: Air Conditioners, UPS.

13. Number of complaints on the following made by employees and workers:

Category	FY 2025- 2026			FY 2024-25		
	Filed during the year	Pending resolution at the end of the year	Remarks	Filed during the year	Pending resolution at the end of the year	Remarks
Working Conditions	0	0		0	0	
Health and Safety	0	0		0	0	

14. Assessments for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and Safety practices	100%. All offices were assessed in FY 25-26 by internal team.
Working Conditions	

15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health and safety practices and working conditions.

No corrective action was necessitated in FY 2025-26

LEADERSHIP INDICATORS

1. Does the entity extend any life insurance or any compensatory package in the event of death of (A) Employees (Y/N) (B) Workers (Y/N).

Yes. In the event of death of employee, compensation is provided as all the permanent employees are covered by Group life insurance policy. Additionally, the Company prioritizes settling gratuity benefits.

2. Provide the measures undertaken by the Company to ensure that statutory dues have been deducted and deposited by the value chain partners.

Not applicable

3. **Provide the number of employees / workers having suffered high consequence work-related injury / ill-health / fatalities (as reported in Q11 of Essential Indicators above), who have been rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:**

	Total no. of affected employees/workers		No. of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment	
	FY 2025-26 (Current Financial Year)	FY 2024-25 (Previous Financial Year)	FY 2025-26 (Current Financial Year)	FY 2024-25 (Previous Financial Year)
Employees	0	0	0	0
Workers	Not Applicable			

4. **Does the entity provide transition assistance programmes to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? (Yes/No).**

Yes, the training provided in the Company is a proactive, planned and continuous process and an integral part of Human Resource development. The aim is to create and enhance the competencies of the employees, ensuring optimal performance in the ever-changing business scenario. Hence, the Company is committed to providing its employees with opportunities to develop their domain-specific knowledge, skills and leadership abilities through various training programs.

5. **Details on assessment of value chain partners.**

	% of value chain partners (by value of business done with such partners) that were assessed
Health and safety practices	Not Assessed
Working conditions	

6. **Provide details of any corrective actions taken or underway to address significant risks / concerns arising from assessments of health and safety practices and working conditions of value chain partners.**

No corrective action was necessitated in FY 2025-26.

Principle 4: Businesses should respect the interests of and be responsive to all its stakeholders.

ESSENTIAL INDICATORS

1. **Describe the processes for identifying key stakeholder groups of the entity.**

We understand how important a comprehensive stakeholder identification process is - considering both the level of influence stakeholders exert on the business and the reciprocal impact of the business on them. Key stakeholders are employees, customers, CSR partners, community benefitting from CSR initiatives, investors, lenders, media, credit rating agencies and relevant government bodies.

We have a dedicated Stakeholders' Relationship Committee, emphasizing their commitment to effectively manage and nurture relationships with stakeholders.

2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.

Stakeholder groups	Whether identified as vulnerable & marginalised (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website, others)	Frequency of engagement (Annually/ Half yearly/ Quarterly/ others- please specify)	Purpose and scope of engagement including key topics raised during such engagements
Employees	No	Email, Internal meetings, SMS, Internal memos, Phone	As and when required	• Evaluating employee performance and offering incentives, • providing opportunities for professional growth and skill enhancement, • implementing measures to promote employee health and safety • Feedback and suggestions • Employee rewards and recognitions • Updates on company's performance and future plans
Customers	No	SMS, Website, Phone, Center Meetings, Branches		• Distribution of products • Providing excellent customer service throughout the entire customer journey • ensuring continuous awareness of product features, advantages, and potential drawbacks • Address customer queries and complaints • Promoting financial literacy
CSR Partners	No	Email, SMS, Phone, Meetings		• Community development initiatives • Environment preservation • Volunteering activities in local communities
Receiver of CSR initiatives	Yes	Meetings, Phone		
Investors & Analysts	No	Meetings, Calls, Website, Newspaper, Email		• Updating on business performance and outlook, • Timely update of financial results, • Industry developments, • Addressing key issues & concerns • Updates on key changes in regulatory and operational environment
Lenders, Media, Rating agencies and other business partners	No	Meetings, Calls, Website, Newspaper, Email		• Updating on business performance and outlook, • Timely update of financial results, • Industry developments, • Addressing key issues & concerns • Updates on key changes in regulatory and operational environment
Government & Regulatory bodies	No	Meetings, Calls, Website, Newspaper, Email		• Compliance with all applicable laws and communication of required updates • Implementation of Governance frameworks & assistance in inspections • Payment of all applicable taxes • Updating on business performance and outlook, • Timely update of financial results, • Addressing key issues & concerns

LEADERSHIP INDICATORS

1. Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board.

The Company ensures structured and continuous engagement with its stakeholders to facilitate transparent communication on its strategy, performance, and social initiatives.Stakeholder engagement is supported through an established Stakeholders' Relationship Committee. Key outcomes of stakeholder interactions and related developments are periodically reported to the Audit Committee and the Board of Directors, which exercise oversight over the ESG Policy and related matters.

In addition, a dedicated CSR Committee oversees, reviews, and provides strategic direction to the Company's CSR activities and social responsibility initiatives, in alignment with applicable regulatory requirements.

2. Whether stakeholder consultation is used to support the identification and management of environmental, and social topics (Yes / No). If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity.

Yes.

Our initiatives are intentionally designed to create a positive impact on the lives of underprivileged communities and on the environment. We have an already existing CSR Committee which has been approved by the board. We analyse customer complaints/interactions to improve our services. This analysis not only identifies the underlying causes but also presents an opportunity for service enhancement.

1. Stakeholder interactions and insights from consultants and experts help us understand and meet expectations.
2. The company has conducted materiality assessment of key ESG related risks in consultation with its relevant stakeholders.
3. To gain a deeper understanding of stakeholder expectations, the Company actively seeks engagement with consultants and experts in the field. These interactions prove valuable in aligning the Company's practices with stakeholder expectations and driving continuous improvement.
4. Our business model involves regular client interactions through our empowered field force, who engage with clients regularly across all districts where we have presence. Through our loan products and client centric approach, we endeavour to strengthen the socio-economic wellbeing of low-income households by providing financing on a sustainable basis to improve livelihoods.

3. Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/ marginalized stakeholder groups.

The Company is engaged in providing financial services to low-income households in rural India to meet their lifecycle needs.

1. The Company conducts financial literacy programs, skill development programs and vocational training programs for low-income households.
2. At Spandana, we have developed an in-depth understanding of the borrowing requirements of the low-income client segment. Our business model involves regular client interactions through our field force, who engage with clients regularly across all districts where we have presence. Through our loan products and client-centric approach, we endeavour to strengthen the socio-economic wellbeing of low-income households by providing finance that is sustainable for the borrowers and helps improve livelihoods.
3. We have established tailoring training centres to empower rural women and girls through skill based education. Each centre offers a comprehensive 90 day tailoring program, complemented by financial and digital literacy modules. During FY 2025–26, 300 women were trained across two tailoring centres. As a result of Spandana's sustained efforts, all 300 women successfully transitioned into self employment. Additionally, Spandana provided cost free essential healthcare services to 13,630 individuals across 320 villages in underserved communities, significantly reducing travel time and out of pocket expenses in areas where access to medical care was extremely limited.
4. We constantly endeavour to deliver quality services to our clients and remunerative returns to our Investors by maintaining transparency and integrity. In the process we strive to be a responsive corporate citizen in the community we serve. It is therefore a conscious strategy to design and implement various programs making a lasting impact on the society.

Principle 5: Businesses should respect and promote human rights.

ESSENTIAL INDICATORS

1. Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format.

Category	FY 2025- 2026			FY 2024-25		
	Total (A)	No. of employees/ workers covered (B)	% (B/A)	Total (A)	No. of employees/ workers covered (B)	% (B/A)
Employees						
Permanent	9405	8845	94.05%	16454	16004	97.27%
Other than permanent	Not Applicable					
Total	**9405**	**8845**	**94.05%**	**16454**	**16004**	**97.27%**
Workers						
Permanent	Not Applicable					
Other than permanent						
Total						

2. Details of minimum wages paid to employees and workers, in the following format.

Category	FY 2025- 2026 Current Financial Year					FY 2024-25 Previous Financial Year				
	Total (A)	Equal to Minimum wage		More than minimum wage		Total (D)	Equal to Minimum wage		More than minimum wage	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
Employees										
Permanent	9405	1493	16%	7912	84%	16454	0	0%	16454	100%
Male	8999	1363	15%	7636	85%	15974	0	0%	15974	100%
Female	406	130	32%	276	68%	480	0	0%	480	100%
Other than Permanent	Not Applicable					Not Applicable				
Male										
Female										
Workers										
Permanent	Not Applicable					Not Applicable				
Male										
Female										
Other than Permanent										
Male										
Female										

3. Details of remuneration/salary/wages, in the following format.

a. Median remuneration/wages:

	Male		Female	
	Number	Median remuneration/ salary/ wages of respective category	Number	Median remuneration/ salary/ wages of respective category
Board of Directors	5	30,00,000	2	35,00,000
Key Managerial Personnel (KMPs)	3	3,75,00,000	-	-
Employees other than BoDs and KMP	8996	2,18,448	406	1,92,467
Workers	Not Applicable			

b. Gross wages paid to females as % of total wages paid by the entity, in the following format:

	FY 2025-24	FY 2024-25
Gross wages paid to females	12,71,02,163	11,87,77,567
Total wages	3,31,78,38,691	3,99,74,97,995
Gross wages paid to females (Gross wages paid to females as % of total wages)	3.83%	2.97%

4. Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No).

Yes, various committees are there to oversee and address issues related to human rights. The industry's Code of Conduct applies to the Company, its subsidiaries, all Directors and all the employees. The Company also has a policy against sexual harassment in the workplace and Whistleblower policy.

5. Describe the internal mechanisms in place to redress grievances related to human rights issues.

The Company places great importance on upholding and respecting human rights, which are considered fundamental and core values. We strive to ensure that all business and employment practices are conducted fairly and ethically, while also promoting and protecting human rights. To maintain transparency and accountability, we review the position of the redressal of complaints/grievances received from our employees, vendors, or customers on a regular basis. We have implemented policies and committees to handle human rights-related issues effectively. The Company has a zero-tolerance for all forms of physical, sexual, psychological, or verbal abuse.

6. Number of Complaints on the following made by employees and workers:

Category	FY 2025- 2026			FY 2024-25		
	Filed during the year	Pending resolution at the end of the year	Remarks	Filed during the year	Pending resolution at the end of the year	Remarks
Sexual Harassment	2	0	Reported Case closed	2	1	Reported Case closed in the month of April-2025
Discrimination at the workplace	0	0	No such cases reported	0	0	No such cases reported
Child Labor	0	0	No such cases reported	0	0	No such cases reported
Forced Labor/ Involuntary Labor	0	0	No such incidents reported	0	0	No such incidents reported
Wages	0	0	No such cases reported	0	0	No such cases reported
Other human rights related issues	0	0	No such incidents reported	0	0	No such incidents reported

7. Complaints filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, in the following format:

	FY 2025- 2026	FY 2024-25
Total Complaints reported under Sexual Harassment on of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH)	2	2
Complaints on POSH as a % of female employees/workers	0.49%	0.45%
Complaints on POSH upheld	2	2

8. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.

The Company prioritizes a safe and inclusive workplace for all, regardless of their caste, class, religion and background. We promote human rights and ethical business practices and have policies and committees to handle grievances. For instance, we have Internal Committees in place under the Sexual Harassment of Women at Workplace Act. We also have Whistle Blower Policy where we maintain anonymity of the complainant. Moreover, regular employee awareness sessions are conducted to prevent sexual harassment and other human rights related issue.

9. Do human rights requirements form part of your business agreements and contracts? (Yes/No)

Yes. Human rights requirements are incorporated through contractual clauses or by reference to the Company's Codes and Policies as stated in HR onboarding documents, operational manuals, and business agreements, wherever applicable.

10. Assessments for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child Labor	100%
Forced/Involuntary Labor	100%
Sexual Harassment	100%
Discrimination at Workplace	100%
Wages	100%
Others- please specify	-

11. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 10 above.

No corrective action was necessitated in FY 25-26.

LEADERSHIP INDICATORS

1. Details of a business process being modified/introduced as a result of addressing human rights grievances/ complaints.

The Company maintains the business process in a way that it adheres to fundamental human rights in all its transactions and services it provides. We also conduct various training programs to sensitize employees about the Code of Conduct.

2. Details of the scope and coverage of any Human rights due diligence conducted.

Not Assessed

3. Is the premise/office of the Company accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?

Yes, the office spaces are accessible to differently abled visitors. The company is aware of the needs of differently abled persons and makes efforts, where possible, to ensure that the premises are easily accessible to them. In certain locations separate restrooms are provisioned to accommodate the special needs of wheelchair users. The organization is committed to respecting human rights, creating inclusive environment & safe work conditions, and conducting its business ethically.

4. Details on assessment of value chain partners

	% of value chain partners (by value of business done with such partners) that were assessed
Sexual Harassment	Not Assessed
Discrimination at Workplace	
Child Labor	
Forced/Involuntary Labor	
Wages	
Others- please specify	

5. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 4 above.

No corrective action was necessitated in FY 25-26.

Principle 6: Businesses should respect, protect, and make efforts to restore the environment.

ESSENTIAL INDICATORS

1. **Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format:**

Parameter	FY 2025- 2026 Current Financial Year	FY 2024- 2025 Previous Financial Year
From renewable sources		
Total Electricity Consumption (A)	0	-
Total Fuel Consumption (B)	0	-
Energy Consumption through other sources (C)	0	-
Total Energy Consumed from renewable sources (A+B+C)	**0**	**-**
From non-renewable sources		
Total Electricity Consumption (D)	**15,530.26 GJ**	**17674.43 GJ**
Total Fuel Consumption (E)	890.05 GJ	1913 GJ
Energy Consumption through other sources (F)	0	0
Total Energy consumed through non-renewable energy sources (D+E+F) *	16,420.31 GJ	19587.43 GJ
Total Energy consumed (A+B+C+D+E+F)	**16,420.31 GJ**	**19587.43 GJ**
Energy Intensity per rupee of turnover* (Total energy consumed/Revenue from operations)	1.74 KJ/₹	0.87 KJ/₹
Energy Intensity per rupee of turnover adjusted from Purchasing Power Parity (Total energy consumed/Revenue from operations adjusted for PPP)	Not Applicable	Not Applicable
Energy intensity in terms of physical output	Not Applicable	Not Applicable
Energy intensity (optional)- the relevant metric may be selected by the entity	1.75 GJ/FTE	1.19 GJ/FTE

Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. No

2. **Does the Company have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.**

No

3. **Provide details of the following disclosures related to water, in the following format.**

Parameter	FY 2025- 2026 Current Financial Year	FY 2024- 2025* Previous Financial Year
Water withdrawal by source (in kilolitres)		
(i) Surface Water	-	-
(ii) Groundwater	-	-
(iii) Third party water	9,045.66 KL	10,457.92 KL
(iv) Seawater/desalinated water	-	-
(v) Others (Drinking Water)	-	-
Total volume of water withdrawal (i + ii + iii + iv + v)	**9045.66 KL**	**10,457.92 KL**
Total volume of water consumption (in kilolitres)	**9045.66 KL**	**10,457.92 KL**
Water intensity per rupee of Turnover (Total water consumption / Revenue from operations)	9.6 KL/Crore ₹	4.66 KL/Crore ₹
Water Intensity per rupee of turnover adjusted from Purchasing Power Parity (Total water consumption/Revenue from operations adjusted for PPP)	Not Applicable	Not Applicable
Water intensity in terms of physical output	Not Applicable	Not Applicable
Water intensity (optional)- the relevant metric may be selected by the entity	0.96 KL/FTE	0.64 KL/FTE

*The comparatives for Financial Year 2024-25 have been restated to enable compatibility of information with Financial Year 2025-26.

Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. No

4. Provide the following details related to water discharged

Parameter	FY 2025- 2026 Current Financial Year	FY 2024-25 Previous Financial Year
Water discharge by destination and level of treatment (in kilolitres)		
(i) To Surface Water	All water is used for human consumption (drinking and sanitation) only. All water discharge at our Head Office is managed through a centralized building/ facility management system.	
- No treatment		
- With treatment- please specify the level of treatment		
(ii) To Groundwater		
- No treatment		
- With treatment- please specify the level of treatment		
(iii) Sent to Third parties		
- No treatment		
- With treatment- please specify the level of treatment		
(iv) To Seawater		
- No treatment		
- With treatment- please specify the level of treatment		
(v) Others		
- No treatment		
- With treatment- please specify the level of treatment		
Total water discharged (in kilolitres)		

Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

5. Has the entity implemented a mechanism for Zero Liquid Discharge?

Not Applicable.

6. Please provide details of air emissions (other than GHG emissions) by the entity in the following format:

Parameter	Please specify unit	FY 2025-26 (Current Financial Year)	FY 2024-25 (Previous Financial Year)
NOx	The company's primary emphasis lies in delivering financial services; hence any air emissions that do not pertain to greenhouse gases is inconsequential.		
SOx			
Particulate Matter (PM)			
Persistent organic pollutants (POP)			
Volatile organic compounds (VOC)			
Hazardous air pollutants (HAP)			
Others- please specify			

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

7. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity.

Parameter	Unit	FY 2025-26 (Current Financial Year)	FY 2024-25 (Previous Financial Year)
Total Scope 1 emissions (Break-up of the GHG into CO2, CH4, N20, HFCs, PFCs, SF6, NF3, if available)	tonnes of CO2 equivalent	82.01 tCO2e • CO2 : 72.6 • CH4 : 2.40 • N2O : 1.8 Refrigerants : 5.195*	186.53 tCO2e • CO2: 172.34 • CH4: 6.05 • N2O: 2.96 Refrigerants:5.195*
Total Scope 2 emissions (Break-up of the GHG into CO2, CH4, N20, HFCs, PFCs SF6, NF3, if available)	tonnes of CO2 equivalent	3,136.25 tCO2e	3569.25 tCO2e
Total Scope 1 and Scope 2 emission intensity per rupee of turnover (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations)	Gram/₹	0.34 gram CO2e/₹	0.17 gram CO2e/₹

Parameter	Unit	FY 2025-26 (Current Financial Year)	FY 2024-25 (Previous Financial Year)
Total Scope 1 and Scope 2 emission intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations adjusted from PPP)		Not Applicable	Not Applicable
Total Scope 1 and Scope 2 emission intensity in terms of physical output		Not Applicable	Not Applicable
Total Scope 1 and Scope 2 emission intensity (optional)- the relevant metric may be selected by the entity	Tonnes CO2e/ FTE	0.34 tCO2e/FTE	0.23 tCO2e/FTE

* Assumptions:

o The leakage factor of refrigerant from air conditioners is based on 255 working days, with 8 hours of daily operation.

o The leakage factor of refrigerant from air conditioners in UPS and server rooms is based on 365 working days, with 24 hours of daily operation.

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No

8. Does the entity have any project related to reducing Green House Gas emission? If yes, then provide details.

There were no projects related to reducing GHG emissions in FY 25-26.

9. Provide details related to waste management by the entity, in the following format:

Parameter	FY 2025- 2026 Current Financial Year	FY 2024-25 Previous Financial Year
Total waste generated (in metric tonnes)		
Plastic Waste (A)	19 Kg	The offices generate wet/organic waste, dry waste (paper and plastic) and some E-waste. Quantitative data on waste generation is currently not available. Company will initiate data collection on these parameters.
E-waste (B)	1,980 Kg	
Biomedical waste (C)	-	
Construction and demolition waste (D)	-	
Battery waste (E)	-	
Radioactive waste (F)	-	
Other Hazardous Waste, if any. Please specify. (G)	-	
Other non-hazardous waste generated. Please specify, if any -Paper	17 Kg	
Total (A+B+C+D+E+F+G+H)	2,016 Kg	
Waste intensity per rupee of Turnover (Total waste generated/ Revenue from operations)	2.1Kg/Crore ₹	
Waste Intensity per rupee of turnover adjusted from Purchasing Power Parity (Total waste generated/Revenue from operations adjusted for PPP)	Not Applicable	
Waste intensity in terms of physical output	Not Applicable	
Waste intensity (optional)- the relevant metric may be selected by the entity	0.21Kg/FTE	
For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)		
Category of Waste		
(i) Recycled	-	-
(ii) Re-used	-	-
(iii) Other Recovery operations	-	-
Total		
Category of Waste		
(i) Incineration		
(ii) Landfilling		
(iii) Secure Dismantling and Destruction	1980	-
Total		

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No

10. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.

We are committed to minimizing waste and maximizing our recycling efforts. Though minimal, our waste streams primarily consist of food waste, paper waste, plastic waste and e-waste.

- In our efforts to curb the generation of plastic waste, we actively encourage our employees to utilize glass/metal bottles at our office premises, thereby reducing the number of discarded plastic bottles.
- Furthermore, we encourage use of biodegradable plastic garbage bags for the collection and disposal of both dry and wet waste.
- To reduce paper consumption, we are digitizing our processes, significantly reducing our reliance on paper. Ongoing initiatives focus on further minimizing paper usage across all our offices. Additionally, we have discontinued the use of paper-based office stationery, except for essential items.
- As part of our e-waste management strategy, we responsibly handle a wide range of electronic waste, including computers, servers, scanners, UPSs, batteries, air conditioners, and other relevant equipment. We will ensure the proper disposal of such e-waste materials through registered and authorized e-waste vendors.

11. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required.

S. No.	Location of operations/ offices	Types of operations	Whether the conditions of environmental approval / clearance are being complied with? (Y/N) If no, the reasons thereof and corrective action taken, if any.
Spandana conducts its operations from leased office spaces and none of these offices are in ecologically sensitive areas.			

12. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year.

Name and brief details of project	EIA Notification No.	Date	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/ No)	Relevant web link
Not Applicable					

13. Is entity compliant with the applicable environmental law/ regulations/ guidelines in India, such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N). If not, provide details of all such non-compliances, in the following format:

S. No.	Specify the law/ regulation/ guidelines which was not complied with	Provide details of the non-compliance	Any fines/ penalties/ action taken by regulatory agencies such as pollution control boards or by courts	Corrective action taken, if any
The Company complies with applicable environmental regulations.				

LEADERSHIP INDICATORS

1. Water withdrawal, consumption and discharge in areas of water stress (in kilolitres):

For each facility / plant located in areas of water stress, provide the following information:

(i) Name of the area: Not applicable

(ii) Nature of operations: Not applicable

(iii) Water withdrawal, consumption and discharge in the following format: Not applicable

Parameter	FY 2025-26 (Current Financial Year)	FY 2024-25* (Previous Financial Year)
Water withdrawal by source (in kilolitres)		
(i) Surface Water	-	-
(ii) Groundwater	-	-
(iii) Third party water	-	-
(iv) Seawater/desalinated water	-	-

Parameter	FY 2025-26 (Current Financial Year)	FY 2024-25* (Previous Financial Year)
(v) Others (Drinking Water)	-	-
Total volume of water withdrawal (in kilolitres)	-	-
Total volume of water consumption (in kilolitres)	-	-
Water intensity per rupee of turnover (water consumed/turnover)	-	-
Water intensity (optional)- the relevant metric may be selected by the entity	-	-
Water discharge by destination and level of treatment (in kilolitres)		
(i) Into Surface water	-	
- No treatment		
- With treatment- please specify the level of treatment		
(ii) Into Groundwater		
- No treatment		
- With treatment- please specify the level of treatment		
(iii) Into seawater		
- No treatment		
- With treatment- please specify the level of treatment		
(iv) Sent to third-parties		
- No treatment		
- With treatment- please specify the level of treatment		
(v) Others		
- No treatment		
- With treatment- please specify the level of treatment		
Total water discharged (in kilolitres)		

*The comparatives for Financial Year 2024-25 have been restated to enable compatibility of information with Financial Year 2025-26.

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. No

2. Please provide details of total Scope 3 emissions & its intensity.

Parameter	Unit	FY 2025-26 (Current Financial Year)	FY 2024-25 (Previous Financial Year)
Total Scope 3 emissions (Break-up of the GHG into CO2, CH4, N20, HFCs, PFCsm SF6, NF3, if available)	Metric tonnes of CO2 equivalent	Not Assessed	-
Total Scope 3 emissions per rupee of turnover			-
Total Scope 3 emissions intensity (optional)- the relevant metric may be selected by the entity			-

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

3. With respect to the ecologically sensitive areas reported at Question 11 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities.

Not Applicable

4. If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions / effluent discharge / waste generated, please provide details of the same as well as outcome of such initiatives, as per the following format:

Sr. No.	Initiative Undertaken and Details of the initiative (Web-link, if any, may be provided along-with summary)	Outcome of the initiative
1	The company implements measures such as installing low-consumption and energy-efficient fixtures, employing sensor taps.	• Reduction in energy consumption • Reduction in Scope-2 GHG Emissions
2	The company replaced plastic water bottles with glass or steel bottles.	• Reduction in Single Use Plastic (SUPs) consumption • Reduction in overall plastic waste
3	The company emphasizes more on digitalization to minimize paper waste.	• Reduction in paper consumption
4	The company has rented LEED Gold certified building as head office.	• Reduced in energy consumption • Reduced scope 1&2 emission • Reduced water consumption

5. Does the entity have a business continuity and disaster management plan? Give details in 100 words/ web link:

Spandana Sphoorty has implemented a robust disaster recovery and business continuity plan to ensure preparedness in the face of unforeseen events. The plan incorporates multiple strategies to maintain operations during disruptions.

- One strategy involves utilizing branches as alternative sites, which allows the company to continue serving its customers even if the main office or certain locations are affected by a disaster.
- By leveraging technology and providing the necessary infrastructure and tools, Spandana Sphoorty ensures that essential functions can continue seamlessly, regardless of physical office accessibility.
- Additionally, the company has implemented an IT disaster recovery site, which serves as a dedicated facility to restore and resume IT operations in the event of a system failure or disruption. This redundancy ensures that vital systems and data can be quickly recovered, enabling the company to continue its operations with minimal interruption.
- To validate the effectiveness of the disaster recovery and business continuity plan, Spandana Sphoorty conducts regular testing. These tests are performed as and when required and involve comprehensive evaluations to identify potential weaknesses or areas of improvement. The results and findings from these tests are reviewed and presented to the IT Strategy Committee, allowing for ongoing refinement and enhancement of the plan.

6. Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard?

No

7. Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts.

Not Assessed

8. How many Green Credits have been generated or procured.

a. By the listed entity

The company did not generate or procure any green credits

b. By the top ten (in terms of value of purchase and sales, respectively) value chain partners

Not assessed

Principle 7: Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent.

ESSENTIAL INDICATORS

1. a. **Number of affiliations with trade and industry chambers/ associations.**
   The Company is a member of five trade and industry chambers/associations.

   b. **List the top 10 trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of/ affiliated to.**

S. No.	Name of the trade and industry chambers/associations	Reach of trade and industry chambers/ associations (State/National)
1	MFIN, https://mfinindia.org/	National
2	Sa-Dhan, https://www.sa-dhan.net/	National
3	Association of Karnataka Microfinance Institutions	State
4	Odisha State Association of Financial Inclusion Institutions	State
5	Association of Microfinance Institution West Bengal	State

2. **Provide details of corrective action taken or underway on any issues related to anti- competitive conduct by the entity, based on adverse orders from regulatory authorities.**

Name of authority	Brief of the case	Corrective Action taken
The company was compliant, and it did not receive any orders from regulatory authorities that would have required it to act against any anti-competitive behaviour, indicating that there were no instances of such behaviour. No corrective action was necessitated in FY 25-26.		

LEADERSHIP INDICATORS

1. **Details of public policy positions advocated by the entity.**

S. No.	Public policy advocated	Method resorted for such advocacy	Whether information available in public domain? (Yes/No)	Frequency of Review by board (Annually/ Half Yearly/ Quarterly/ Others- please specify)	Web link, if available
The Company actively participates in industry level advocacy initiatives within the microfinance sector and contributes to policy discussions relevant to the MFI industry. It supports the formulation and advancement of inclusive development policies aimed at addressing the needs of underserved and unserved customer segments. Through its engagement with industry bodies and policy stakeholders, the Company promotes equitable access to financial services and inclusive growth for communities that have been historically marginalized.					

Principle 8: Businesses should promote inclusive growth and equitable development.

ESSENTIAL INDICATORS

1. **Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.**

Name and brief details of project	SIA Notification No.	Date of Notification	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/ No)	Relevant Web link
Not assessed					

2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity.

S. No.	Name of project for which R&R is ongoing	State	District	No. of Project Affected Families (PAFs)	% of PAFs covered by R&R	Amounts paid to PAFs in the FY (in ₹)
Not Applicable						

3. Describe the mechanisms to receive and redress grievances of the community.

Community members can submit their grievances through a toll-free number (1800-120-5519). Any grievances related to customers/community are taken up promptly for resolution/ redressal.

We have a Vigil Mechanism and Whistle Blower Policy (https://spandanasphoorty.com/policies) to address complaints from its stakeholders including community members.

We also regularly interact with the communities to get their feedback.

4. Percentage of input material (inputs to total inputs by value) sourced from suppliers:

	FY 2025- 2026 Current Financial Year	FY 2024-25 Previous Financial Year
Directly sourced from MSMEs/small producers	Not Assessed	
Directly from within India		

5. Job creation in smaller towns – Disclose wages paid to persons employed (including employees or workers employed on a permanent or non-permanent / on contract basis) in the following locations, as % of total wage cost.

Location	FY 2025- 2026 Current Financial Year	FY 2024-25 Previous Financial Year
Rural	7166	13133
Semi-urban	-	-
Urban	2239	3321
Metropolitan	-	-

(Place to be categorized as per RBI Classification System - rural / semi-urban / urban / metropolitan)

LEADERSHIP INDICATORS

1. Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above):

Details of negative social impact identified	Corrective action taken
Not applicable.	

2. Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies.

S. No.	State	Aspirational District	Amount spent (In ₹)
1.	Odisha	Koraput	35,53,855

3. a. Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalized /vulnerable groups? (Yes/No)

The Company practices responsible resource consumption, limiting it to essential operational needs. Furthermore, it strongly advocates for equal and fair opportunities for all vendors, including those from marginalized or vulnerable backgrounds.

b. From which marginalized /vulnerable groups do you procure?

Not Assessed

c. What percentage of total procurement (by value) does it constitute?

Not Assessed

4. Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge.

S. No.	Intellectual Property based on traditional knowledge	Owned/Acquired (Yes/No)	Benefit shared (Yes/No)	Basis of calculating benefit share
There are no intellectual properties owned or acquired by the company.				

5. Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved.

Name of authority	Brief of the Case	Corrective action taken
No corrective action was necessitated in FY 25-26.		

6. Details of beneficiaries of CSR Projects:

S. No.	CSR Project	No. of persons benefitted from CSR Projects	% of beneficiaries from vulnerable and marginalized groups
1	Thematic area: Skill development and livelihood Tailoring training program	300	100%
2	Thematic area: Health Digital Dispensary to facilitate Telehealth services to the rural citizen	13630	100%

In addition to above, the company conducts many financial literacy and health awareness programs.

Principle 9: Businesses should engage with and provide value to their consumers in a responsible manner.

ESSENTIAL INDICATORS

1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback.

Spandana adheres to the RBI's Fair Practices Code and SRO's Code of Conduct (MFIN) as part of its Code of Conduct. The Customer Feedback and Grievance Redressal Mechanism is as follows:

- **Branch Level:** Each branch prominently displays contact numbers of officials for easy access. A complaints register is maintained in each branch, allowing individuals to register complaints. Cluster managers regularly review and address complaints, escalating unresolved ones to the Zonal Manager. Unsatisfied customers can contact HO-CSS toll-free.
- **Head Office Level:** Loan cards and loan application include a toll-free contact number for the Customer Support Service department at the Head Office. Customers can reach out for query resolution.
- **Principal Nodal Officer (PO):** If complaints remain unresolved within 15 days, customers can escalate grievances to the Principal Nodal Officer whose contact details are provided.
- **Industry Associations/ SRO:** If resolution is not resolved within seven working days from the Principal Nodal Officer, customers can approach MFI industry associations MFIN/Sa-Dhan.
- **RBI:** If complaints remain unaddressed for one month, customers can appeal to the Officer in Charge of the Regional Office of DNBS of RBI. Complaints can be submitted online, via email, or by physical mail.

Grievance redressal mechanism and associated contact form, toll free number, and email address for registering grievances is displayed on company's website, https://spandanasphoorty.com/customer-support.

Internal auditors conduct quarterly audits in each branch of the company to ensure each branch maintains a Complaints Register, with any unresolved complaints reported to senior management and the Audit Committee of the Board. Compliance is monitored by State Heads and Internal Auditors. Contact details are provided at each branch/office for any queries, feedback, or grievances.

2. Turnover of products and/ services as a percentage of turnover from all products/service that carry information about:

	As a percentage of total turnover
Environmental and social parameters relevant to the product	Not Applicable
Safe and responsible usage	
Recycling and/or safe disposal	

3. Number of consumer complaints in respect of the following:

Category	FY 2025- 2026 Current Financial Year			FY 2024-25 Previous Financial Year		
	Received during the year	Pending resolution at the end of the year	Remarks	Received during the year	Pending resolution at the end of the year	Remarks
Data Privacy	0	0		0	0	
Advertising	0	0		0	0	
Cyber-security	0	0		0	0	
Delivery of Essential Services	0	0		0	0	
Restrictive Trade Practices	0	0		0	0	
Unfair Trade Practices	0	0		0	0	
Other Related to non-credit of loan amount, insurance claim settlement, information about instalments, etc.	3326	187	All 187 complaints are resolved during 1st quarter in the month of April, 2026	1303	31	All 31 complaints are resolved during 1st Quarter in the month of April-25 of FY 2025-26

4. Details of instances of product recalls on account of safety issues:

	Number	Reasons for recall
Voluntary Recalls	Not Applicable	
Forced recalls		

5. Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy.

Yes.

The company has a Cyber Security and Data Privacy Policy. It is displayed on company's website, https://spandanasphoorty.com/images_gallary/1732704943-340815-20242711041143-0648906001732704943.pdf

6. Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services.

No corrective action was necessitated in FY 25-26.

7. Provide the following information relating to data breaches:

a. **Number of instances of data breaches:** 0

b. **Percentage of data breaches involving personally identifiable information of customers:** 0

c. **Impact, if any, of the data breaches:** Not applicable

LEADERSHIP INDICATORS

1. Channels / platforms where information on products and services of the entity can be accessed (provide web link, if available).

Information on Company's products and services are available on

1. Website, https://spandanasphoorty.com/products
2. Meetings at Centre and Branches: As a microfinance institution we follow JLG model, all our customer interactions happen at the Centre meetings and Branches. Our Loan officers inform the customers about the essential features of the loan products including the amount, tenure, interest rate, instalment amount and the terms and conditions of the loans.
3. Through Customer Support Service helpline given on company's website, https://spandanasphoorty.com/customer-support.

2. Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.

The following mediums are used to educate customers about safe and responsible use of products and services offered by Spandana:

1. Meetings at Centre and Branches: Weekly and monthly meetings are undertaken with consumers/customers depending on repayment frequency. These meetings are conducted to collect instalments from borrowers and to disburse new loans to existing or prospective borrowers. The customers are informed about the loan products and associated terms and conditions in detail. They are also educated about over-leveraging. There is system level check that also ensure that the borrowers are not over leveraged. In addition, the loans are given expressly for income generating purposes. There are customers house visits done post disbursement to ensure that the loans are used for the purposes specified.
2. Customer Support Service helpline, given on company's website, https://spandanasphoorty.com/customer-support.

3. Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services.

Consumers are informed via the following channels: company website, meetings at centre and branches, and customer support service helpline.

The field employees can also call the centre leader on the registered mobile number in case there is some disruption expected. Centre leader is the SPOC for the group of women borrowers at the Centre.

4. Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/Not Applicable) If yes, provide details in brief. Did your entity carry out any survey with regard to consumer satisfaction relating to the major products / services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No)

Fair Practice Code is displayed in all branches of the company and the company's website, https://spandanasphoorty.com/code-of-conduct

Independent Auditor's Report

To the Members of
Spandana Sphoorty Financial Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the standalone financial statements of Spandana Sphoorty Financial Limited (the "Company") which comprise the standalone balance sheet as at 31 March 2026, and the standalone statement of profit and loss (including other comprehensive income), standalone statement of changes in equity and standalone statement of cash flows for the year then ended, and notes to the standalone financial statements, including material accounting policies and other explanatory information.

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

Basis for Opinion

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

Key Audit Matters

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

Impairment loss allowance on loans

Refer to the material accounting policies in "Note 3 (j) to the standalone financial statements", "Note 7, 27 and Note 50 to the standalone financial statements: Impairment loss allowance on loans"

The key audit matter	How the matter was addressed in our audit
The Company's loan portfolio constitutes a significant portion of its total assets. During the year ended 31 March 2026, the Company reported a substantial increase in credit losses, resulting in a net loss for the year. The measurement of Expected Credit Losses ("ECL") under Ind AS 109 involves significant management judgment, Impairment loss allowance on loans of ₹ 132.01 crores as at 31 March 2026. Allowance charged to statement of profit and loss: ₹ 620.06 crores for the year ended 31 March 2026 Under Ind AS 109, Financial Instruments, impairment loss allowance is determined using expected credit loss ("ECL") model. Recognition and measurement of impairment loss allowance on loans involves significant judgement and estimates. The key areas where increased levels of audit focus in the Company's estimation of impairment loss allowance on loans are: a) Data inputs - The application of ECL model requires several data inputs. This increases the risk of irrelevant data used to create assumptions in the model.	In view of the significance of the matter, we applied the following key audit procedures in this area, among others to obtain sufficient audit evidence: **Testing of design and operating effectiveness of controls:** Performed end to end process walkthroughs to identify the key systems, applications and controls used in computation of impairment loss allowance on loans. Testing the relevant manual, general IT and application controls over key systems used in the impairment of loss allowance on loans. Key aspects of our testing of the design, implementation and operating effectiveness involves the following: a) Tested the key controls over the completeness and accuracy of the key inputs, data and assumptions into the Ind AS 109 impairment models. b) Tested the key governance controls over evaluation, implementation and model monitoring. c) Tested the key controls over the application of the staging criteria. d) Tested the key controls relating to selection and implementation of key macro-economic variables and the controls over the scenario selection and application of probability weights.

The key audit matter	How the matter was addressed in our audit
b) Model estimations - Inherently judgmental models are used to estimate impairment loss allowance on loans which involves determining Probabilities of Default (PD), Loss Given Default (LGD), and Exposures at Default (EAD). PD and LGD are the key drivers of estimation complexity in ECL model and hence are considered the most significant judgmental aspect of the Company's modelling approach. c) Economic scenario: Ind AS 109 requires the Company to measure impairment loss allowance on loans in an unbiased forward-looking basis reflecting a range of future economic scenarios. Significant judgement is applied in determining the economic scenarios used and the probability weights applied to them. d) Post model adjustments / additional provision / technical write offs: Adjustments to the model-driven ECL results as additional charge are recorded by the Company to address risks not captured by models for specific exposures and accelerated technical write offs made on prudential basis. Significant judgement is involved in estimating additional charge. The underlying forecasts and assumptions used in the estimates of impairment loss allowance are subject to uncertainties which are often outside the control of the Company. **Disclosure** The disclosures regarding the Company's application of Ind AS 109 are key to explaining the key estimates, judgements and inputs used in Impairment loss allowance on loans. Given the size of loan portfolio relative to the balance sheet and the impact of impairment loss allowance including write off on the financial statements. we have considered this as a key audit matter.	e) Tested the key controls operating over the information used in the computation of impairment loss allowance on loans including system access, change management, program development and computer operations. f) Tested management's controls over authorisation and computation of post model adjustments and additional provision and accelerated technical write off. g) Tested the Company's controls on compliance with Ind AS 109 disclosures related to impairment loss allowance on loans. **Test of details:** **Key aspects of our testing includes:** a) Assessed the Company's rationale for determination of criteria for significant increase in credit risk. b) Tested sample over key inputs, data and assumptions impacting ECL model to assess relevance of data, economic forecasts, weights, and model assumptions applied. c) Tested computation of model driven impairment loss allowance on loans through re-performance on a sample basis. d) Assessed adequacy of disclosures included in the financial statements in respect of expected credit losses. e) Assessed the Company's rationale for determination of criteria for accelerated technical write offs. f) Tested details of post model adjustments/additional provision as well as the accelerated technical write offs recorded. **Involvement of specialists** We involved financial risk modelling specialists for the following: a) Evaluated the Company's Ind AS 109 impairment methodologies including PD, LGD and EAD methodologies and assumptions used in the ECL model . b) Evaluated the relevance of inputs used in the model for computation of impairment loss allowance on loans.

Information Technology systems and controls

The key audit matter	How the matter was addressed in our audit
Information Technology ('IT') systems and controls The Company's key financial reporting and loan accounting processes are highly dependent on on its IT system. Given the volume of transactions and reliance on automated controls, deficiencies in IT general controls ("ITGCs") could impact the integrity of financial reporting. We have identified 'IT systems and controls' as a key audit matter considering the high level of automation, use of system generated reports in management controls and the complexity of the IT architecture. Further, it impacts on the overall financial reporting process and regulatory expectation on automation.	In view of the significance of the matter, we applied the following key audit procedures in this area, among others to obtain sufficient audit evidence for scoped in applications by involving our IT specialist: a) Evaluated and tested the design, implementation and operating effectiveness of IT applications controls relevant to the accuracy of system computations, and the consistency of data transmission relating to significant accounts. b) Evaluated and tested the design, implementation and operating effectiveness of key General IT Controls. This includes controls on Access management, Change management and Computer Operations. c) Tested the design and operating effectiveness of key controls over user access management. This includes access authentication through password configuration management, granting or modification of user access, creating new users, deactivating user access for exiting users, user access and privileged access examination basis their role and function. d) Tested the design, implementation and operating effectiveness of the IT automated controls which are relevant to the accuracy of system computations impacting balances in significant accounts. e) Tested the controls over changes to applications including access to configure changes, approvals required to deploy the changes, segregation of environment and segregation of duties in change management. f) Tested the controls over computer operations including controls over backup of data, controls on operating system and database viz. authorized access, password management and changes. In addition to the procedures described above, we extended our audit procedures, where necessary, to include testing of periodic reconciliations, assessment of manual approval controls and performance of additional substantive testing.

Deferred tax assets

Refer to the accounting policies in Note 3 (e) to the standalone financial statements: Income taxes and Note 11 to the standalone financial statements: Deferred tax assets (net)

The key audit matter	How the matter was addressed in our audit
Deferred tax assets (net) of ₹ 640.63 crores as at 31 March 2026 Under Ind AS 12 – Income taxes, the Company is required to reassess recognition of the deferred tax assets at each reporting date. The Company has deferred tax assets in respect of unused tax loss for the current and previous year and other deductible temporary differences. The recognition of deferred tax assets involves significant judgement, particularly in assessing the availability of future taxable profits against which such assets can be utilised, as required by Ind AS 12 – Income Taxes. This assessment is based on management's projections of future profitability, which are inherently uncertain and sensitive to assumptions relating to business performance, credit quality and operating conditions. Accordingly, this was considered a key audit matter.	In view of the significance of the matter, we applied the following key audit procedures in this area, among others to obtain sufficient audit evidence: a) Evaluated management's assessment of the recoverability of deferred tax assets, including the basis for concluding that sufficient future taxable profits will be available. b) Obtained management's forecasts of future taxable profits and assessed the reasonableness of key assumptions, including expected improvements in collections, asset quality and business performance. c) Compared prior period forecasts with actual performance to evaluate the reliability of management's forecasting process. d) Verified profitability projections from the Board approved business plan and tested the assumptions used in underlying sensitivity analysis. e) Assessed the availability and timing of reversal of taxable temporary differences and the period over which tax losses can be utilised under applicable tax laws. f) Performed sensitivity analyses on key assumptions to evaluate the potential impact on the recoverability of deferred tax asset g) Evaluated the adequacy of the Company's disclosures on deferred tax.

Other Information

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

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

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

When we read the annual report, 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.

Management's and Board of Directors' Responsibilities for the Standalone Financial Statements

The Company's Management and Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the state of affairs, profit/ loss and 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 standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

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

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with 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 standalone financial statements.

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting in preparation of standalone financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

Report on Other Legal and Regulatory Requirements

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

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

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

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

c. The standalone balance sheet, the standalone statement of profit and loss (including other comprehensive income), the standalone statement of changes in equity and the standalone statement of cash flows dealt with by this Report are in agreement with the books of account.

d. In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.

e. On the basis of the written representations received from the directors as on 1 April 2026 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2026 from being appointed as a director in terms of Section 164(2) of the Act.

f. The qualification relating to the maintenance of accounts and other matters connected therewith are as stated in the paragraph 2A(b) above on reporting under Section 143(3)(b) of the Act and paragraph 2B(f) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 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".

B. **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:**

a. The Company has disclosed the impact of pending litigations as at 31 March 2026 on its financial position in its standalone financial statements - Refer Note 35 to the standalone financial statements.

b. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts – Refer Note 54(I) to the standalone financial statements.

c. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

d (i) The management has represented that, to the best of their knowledge and belief, as disclosed in the Note 45 to the standalone financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(ii) The management has represented that, to the best of their knowledge and belief, as disclosed in the Note 46 to the standalone financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(iii) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed, 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 (i) and (ii) above, contain any material misstatement.

e. The Company has neither declared nor paid any dividend during the year.

f. Based on our examination which included test checks, the Company has used accounting softwares for maintaining its books of accounts, which have a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the respective softwares except that the feature of recording of audit trail (edit log) facility was not enabled at the database level for certain users.

   The Company has used an accounting software relating to payroll, which is operated by a third-party software service provider, for maintaining its books of account. Based on the independent auditor's report in relation to controls at a service organisation, the audit trail (edit log) facility on database was implemented from 3 April 2025 onwards. Also, in the absence of the independent auditor's report in relation to controls at a service organisation for the period from 1 January 2026 to 31 March 2026, we are unable to comment whether audit trail (edit log) facility of the said software was enabled and operated throughout the period for all relevant transactions recorded in the software.

   Further, where audit trail (edit log) facility was enabled and operated throughout the year for the respective accounting softwares, we did not come across any instance of the audit trail feature being tampered with.

   Additionally, the audit trail (edit log) facility, wherever enabled has been preserved by the Company as per the statutory requirements for record retention.

C. With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:

In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No.:101248W/W-100022

Kapil Goenka
Partner
Membership No.: 118189
ICAI UDIN:26118189AWSZRG9042

Place: Hyderabad
Date: 05 May 2026

Annexure A to the Independent Auditor's Report on the Standalone Financial Statements of Spandana Sphoorty Financial Limited for the year ended 31 March 2026

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

(i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.

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

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has a regular programme of physical verification of its Property, Plant and Equipment by which all property, plant and equipment are verified in a phased manner over a year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties (other than immovable properties where the Company is the lessee and the leases agreements are duly executed in favour of the lessee) disclosed in the standalone financial statements are held in the name of the Company.

(d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year.

(e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.

(ii) (a) The Company is a service company, primarily rendering loans to the borrowers. Accordingly, it does not hold any physical inventories. Accordingly, clause 3(ii)(a) of the Order is not applicable.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets. In our opinion, the quarterly returns or statements filed by the Company with such banks or financial institutions are in agreement with the books of account of the Company.

(iii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has made investments in companies and granted loans to companies or any other parties, in respect of which the requisite information is as below. The Company has not provided any guarantee or security or advances in the nature of loans, secured or unsecured to companies, firms, limited liability partnership or any other parties during the year. The Company has not made any investments in firms, limited liability partnership or any other parties and has not granted any loans to firms and limited liability partnership.

(a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company's principal business is to give loans. Accordingly, clause 3(iii)(a) of the Order is not applicable.

(b) According to the information and explanations given to us and based on the audit procedures conducted by us, in our opinion the investments made and the terms and conditions of the grant of loans provided during the year are not prejudicial to the interest of the Company. The Company has not given guarantees, security and advances in the nature of loans and guarantees during the year.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in the case of loans given, in our opinion the repayment of principal and payment of interest has been stipulated and the receipts have been regular except for the following:

Extent of delay #	Count of Delays	Amount (₹ in crores)	Due Date
1 to 30 days	5,175	1.23	Various due dates
31 to 60 days	7,272	3.42	Various due dates
61 to 90 days	9,266	6.08	Various due dates
91 days and above	1,02,744	93.94	Various due dates

Extent of delay is based on days past due status of loans as on 31 March 2026.

Having regard to the nature of Company's business and the volume of information involved, it is not practicable to furnish the item-wise listing of loan assets where delinquencies in the repayment of principal and interest have been identified.

For the following cases, where there is no stipulation of schedule of repayment of principal, we are unable to comment on the regularity of repayment of principal:

Name of Entity	Amount as at 31 March 2026 (₹ in crores)	Remarks
Criss Financial Limited	311.67	There is no stipulation of schedule of repayment of principal, however the interest payments are received on regular basis.

(d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no overdue amount for more than ninety days in respect of loans (and advance in the nature of loan) given except an amount of ₹ 82.97 crores (principal amount) and ₹ 10.97 crores (interest) overdue for more than 90 days. In our opinion, reasonable steps have been taken by the Company for recovery of the principal and interest.

(e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company's principal business is to give loans. Accordingly, clause 3(iii)(e) of the Order is not applicable.

(f) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion 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 except for the following loans or advances in the nature of loans to its related parties as defined in Clause (76) of Section 2 of the Companies Act, 2013 ("the Act"):.

	All Parties	Promoters	Related Party (₹ in crores)
Aggregateof loans/advances in nature of loan			
-Repayable on demand (A)	-	-	311.67
-Agreement does not specify any terms or period of Repayment (B)	-	-	-
Total (A+B)	**-**	**-**	**311.67**
Percentageof loans/advances in nature of loan to the total loans	-	-	8.29%

(iv) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not given any loans, or provided any guarantee or security as specified under section 185 of the Companies Act, 2013 (the 'Act'). In respect of the investments made by the Company, in our opinion the provisions of section 186 (1) of the Act have been complied with. The remaining provisions related to section 186 of the Act do not apply to the Company as it is an NBFC registered with the Reserve Bank of India (the 'RBI').

(v) The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is not applicable.

(vi) According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Act for the services provided by it. Accordingly, clause 3(vi) of the Order is not applicable.

(vii) (a) The Company does not have liability in respect of Service tax, Duty of excise, Sales tax and Value added tax during the year since effective 1 July 2017, these statutory dues has been subsumed into GST.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion, the undisputed statutory dues including Goods and Service Tax, Provident Fund, Employees State Insurance, Professional Tax, Income-Tax or Cess or other statutory dues have generally been regularly deposited by the Company with the appropriate authorities, though there have been delays in the Provident Fund, Professional Tax and Employee State Insurance.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, no undisputed amounts payable in respect of Goods and Service

Tax, Provident Fund, Employees State Insurance, Professional Tax, Income-Tax or Cess or other statutory dues were in arrears as at 31 March 2026 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, statutory dues relating to Goods and Service Tax, Provident Fund, Employees State Insurance, Professional Tax, Income-Tax or Cess or other statutory dues which have not been deposited on account of any dispute are as follows:

Name of the statute	Nature of the dues	Amount under dispute (₹ in crores)	Amount deposited under protest (₹ in crores)	Period to which the amount relates	Forum where dispute is pending
Chapter V of the Finance Act, 1994	Service Tax	3.97	0.07	F.Y. 2007-08 to F.Y. 2010-11	Customs, Excise and Service Tax Appellate Tribunal
		0.57	0.12	December 2004-September 2009	High Courtof Telangan a
The Goods and Services Tax Act, 2017	Good and Services Tax	13.41	-	F.Y.2018-2019 to F.Y. 2022-2023	Goods and Service Tax Appellate Tribunal
		0.14	0.21	July 2017 - March 218	Goods and Service Tax Appellate Tribunal
		0.34	0.02	July 2017 - March 2018	The Joint Commissi oner (Appeals), Odisha
		0.45	0.02	FY 2020-21	Joint Commissi onerof State Tax, Madhya Pradesh
		0.09	0.01	FY 2020-21	Joint Commissi oner, Rajasthan
		1.82	0.16	FY 2020-21	Joint Commissioner, Telangana
		0.27	0.01	FY 2021-22	Joint Commissi oner of State Tax, Madhya Pradesh
		0.86	0.03	FY 2019-22	Joint Commissi oner of State Tax, Madhya Pradesh
		0.03	-	FY 2019-22	Assistant Commissi oner CGST & CE, Uttar Pradesh
		0.04	-	FY 2021-22	Joint Commissi onerof CGST, Pune, Maharash tra
		0.01	-	FY 2021-22	Deputy Commissi oner, GST-Appeals, Madurai, Tamil Nadu
		2.60	-	FY 2019-22	Commissi onerof CGST& Central Excise (Appeals)
		0.10	-	FY 2019-22	Deputy Commissi oner, Ahmedab ad,Gujarat
Income Tax Act, 1961	Income Tax	11.50	2.28	AY 2011-12	High Courtof Telangan a & ITAT Hyderabad
		45.97	9.92	AY 2017-18	Jurisdictio nal Assessing Officer (Set aside by ITAT to AO)
		1.71	-	AY 2023-24	Jurisdictional Assessing Officer

(viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.

(ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not defaulted in repayment of loans and borrowing or in the payment of interest thereon to any lender.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority.

(c) In our opinion and according to the information and explanations given to us by the management, term loans were applied for the purpose for which the loans were obtained, other than funds which remain unutilised as at 31 March 2026 as these were received towards the end of the year. The Company has temporarily invested such unutilised balance in cash and cash equivalents as at 31 March 2026.

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

(e) According to the information and explanations given to us and on an overall examination of the standalone financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries as defined under the Act.

(f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries (as defined under the Act).

(x) (a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments). Accordingly, clause 3(x)(a) of the Order is not applicable.

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

(xi) (a) During the course of our examination of the books and records of the Company and according to the information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the year except we have informed that the branch employees of the Company have misappropriated funds to ₹ 21.58 crores (gross) in the current financial year. Investigations and necessary corrective action are in progress.

(b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government.

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

(xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.

(xiii) In our opinion and according to the information and explanations given to us, the transactions with related parties are in compliance with Section 177 and 188 of the Act, where applicable, and the details of the related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.

(xiv) (a) Based on information and explanations provided to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.

(b) We have considered the internal audit reports of the Company issued till date for the period under audit.

(xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Act are not applicable to the Company.

(xvi) (a) In our opinion and according to the information and explanation provided to us, the Company is required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934 and has obtained the registration.

(b) In our opinion and according to the information and explanations given to us, the Company has not conducted any Non-Banking Financial or Housing Finance activities without a valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934.

(c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.

(d) The Company is not part of any group (as per the provisions of the Core Investment Companies (Reserve Bank) Directions, 2025 as amended). Accordingly, the requirements of clause 3(xvi)(d) are not applicable.

(xvii) The Company has incurred cash losses of ₹ 1,229.50 in the current financial year and ₹ 1,081.63 crores in the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.

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

(xx) In our opinion and according to the information and explanations given to us, there is no unspent amount under sub-section (5) of Section 135 of the Act pursuant to any project. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No.:101248W/W-100022

Kapil Goenka
Partner
Membership No.: 118189
ICAI UDIN:26118189AWSZRG9042

Place: Hyderabad
Date: 05 May 2026

Annexure B to the Independent Auditor's Report on the standalone financial statements of Spandana Sphoorty Financial Limited for the year ended 31 March 2026

Report on the internal financial controls with reference to the aforesaid standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Act

(Referred to in paragraph 2(A)(g) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Opinion

We have audited the internal financial controls with reference to financial statements of Spandana Sphoorty Financial Limited ("the Company") as of 31 March 2026 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2026, based on the internal financial controls 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 (the "Guidance Note").

Management's and Board of Directors' Responsibilities for Internal Financial Controls

The Company's Management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. 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 were 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 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 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 standalone financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls with Reference to Financial Statements

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

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to 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 controls 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.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No.:101248W/W-100022

Kapil Goenka
Partner
Membership No.: 118189
ICAI UDIN:26118189AWSZRG9042

Place: Hyderabad
Date: 05 May 2026

Standalone Balance Sheet

as at March 31, 2026

(₹ in crores unless otherwise stated)

	Notes	As at March 31, 2026	As at March 31, 2025
ASSETS			
Financial assets			
Cash and cash equivalents	4	720.33	1,206.97
Bank balance other than cash and cash equivalents	5	493.45	583.83
Derivative financial instruments	6	7.49	2.47
Loans	7	3,629.24	5,037.22
Investments	8	428.51	424.75
Other financial assets	9	87.52	135.33
Total financial assets		**5,366.54**	**7,390.57**
Non-Financial assets			
Current tax assets (net)	10	117.30	110.03
Deferred tax assets (net)	11	640.63	437.97
Property, plant and equipment	12	13.22	23.34
Other intangible assets	12A	2.80	2.59
Other non-financial assets	13	36.42	43.48
Total non-financial assets		**810.37**	**617.41**
Total Assets		**6,176.91**	**8,007.98**
LIABILITIES AND EQUITY			
LIABILITIES			
Financial liabilities			
Payables	14		
Trade Payables			
Total outstanding dues of micro enterprises and small enterprises		0.95	-
Total outstanding dues of creditors other than micro enterprises and small enterprises		8.47	7.31
Other Payables			
Total outstanding dues of micro enterprises and small enterprises		-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises		-	-
Debt securities	15	2,084.04	1,934.93
Borrowings (other than Debt Securities)	15	1,740.21	3,261.71
Other financial liabilities	16	96.14	127.32
Total financial liabilities		**3,929.81**	**5,331.27**
Non-Financial liabilities			
Current tax liabilities (net)	17	11.06	5.35
Provisions	18	22.89	24.62
Other non-financial liabilities	19	19.40	23.97
Total non-financial liabilities		**53.35**	**53.94**
EQUITY			
Equity share capital	20	79.97	71.31
Other equity	21	2,113.78	2,551.46
Total equity		**2,193.75**	**2,622.77**
Total liabilities and equity		**6,176.91**	**8,007.98**

The accompanying notes are an integral part of these standalone financial statements.

As per our report of even date
For **B S R & Co. LLP**
Chartered Accountants
ICAI Firm registration number: 101248W/W-100022

For and on behalf of the Board of Directors of
Spandana Sphoorty Financial Limited

Kapil Goenka
Partner
Membership No.: 118189

Abanti Mitra
Chairperson
DIN: 02305893

Mr.Venkatesh Krishnan
Managing Director & CEO
DIN: 02078403

Ashish Damani
President & Chief Financial Officer

Vinay Prakash Tripathi
Company Secretary
Membership No.: ACS-18976

Place: Hyderabad
Date: May 05, 2026

Place: Hyderabad
Date: May 05, 2026

Standalone statement of Profit and Loss

for the year ended March 31, 2026

(₹ in crores unless otherwise stated)

	Notes	For year ended March 31, 2026	For year ended March 31, 2025
Revenue from operations			
Interest income	22	850.09	2,021.43
Net gain on fair value changes	23	28.56	75.96
Net gain on derecognition of financial instruments measured at fair value through other comprehensive income	24	27.94	83.33
Total revenue from operations		**906.59**	**2,180.72**
Other income	25	35.61	64.47
Total income		**942.20**	**2,245.19**
Expenses			
Finance costs	26	476.39	875.56
Impairment on financial instruments	27	630.34	1,863.40
Employee benefits expenses	28	458.97	555.44
Depreciation and amortization	29	12.61	18.92
Other expenses	30	189.24	205.72
Total expenses		**1,767.55**	**3,519.04**
Loss before tax		**(825.35)**	**(1,273.85)**
Tax expense	31		
Current tax		-	-
Deferred tax		(201.30)	(317.11)
Total tax expense		**(201.30)**	**(317.11)**
Loss for the year		**(624.05)**	**(956.74)**
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Re-measurement gains/(losses) on defined benefit plans		0.24	0.50
Income tax relating to items that will not be reclassified to profit or loss		(0.06)	(0.13)
Items that will be reclassified to profit or loss			
Effective portion of cashflow hedges		4.47	(4.09)
Fair value change on loans measured through FVOCI		(773.90)	(1,783.13)
Fair value change on loans measured through FVOCI reclassified to profit or loss		763.79	1,792.00
Income tax relating to items that will be reclassified to profit or loss		1.42	(1.20)
Other comprehensive income		**(4.04)**	**3.95**
Total comprehensive income for the year		**(628.09)**	**(952.79)**
Earnings per equity share	32		
Nominal value per equity share (₹)		10.00	10.00
Basic (₹)		(81.24)	(134.18)
Diluted (₹)		(81.24)	(134.18)

The accompanying notes are an integral part of these standalone financial statements.

As per our report of even date
For **B S R & Co. LLP**
Chartered Accountants
ICAI Firm registration number: 101248W/W-100022

For and on behalf of the Board of Directors of
Spandana Sphoorty Financial Limited

Kapil Goenka
Partner
Membership No.: 118189

Abanti Mitra
Chairperson
DIN: 02305893

Mr.Venkatesh Krishnan
Managing Director & CEO
DIN: 02078403

Ashish Damani
President & Chief Financial Officer

Vinay Prakash Tripathi
Company Secretary
Membership No.: ACS-18976

Place: Hyderabad
Date: May 05, 2026

Place: Hyderabad
Date: May 05, 2026

Standalone statement of Cash Flows

for the year ended March 31, 2026

(₹ in crores unless otherwise stated)

Particulars	For year ended March 31, 2026	For year ended March 31, 2025
Cash flow from operating activities		
Loss before tax	(825.35)	(1,273.85)
Adjustments for:		
Interest income	(850.09)	(2,021.43)
Net gain on fair value changes	(28.56)	(75.96)
Net gain on derecognition of financial instruments measured at fair value through other comprehensive income	(27.94)	(83.33)
Gain on redemption of other investment	(0.34)	-
Finance costs	475.54	874.47
Interest on lease liabilities	0.85	1.09
Share based payment to employees	3.82	19.12
Provision reversal on indirect tax matter	(2.76)	(12.32)
Depreciation and amortization	12.61	18.92
Loss / (Gain) on sale of property, plant and equipment	(0.50)	0.01
Impairment on financial instruments	(387.93)	332.59
Operating loss before working capital changes	**(1,630.65)**	**(2,220.69)**
Operational cash flows from interest		
Interest received on loans	840.54	1,996.47
Finance costs paid	(483.95)	(938.81)
	356.59	**1,057.66**
Working capital change		
Changes in trade payable	2.11	(0.33)
Changes in other financial liabilities	(28.30)	(107.53)
Changes in other non-financial liabilities	(1.80)	(11.39)
Change in provision	(1.97)	8.52
Change in Derivative financial instruments	-	(2.47)
Changes in loans	1,729.07	5,058.14
Changes in other financial assets	75.73	52.56
Changes in other non financial assets	7.06	11.14
Cash generated from operating activities	**1,781.90**	**5,008.63**
Income taxes refund / (paid)	(1.56)	(62.63)
Net cash generated from operating activities (A)	**506.28**	**3,782.97**
Cash flow from investing activities		
Net placement of bank balances other than cash and cash equivalents	89.45	(120.61)
Interest on deposits with banks and financial institutions	48.07	34.00
Interest on inter corporate advances	26.60	12.79
Interest from Government Securities	0.34	-
Purchase of property, plant and equipment	(3.14)	(13.01)

Standalone statement of Cash Flows

for the year ended March 31, 2026

(₹ in crores unless otherwise stated)

Particulars	For year ended March 31, 2026	For year ended March 31, 2025
Proceeds from sale of property, plant and equipment	1.46	0.37
Investment in subsidiary	-	(100.00)
Redemption of other investment	0.44	-
Investment in security receipts	(2.94)	(1.42)
Proceeds from redemption of security receipts	8.67	5.34
Investment in Government Securities	(68.53)	(30.82)
Purchase of mutual funds	(5,879.70)	(9,663.06)
Redemption of mutual funds	5,957.25	9,676.21
Net cash generated from / (used in) investing activities (B)	**177.97**	**(200.21)**
Cash flow from financing activities		
Proceeds from issue of equity shares (including securities premium)	195.25	0.44
Long-term borrowings availed	2,710.40	3,330.44
Long-term borrowings repaid	(4,072.32)	(7,088.40)
Interest payment of lease liabilities	(0.85)	(1.09)
Principal payment of lease liabilities	(3.37)	(2.73)
Net cash used in financing activities (C)	**(1,170.89)**	**(3,761.34)**
Net change in cash and cash equivalents (A + B + C)	**(486.64)**	**(178.58)**
Cash and cash equivalents at the beginning of the year	1,206.97	1,385.55
Cash and cash equivalents at the end of the year	**720.33**	**1,206.97**
Components of cash and cash equivalents as at the end of year		
Cash on hand	2.30	6.49
Balance with banks - in current accounts	551.74	1,175.43
Bank deposits with original maturity of three months or less	166.29	25.05
Total cash and cash equivalents	**720.33**	**1,206.97**

The accompanying notes are an integral part of these standalone financial statements

The above Statement of cash flows has been prepared under the indirect method as set out in Ind AS-7

As per our report of even date
For **B S R & Co. LLP**
Chartered Accountants
ICAI Firm registration number: 101248W/W-100022

For and on behalf of the Board of Directors of
Spandana Sphoorty Financial Limited

Kapil Goenka
Partner
Membership No.: 118189

Abanti Mitra
Chairperson
DIN: 02305893

Mr.Venkatesh Krishnan
Managing Director & CEO
DIN: 02078403

Ashish Damani
President & Chief Financial Officer

Vinay Prakash Tripathi
Company Secretary
Membership No.: ACS-18976

Place: Hyderabad
Date: May 05, 2026

Place: Hyderabad
Date: May 05, 2026

Standalone statement of changes in equity

for the year ended March 31, 2026

(₹ in crores unless otherwise stated)

A. Equity Shares

Equity Share of ₹ 10 each issued and subscribed

Particulars	No. of Shares	Amount
As at April 1, 2024	7,12,97,444	71.30
Issue of equity share capital during the year ended March 31, 2025 (refer note 20)	7,700	0.01
As at March 31, 2025	7,13,05,144	71.31
Issue of equity share capital during the year ended March 31, 2026 (refer note 20)	1,73,34,362	8.66
As at March 31, 2026	**8,86,39,506**	**79.97**

B. Other Equity (refer note 21)

Particulars	Reserves & Surplus							Other items of comprehensive income		Total Equity
	Securities Premium	Retained Earnings	General Reserve	Statutory Reserve	Capital Redemption Reserve	Share options outstanding account	Balance	Fair valuation on loans	Effective portion of cashflow hedges	
Balance as at April 01, 2024	**2,240.43**	**613.64**	**11.87**	**455.13**	**152.69**	**62.16**	**3,535.92**	**(51.23)**	**-**	**3,484.69**
Total comprehensive income for the year ended March 31, 2025										
Loss for the year	-	(956.74)	-	-	-	-	(956.74)	-	-	(956.74)
Other comprehensive income for the year		0.37					0.37	6.64	(3.06)	3.95
Total comprehensive income for the year	**-**	**(956.37)**	**-**	**-**	**-**	**-**	**(956.37)**	**6.64**	**(3.06)**	**(952.79)**
Transactions with owners of the Company										
Contributions and distributions										
Transfer to Statutory Reserve	-	-	-	-	-	-	-	-	-	-
Premium on issue of equity shares, net of issue expenses	0.65	-	-	-	-	-	0.65	-	-	0.65
Add: Share based payment to employees	-	-	-	-	-	19.12	19.12	-	-	19.12
Less: Transfer on allotment / cancellation pursuant to ESOP scheme	-	-	3.84	-	-	(4.06)	(0.21)	-	-	(0.21)
Total Contributions and distributions	**0.65**	**-**	**3.84**	**-**	**-**	**15.07**	**19.56**	**-**	**-**	**19.56**
Balance as at March 31, 2025	**2,241.08**	**(342.73)**	**15.71**	**455.13**	**152.69**	**77.23**	**2,599.11**	**(44.59)**	**(3.06)**	**2,551.46**

Standalone statement of changes in equity

for the year ended March 31, 2026

(₹ in crores unless otherwise stated)

Particulars	Reserves & Surplus							Other items of comprehensive income		Total Equity
	Securities Premium	Retained Earnings	General Reserve	Statutory Reserve	Capital Redemption Reserve	Share options outstanding account	Balance	Fair valuation on loans	Effective portion of cashflow hedges	
Total comprehensive income for the year ended March 31, 2025										
Loss for the year	-	(624.05)	-	-	-	-	(624.05)	-	-	(624.05)
Other comprehensive income for the year	-	0.18	-	-	-	-	0.18	(7.57)	3.34	(4.04)
Total comprehensive income for the year	**-**	**(623.87)**	**-**	**-**	**-**	**-**	**(623.87)**	**(7.57)**	**3.34**	**(628.09)**
Transactions with owners of the Company										
Contributions and distributions										
Transfer to Statutory Reserve	-	-	-	-	-	-	-	-	-	-
Premium on issue of equity shares, net of issue expenses	186.59	-	-	-	-	-	186.59	-	-	186.59
Add: Share based payment to employees	-	-	-	-	-	3.82	3.82	-	-	3.82
Less: Transfer on cancellation pursuant to ESOP scheme	-	-	24.79	-	-	(24.79)	-	-	-	-
Total Contributions and distributions	**186.59**	**-**	**24.79**	**-**	**-**	**(20.97)**	**190.41**	**-**	**-**	**190.41**
Balance as at March 31, 2026	**2,427.67**	**(966.59)**	**40.50**	**455.13**	**152.69**	**56.26**	**2,165.66**	**(52.16)**	**0.28**	**2,113.78**

The accompanying notes are an integral part of these standalone financial statements.

As per our report of even date
For **B S R & Co. LLP**
Chartered Accountants
ICAI Firm registration number: 101248W/W-100022

Kapil Goenka
Partner
Membership No.: 118189

Place: Hyderabad
Date: May 05, 2026

For and on behalf of the Board of Directors of
Spandana Sphoorty Financial Limited

Abanti Mitra
Chairperson
DIN: 02305893

Mr.Venkatesh Krishnan
Managing Director & CEO
DIN: 02078403

Ashish Damani
President & Chief Financial Officer

Vinay Prakash Tripathi
Company Secretary
Membership No.: ACS-18976

Place: Hyderabad
Date: May 05, 2026

Notes to the Standalone Financial Statement

for the year ended March 31, 2026

(₹ in crores unless otherwise stated)

1. Corporate information

Spandana Sphoorty Financial Limited (SSFL Or 'the Company') having CIN L65929TG2003PLC040648 is a public Company domiciled in India and incorporated under the provisions of erstwhile Companies Act, 1956 on March 10, 2003.The Company was registered as a non-deposit accepting non-banking financial company ('NBFC-ND') with the Reserve Bank of India ('RBI') and got classified as non-banking financial company – micro finance institution (NBFC – MFI) effective April 13, 2015. As per the "Reserve Bank of India (Non-Banking Financial Companies – Registration, Exemptions and Framework for Scale Based Regulation) Directions, 2025" ("the SBR Regulations") dated 28 November 2025, as amended issued by the RBI the Company is classified as non-banking financial company – middle layer ('NBFC – ML'). The Company's shares are listed on BSE Limited ('BSE') and National Stock Exchange of India Ltd ('NSE'). The registered office of the Company is located at Galaxy, Wing B, 16th floor, Plot No.1, SY no 83/1, Hyderabad Knowledge City, TSIIC, Raidurg Panmaktha, Hyderabad Rangareddy, Telangana, India.

The Company is primarily engaged in the business of lending, providing small value unsecured loans to low-income customers in semi-urban and rural areas. The tenure of these loans is generally spread over one to two years.

2. Basis of preparation

a) Statement of compliance

The standalone financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as prescribed in 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), the circulars, guidelines and directions issued by the Reserve Bank of India (RBI) from time to time ("the RBI guidelines") and presentation requirements of Division III of Schedule III of the Act (Ind AS compliant Schedule III), as applicable to the Company.

These standalone financial statements are approved for issue by the Company's Board of Directors on May 05, 2026.

b) Basis of measurement

The standalone financial statements have been prepared on a historical cost basis, except for fair value through other comprehensive income (FVOCI) instruments, net defined benefit (asset) / liability, derivative financial instruments and financial assets and liabilities designated at FVTPL, all of which have been measured at fair value.

c) Functional and presentation currency

These standalone financial statements are presented in Indian rupees ("₹"), which is also the Company's functional currency. All amounts are rounded off to nearest crores, unless otherwise stated.

d) Use of judgements and estimates

The preparation of standalone financial statements in conformity with the Ind AS requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the accompanying disclosure and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized prospectively.

Judgements

Information about the judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements is included in the following notes:

- Note 3 (h): lease term: whether the Company is reasonably certain to exercise extension options.
- Note 3 (i): classification of financial assets: assessment of business model within which the assets are held and whether the contractual terms of the financial asset are solely payments of principal and interest on the principal amount outstanding;

Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties at the reporting date that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year is included in the following notes:

- Note 36: Determination of the fair value of financial instruments with significant unobservable inputs;
- Note 7: Impairment of financial instruments: assessment of whether credit risk on the financial asset has increased significantly since initial recognition and incorporation of forward-looking information in the measurement of Expected Credit Loss ('ECL');
- Note 44: Share based payments;

Notes to the Standalone Financial Statement

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- Note 39: Measurement of defined benefit obligations: key actuarial assumptions;
- Note 11: Recognition of deferred tax assets: availability of future taxable profit against which deductible temporary differences and tax losses carry forward can be utilized;
- Note 3 (l & m) and Note 35: Recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources;
- Note 3 (f & g): useful life of property, plant, equipment and intangibles.
- Note 3 (f & g): impairment of property, plant, equipment and intangibles.

e) Fair value measurement

The Company measures financial instruments at fair value at each balance sheet date using various valuation techniques.

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 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 amortized 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, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

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

- **Level 1 financial instruments -** Those where the inputs used in the valuation are unadjusted quoted prices from active markets for identical assets or liabilities that the Company has access to at the measurement date. The Company considers markets as active only if there are sufficient trading activities with regards to the volume and liquidity of the identical assets or liabilities and when there are binding and exercisable price quotes available on the balance sheet date.
- **Level 2 financial instruments -** Those where the inputs that are used for valuation and are significant, are derived from directly or indirectly observable market data available over the entire period of the instrument's life.
- **Level 3 financial instruments –** include one or more unobservable input where there is little market activity for the asset/liability at the measurement date that is significant to the measurement as a whole.

f) Presentation of 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. Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

3. Material accounting policy

This note provides a list of the material accounting policies adopted in the preparation of this standalone financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

a) Foreign Currency Transactions

Transaction and balance

Transactions in foreign currencies are initially recorded in the functional currency at the spot rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated into the functional currency at the spot rate of exchange at the reporting date. All exchange differences arising from foreign currency borrowings to the extent not capitalized are regarded as a cost of borrowing and presented under Finance cost.

b) Revenue from contracts with customers

The Company recognizes revenue from contracts with customers (other than financial assets to which Ind AS 109 'Financial Instruments' is applicable) based on a comprehensive assessment model as set out in Ind AS 115 'Revenue from Contracts with Customers'. The Company identifies contract(s) with a customer and its performance obligations under the contract, determines the transaction price and its allocation to the performance obligations in the contract and recognizes revenue only on satisfactory completion of performance obligations. Revenue is measured at fair value of the consideration received or receivable.

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Revenue from advertisement activity is recognized upon satisfaction of performance obligation (over the time) by rendering of services underlying the contract with third party customers.

c) Employee benefits

Short-term employee benefits

Short-term employee benefits are measured on an undiscounted basis and expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus, if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably

Defined contribution plan - gratuity

Retirement benefit in the form of provident fund is a defined contribution scheme. The Company has no obligation other than the contribution payable to the provident fund. The Company recognizes contribution payable to the provident fund scheme as expenditure when an employee renders the related service.

Share based payments

Employees (including senior executives) of the Company receive remuneration in the form of share-based payments in form of employee stock options, whereby employees render services as consideration for equity instruments (equity-settled transactions).

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using the Black Scholes valuation model. That cost is recognized in employee benefits expense, together with a corresponding increase in share options outstanding account in Other equity, over the period in which the performance and/or service conditions are fulfilled. The cumulative expense recognized for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Company's best estimate of the number of equity instruments that will ultimately vest. The expense or credit for a period represents the movement in cumulative expense recognized as at the beginning and end of that period and is recognized in employee benefits expense. Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Company's best estimate of the number of equity instruments that will ultimately vest. The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

Defined benefit plans

The Company has defined benefit gratuity plan. The Company's net obligation in respect of defined benefit plans is calculated separately by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Company, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan ('the asset ceiling'). To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

Remeasurements of the net defined benefit liability / (asset), which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised immediately in OCI. The Company determines the net interest expense (income) on the net defined benefit liability (asset) by applying the discount rate, used to measure the net defined liability / (asset) as determined at the start of the financial year after taking into account any changes in the net defined benefit liability (asset) during the year as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in the statement of profit and loss. Remeasurements are not reclassified to profit and loss in subsequent periods.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service ('past service cost' or 'past service gain') or the gain or loss on curtailment is recognised immediately in the statement of profit and loss. The Company recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

Other long-term employee benefits - compensated absences

Compensated absences are a long-term employee benefit and are accrued based on an actuarial valuation done as per projected unit credit method as at the Balance Sheet date, carried out by an independent actuary.

Actuarial gains and losses arising during the year are immediately recognized in the statement of profit and loss.

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d) Recognition of income and expense

The Company earns revenue primarily from giving loans. Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognized:

(i) Interest income and expense

Interest revenue and expense is recognized using the effective interest method (EIR). The effective interest rate is the rate that discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period, to the gross carrying amount of the financial asset or financial liability. The calculation takes into account all contractual terms of the financial instrument (for example, prepayment options) and includes any fees or incremental costs that are directly attributable to the instrument and are an integral part of the EIR, but not future credit losses.

The company calculates interest income by applying the EIR 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 III', the company calculates interest income by applying the effective interest rate to the net amortized 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.

Interest expense includes issue costs that are initially recognized as part of the carrying value of the financial liability and amortized over the expected life using the effective interest method. These include fees payable to arrangers and other expenses such as external legal costs, provided these are incremental costs that are directly related to the issue of financial liability.

(ii) Other income and expense

All Other income and expense are recognized in the period they occur.

The Company recognises gains on fair value change of financial assets measured at FVTPL and realised gains on derecognition of financial asset measured at FVTPL and FVOCI on net basis.

e) Income taxes

Current Taxes

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities in accordance with the Income Tax Act, 1961. It is computed using tax rates and tax laws enacted or substantively enacted at the reporting date. Current income tax relating to items recognized outside statement of profit and loss are recognized either in other comprehensive income or in other equity.

Current tax assets and liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

Deferred Taxes

Deferred tax is provided on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognized for all taxable temporary differences, except:

- Where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- In respect of taxable temporary differences associated with investments in subsidiaries, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. The carrying amount of deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are reassessed at each reporting date and are recognized to the extent that it becomes probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognized outside profit or loss are recognized either in other comprehensive income or in other equity. Deferred tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity.

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Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

Current and deferred taxes are recognized as income tax benefits or expenses in the statement of profit and loss except for tax related to the FVOCI instruments. The Company also recognizes the tax consequences of payments and issuing costs, related to financial instruments that are classified as equity, directly in equity.

f) Property, plant and equipment (PPE)

The cost of an item of property, plant and equipment is recognised as an asset if, and only if:

(a) it is probable that future economic benefits associated with the item will flow to the entity; and

(b) the cost of the item can be measured reliably.

PPE are stated at cost (including incidental expenses directly attributable to bringing the asset to its working condition for its intended use) less accumulated depreciation and accumulated impairment losses, if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use. Subsequent expenditure related to PPE is capitalized only when it is probable that future economic benefits associated with these will flow to the Company and the cost of item can be measured reliably. Other repairs and maintenance costs are expensed off as and when incurred.

Leasehold improvements are amortized on straight line basis over the lease term or the estimated useful life of the assets, whichever is lower.

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.

An item of property, plant and equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss when the asset is derecognized.

Depreciation

Depreciation on property, plant and equipment provided on a written down value method at the rates arrived based on useful life of the assets, prescribed under Schedule II of the Act, which also represents the estimate of the useful life of the assets by the management. Depreciation on assets sold during the year is charged to the statement of profit and loss to the date of sale. Property, plant and equipment costing up to Rs.5,000 (amount in full) individually are fully depreciated in the year of purchase.

The Company has used the following useful lives to provide depreciation on its Property, plant and equipment:

Asset Category	Useful Life (in years)
Furniture & Fixtures	10
Computers & Printers	3
Office Equipment	5
Leasehold Improvements	3
Vehicles	8
Land & Buildings	60

g) Intangible assets

Intangible assets that are acquired by the Company are measured initially at cost and are stated at cost less accumulated depreciation as adjusted for impairment, if any. Any gain on disposal of intangible asset is recognised in the statement of profit and loss. Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

Amortization

Amortisation is calculated to write-off the cost of intangible asset using the written down value method at the rates arrived based on useful life of the assets, prescribed under Schedule II of the Act, which also represents the estimate of the useful life of the assets by the management. The estimated useful life used for computation of depreciation is five years

h) Leases

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

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct

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costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received. The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

At the commencement date of the lease, the Company recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g.,changes to future payments resulting from a change in rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

Short term lease

The Company applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). Lease payments on short term leases are recognized as and when due.

i) Financial instruments

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 recognized when the entity becomes a party to the contractual provisions of the instruments.

Financial Assets - All financial assets are recognized initially at fair value plus, 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, except trade receivables which is recorded at transaction price. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace (regular way trades) are recognized on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Subsequent measurement

For the purpose of subsequent measurement, financial assets are classified in four categories:

- Loan Portfolio at amortized cost
- Loan Portfolio at fair value through other comprehensive income (FVOCI)
- Investment in equity instruments and mutual funds at fair value through profit or loss
- Investment in Government securities at amortized cost
- Other financial assets at amortized cost

Loan Portfolio at amortized cost:

Loan Portfolio is measured at amortized cost where:

- contractual terms that give rise to cash flows on specified dates, that represent solely payments of principal and interest (SPPI)on the principal amount outstanding; and
- are held within a business model whose objective is achieved by Company to collect contractual cash flows.

Loan Portfolio at FVOCI:

Loan Portfolio is measured at FVOCI where:

- contractual terms that give rise to cash flows on specified dates, that represent solely payments of principal and interest (SPPI) on the principal amount outstanding; and
- the financial asset is held within a business model where objective is achieved by both collecting contractual cash flows and selling financial assets.

Business model: The business model reflects how the Company manages the assets in order to generate cash flows. That is, where the Company's objective is solely to collect the contractual cash flows from the assets, the same is measured at amortized cost or where the Company's objective is to collect both the contractual cash flows and cash flows arising from the sale of assets, the same is measured at fair value through other comprehensive income (FVOCI). If neither of these is applicable (e.g. financial assets are held for trading

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purposes), then the financial assets are classified as part of 'other' business model and measured at FVTPL.

SPPI: Where the business model is to hold assets to collect contractual cash flows (i.e. measured at amortized cost) or to collect contractual cash flows and sell (i.e. measured at fair value through other comprehensive income), 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 amortized cost, as mentioned above, is computed using the effective interest rate method.

After initial measurement, these financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method less impairment. Amortized 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 amortization is included in interest income in the statement of profit and loss. The losses arising from impairment are recognized under the head 'impairment on financial instruments' in the statement of profit and loss.

The measurement of credit impairment is based on the three-stage expected credit loss model described in Note: Impairment of financial assets (refer note 3(j)).

Effective interest method - The effective interest method is a method of calculating the amortized 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 and points 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 net carrying amount on initial recognition. The amortized cost of the financial asset is adjusted if the Company revises its estimates of payments or receipts. The adjusted amortized 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 recognized on an effective interest basis for loan portfolio other than those financial assets classified as at FVTPL.

Equity instruments and Mutual Funds

Equity instruments and mutual funds included within the FVTPL category are mandatorily measured at fair value with all changes recognized in the statement of profit and loss.

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

Financial liabilities are subsequently carried at amortized cost using the effective interest method.

De-recognition of financial assets and financial liabilities

The company de-recognises a financial asset when the contractual right to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the assets to another party. If the company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognizes its retained interest in the asset and an associated liability for amounts it may have to pay. If the company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognize the financial asset and also recognises an associated liability as collateralized borrowing for the proceeds received.

On derecognition of a financial asset, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognized in OCI, and accumulated in equity is recognized in OCI and accumulated in equity is recognized in the statement of profit and loss.

A financial liability is derecognized from the balance sheet when the Company has discharged its obligation or the contract is cancelled or expires.

Securitization and direct assignment

In case of transfer of loans through securitization and direct assignment transactions, the transferred loans are de-recognised and gain/losses are accounted for, only if the Company transfers substantially all risks and rewards specified in the underlying assigned loan contract.

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In accordance with the Ind AS 109, on de-recognition of a financial asset under assigned transactions, the difference between the carrying amount and the consideration received are recognised in the statement of profit and loss.

Net gain on derecognition of financial instruments measured at FVOCI

Gains arising out of direct assignment transactions comprise the difference between the interest on the loan portfolio and the applicable rate at which the direct assignment is entered into with the assignee, also known as the right of excess interest spread (EIS). The future EIS is based on the scheduled cash flows on execution of the transaction, discounted at the applicable rate entered into with the assignee is recorded upfront in the statement of profit and loss.

Derivatives and hedging activities

The Company enters into a variety of derivative financial instruments to manage its exposure to interest rate risk and foreign exchange rate risk, including cross currency interest rate swaps and cross currency swaps. Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting date. The resulting gain or loss is recognised in the statement of profit and loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of recognition in profit or loss depends on the nature of the hedging relationship and nature of the hedge item.

Embedded derivatives

Derivatives embedded in a host contract that is an asset within the scope of Ind AS 109 are not separated. Financial assets and financial liabilities with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Derivatives embedded in all other host contract are separated only if the economic characteristics and risks of the embedded derivatives are not closely related to the economic characteristics and risks of the host and accordingly, are measured at fair value through profit or loss. Embedded derivatives closely related to the host contracts are not separated.

Hedge accounting

The Company designates foreign currency forward derivative contracts as hedges of foreign exchange risk associated with the cash flows of foreign currency risks associated with the borrowings denominated in foreign currency (referred to as 'cash flow hedges'). The Company documents at the inception of the hedging transaction the economic relationship between the hedging instruments and hedge items including whether the hedging instrument is expected to offset changes in the cash flows of hedge items. The Company documents its risk management objective and strategy for undertaking various hedge transactions at the inception of the hedging relationship.

j) Impairment on financial assets

Overview of principles for measuring expected credit loss ('ECL')

In accordance with Ind AS 109, the Company is required to measure expected credit losses on its financial instruments designated at amortized cost and fair value through other comprehensive income. Accordingly, the Company is required to determine lifetime losses on financial instruments where credit risk has increased significantly since its origination. For other instruments, the Company is required to recognize credit losses over next 12-month period. The Company has an option to determine such losses on individual basis or collectively depending upon the nature of underlying portfolio. The Company has a process to assess credit risk of all exposures at each year end as follows:

Stage I

These represent exposures where there has not been a significant increase in credit risk since initial recognition or that has low credit risk at the reporting date. The Company has assessed that all standard exposures (i.e., exposures with no overdues) and exposure upto 30 day overdues fall under this category. In accordance with Ind AS 109, the Company measures ECL on such assets over next 12 months.

Stage II

Financial instruments that have had a significant increase in credit risk since initial recognition are classified under this stage. Based on empirical evidence, significant increase in credit risk is witnessed after the overdues on an exposure exceed for a period more than 30 days. Accordingly, the Company classifies all exposures with overdues exceeding 30 days at each reporting date under this Stage. The Company measures lifetime ECL on stage II loans.

Stage III

All exposures having overdue balances for a period exceeding 90 days are considered to be defaults and are classified under this stage. Accordingly, the Company measures lifetime losses on such exposure. Interest revenue on such contracts is calculated by applying the effective interest rate to the amortized cost (net of impairment allowance) instead of the gross carrying amount.

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Methodology for calculating ECL

The Company determines ECL based on a probability weighted outcome of factors indicated below to measure the shortfalls in collecting contractual cash flows.

The Company does not discount such shortfalls considering relatively shorter tenure of loan contracts.

Key factors applied to determine ECL are outlined as follows:

a) Probability of default (PD) - The probability of default is an estimate of the likelihood of default over a given time horizon (12-month or lifetime, depending upon the stage of the asset).

b) Exposure at default (EAD) – It represents an estimate of the exposure of the Company at a future date after considering repayments by the counterparty before the default event occurs.

c) Loss given default (LGD) – It represents an estimate of the loss expected to be incurred when the event of default occurs.

Forward looking information

While estimating the expected credit losses, the Company reviews macro-economic developments occurring in the economy and market it operates in. On a periodic basis, the Company analyses if there is any relationship between key economic trends like GDP, Unemployment rates, Benchmark rates set by the Reserve Bank of India, inflation etc. with the estimate of PD, LGD determined by the Company based on its internal data. While the internal estimates of PD, LGD rates by the Company may not be always reflective of such relationships, temporary overlays are embedded in the methodology to reflect such macro-economic trends reasonably.

Write-offs

Loans 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 subjected to write-offs. All such write-offs are charged to the statement of profit and loss. Any subsequent recoveries against such loans are credited to the statement of profit and loss.

k) Impairment of non-financial assets

The carrying amount of assets is reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the assets, net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset. In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

l) Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of 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 recognized within finance costs.

Provisions are reviewed at each reporting date and are adjusted to reflect the current best estimate" for accounting policy of provisions.

m) Contingent liabilities and assets

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity. The Company does not have any contingent assets in the financial statements.

n) Earnings per equity share (EPS)

The Company reports basic and diluted earnings per share in accordance with Ind AS 33 on Earnings per share. Basic EPS is calculated by dividing the net profit or loss for the year attributable to equity shareholders (after deducting preference dividend and attributable

Notes to the Standalone Financial Statement

for the year ended March 31, 2026

(₹ in crores unless otherwise stated)

taxes) by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless they have been issued at a later date. In computing the dilutive earnings per share, only potential equity shares that are dilutive and that either reduces the earnings per share or increases loss per share are included.

o) Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

p) Statements of cash flows

The standalone statement of cash flows from operating activities is prepared in accordance with the Indirect method as per Ind AS 7. Standalone statement of cash flows presents the cash flows by operating, financing and investing activities of the Company. Operating cash flows arrived by adjusting profit or loss before tax for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments, and items of income or expense associated with investing or financing cash flows.

q) Offsetting financial instruments

Financial assets and financial liabilities are offset when it currently has a legally enforceable right (not contingent on future events) to off-set the recognised amounts and the company intends either to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

r) Proposed dividend

As per Ind AS –10, 'Events after the Reporting period', the Company disclose the dividend proposed by board of directors after the balance sheet date in the notes to these standalone financial statements. The liability to pay dividend is recognized when the declaration of dividend is approved by the shareholders.

s) Recent Accounting pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time.

In May 2025, MCA notified amendments to Ind AS 21 - The Effects of Changes in Foreign Exchange Rates, applicable w.e.f. April 1, 2025. The Company has reviewed the amendment and based on its evaluation has determined that it does not have any significant impact on its standalone financial statements.

In August 2025, MCA notified the following amendments to:

Ind AS 1, Presentation of Financial Statements, applicable w.e.f. April 1, 2025 – The amendment relates to classification of liabilities as current or non-current and non-current liabilities with covenants. In the context of classifying a liability as current, it removes the requirement of existence of a right to defer settlement for at least 12 months after the reporting date and instead requires that the said right should exist on the reporting date and have substance. The amendment also introduces guidance on classification of liabilities with covenants. The Company has no impact on these amendments in its classification criteria of current and non-current liabilities.

Ind AS 7, Statement of Cash Flows and Ind AS 107, Financial Instruments: Disclosures, applicable w.e.f. April 1, 2025 – The amendment in Ind AS 7 requires informing users of financial statements of the existence of supplier finance arrangements and explain the nature of the arrangements, the carrying amount of liabilities and the range of payment due dates. Ind AS 107 has been amended to add supplier finance arrangements as a factor that may cause concentration of liquidity risk. The Company has reviewed the amendment and based on its evaluation has determined that it does not have any impact on its standalone financial statements.

Ind AS 12, International Tax Reform – Pillar Two Model Rules applicable immediately - The amendments provide a temporary mandatory relief from deferred tax accounting for top-up tax and disclose that they have applied the relief. The Company has reviewed the amendment and based on its evaluation has determined that it does not have any impact on its standalone financial statements.

Notes to the Standalone Financial Statements

for the year ended March 31, 2026

(₹ in crores unless otherwise stated)

4: Cash and cash equivalents

	As at March 31, 2026	As at March 31, 2025
Cash on hand	2.30	6.49
Balances with banks in current accounts	551.74	1,175.43
Bank deposits with original maturity of three months or less	166.29	25.05
	720.33	**1,206.97**

5: Bank balance other than cash and cash equivalents

	As at March 31, 2026	As at March 31, 2025
Bank deposits with original maturity of more than three months	23.51	85.67
Restricted bank balance	0.03	0.00
Balances with banks to the extent held as margin money or security against the borrowings	469.91	498.16
	493.45	**583.83**

6: Derivative financial instruments

	As at March 31, 2026		As at 31 March 2025	
	Notional amounts*	Fair Value Assets	Notional amounts*	Fair Value Assets
Part I				
(i) Interest rate derivatives:				
Cross Currency Interest Rate swaps	92.27	7.49	164.60	2.47
	92.27	**7.49**	**164.60**	**2.47**
Part II				
Included in above (Part I) are derivatives held for hedging and risk management purposes as follows:				
(i) Cash flow hedging:				
- Currency derivatives	92.27	7.49	164.60	2.47
	92.27	**7.49**	**164.60**	**2.47**

* The notional amounts are not indicative of either the market risk or credit risk.

Hedging activities and derivatives

The Company is exposed to currency risk on its outstanding foreign currency borrowing amounting to ₹92.27 crores as of March 31, 2026 (March 31, 2025: ₹164.60 crores) which is primarily mitigated using derivative financial instruments. Refer note note 48 (d) for foreign currency risk disclosures.

Impact of hedging activities

Disclosure of effects of hedge accounting on financial performance:

Type of hedge	Change in the value of hedging instrument recognised in Other comprehensive income		Hedge ineffectiveness recognised in the statement of profit and loss		Amount reclassified from cash flow hedging reserve to the statement of profit and loss	
	As at March 31, 2026	As at March 31, 2025	As at March 31, 2026	As at March 31, 2025	As at March 31, 2026	As at March 31, 2025
Cash flow hedge						
Foreign currency & interest rate risk						
a. Cross currency interest rate swap	4.47	(4.09)	-	-	2.06	-
	4.47	**(4.09)**	**-**	**-**	**2.06**	**-**

Notes to the Standalone Financial Statements

for the year ended March 31, 2026

(₹ in crores unless otherwise stated)

7: Loans

	As at March 31, 2026	As at March 31, 2025
(a) Term Loans (at fair value through OCI)	3,449.58	5,554.45
(b) Loans repayable on demand - Inter corporate advances to related parties - (at amortized cost)	311.67	23.57
Total - Gross	**3,761.25**	**5,578.02**
Less: Impairment loss allowance (Refer Note iii)	(132.01)	(540.80)
Total - Net	**3,629.24**	**5,037.22**
Break-up of loans		
(a) Secured by tangible assets	0.09	0.56
(b) Unsecured	3,761.16	5,577.46
Total - Gross	**3,761.25**	**5,578.02**
Less: Impairment loss allowance	(132.01)	(540.80)
Total - Net	**3,629.24**	**5,037.22**
(a) Public sector	-	-
(b) Others	3,761.25	5,578.02
Total - Gross	**3,761.25**	**5,578.02**
Less: Impairment loss allowance	(132.01)	(540.80)
Total - Net	**3,629.24**	**5,037.22**
(a) Within India	3,761.25	5,578.02
(b) Outside India	-	-
Total - Gross	**3,761.25**	**5,578.02**
Less: Impairment loss allowance	(132.01)	(540.80)
Total - Net	**3,629.24**	**5,037.22**

Note (i): 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 Act), either severally or jointly that are (a) repayable on demand or (b) without specifying any terms or period of repayment, except for the loans extended to related parties, which are repayable on demand as under:

	As at March 31, 2026	As at March 31, 2025
Outstanding balance	311.67	23.57
Percentage to the total gross loan portfolio	8.29%	0.42%

Inter-corporate advances have been extended to Criss Financial Limited ("CFL"), a subsidiary of SSFL. CFL is a non-deposit taking Non-Banking Financial Company ("NBFC-ND") registered with the Reserve Bank of India ("RBI"). CFL is primarily engaged in the business of providing individual loans, small business loans, and loans against property. These inter-corporate advances are extended to support CFL's working capital needs and day-to-day business operations.

Note (ii): The table below discloses the credit quality of Company's exposures on loan portfolio (excluding inter-corporate advances) as at the reporting date:

Gross loan portfolio movement for the period ended March 31, 2026

Particulars	Stage I	Stage II	Stage III	Total
Gross carrying amount at the beginning of the year	4,698.70	561.64	294.11	5,554.45
New assets originated or purchased	3,584.10	-	-	3,584.10
Asset derecognised or repaid (excluding write offs) #	(4,398.38)	(83.60)	(37.03)	(4,519.01)
Assets written off during the year			(1,159.85)	(1,159.85)
Inter-stage movements				-
Stage I	1.02	(0.99)	(0.03)	-
Stage II	(24.54)	24.55	(0.01)	-
Stage III	(549.54)	(480.72)	1,030.26	-
Fair Value on loans	(14.42)	4.31	-	(10.11)
Gross carrying amount at the end of the year	**3,296.94**	**25.19**	**127.45**	**3,449.58**

Notes to the Standalone Financial Statements

for the year ended March 31, 2026

(₹ in crores unless otherwise stated)

7: Loans (Contd.)

Gross loan portfolio movement for the year ended March 31, 2025

Particulars	Stage I	Stage II	Stage III	Total
Gross carrying amount at the beginning of the year	10,227.81	171.03	168.07	10,566.91
New assets originated or purchased	5,017.00	-	-	5,017.00
Asset derecognised or repaid (excluding write offs) #	(8,394.57)	(50.35)	(38.02)	(8,482.94)
Assets written off during the year			(1,555.39)	(1,555.39)
Inter-stage movements				-
Stage I	0.42	(0.37)	(0.05)	-
Stage II	(568.70)	568.72	(0.02)	-
Stage III	(1,595.70)	(123.82)	1,719.52	-
Fair Value on loans	12.44	(3.57)	-	8.87
Gross carrying amount at the end of the year	**4,698.70**	**561.64**	**294.11**	**5,554.45**

Movement of impairment allowance (ECL) for the period ended March 31, 2026

Particulars	Stage I	Stage II	Stage III	Total
Balances as at the beginning of the year	41.85	263.20	235.75	540.80
Provision made/ (reversed) during the year #	(25.25)	25.48	750.82	751.06
Inter-stage movements				
Stage I	0.59	(0.57)	(0.02)	-
Stage II	(0.11)	0.12	(0.01)	-
Stage III	(2.38)	(273.69)	276.07	-
Write off	-	-	(1,159.85)	(1,159.85)
Balances as at the end of the year	**14.70**	**14.54**	**102.76**	**132.01**

Movement of impairment allowance (ECL) during the year ended March 31, 2025

Particulars	Stage I	Stage II	Stage III	Total
Balances as at the beginning of the year	78.15	84.06	134.46	296.67
Provision made/ (reversed) during the year #	(17.22)	234.91	1,581.83	1,799.52
Inter-stage movements				
Stage I	0.22	(0.18)	(0.04)	-
Stage II	(5.07)	5.09	(0.02)	-
Stage III	(14.23)	(60.68)	74.91	-
Write off	-	-	(1,555.39)	(1,555.39)
Balances as at the end of the year	**41.85**	**263.20**	**235.75**	**540.80**

Represents balancing figure

Details of amount overdue

Particulars	As at March 31, 2026		As at 31 March 2025	
	No. of loans	Amount	No. of loans	Amount
Stage I (1 - 30 days)	5,175	1.23	70,591	14.06
Stage II (31- 60 days)	7,272	3.42	1,37,956	57.31
Stage II (61- 90 days)	9,266	6.08	94,355	59.17
Stage III (GNPA)	1,02,744	93.94	1,60,797	148.35

Note (iii): No impairment allowance has been recognized on the outstanding inter-corporate advances to related parties as at March 31, 2026 and March 31, 2025.

Notes to the Standalone Financial Statements

for the year ended March 31, 2026

(₹ in crores unless otherwise stated)

7: Loans (Contd.)

Note (iv): With effect from January 1, 2025, the Company discontinued disbursements to borrowers delinquent beyond 30 days past due. Prior to this, The Company product programme guideline allowed disbursement to borrowers which are in SMA buckets subject to fulfilment of other eligibility criteria as applicable. While product guidelines allowed such disbursement, the decision to disburse to these specific clients (by preclosing existing loan and give top-up loans) were taken based on inputs received from the customer and the field staff. In a joint liability group model (JLG), the fellow group / centre members understand the financial position and their intent to pay. Inputs on product guideline are driven basis feedback received during interactions between the customers (group members attending centre meetings) and our field staff. Recommendations basis these interactions are then given to the supervisory hierarchy including the Chief Business Officer who in turn evaluates and recommends for approval to the COO. In determining whether lending to these customers has any significant increase in credit risk or impairment of such loans and potential future loss estimate, the Company took into consideration the borrowers' vintage, past repayment behaviour and viability of their businesses, as a separate cohort. Accordingly, the company has classified such loans based on their latest repayment schedule as at respective period end and in the respective stage buckets.

8: Investments

	As at March 31, 2026	As at March 31, 2025
Mandatorily measured at amortized cost		
Government securities	99.69	30.82
Mandatorily measured at fair value through profit and loss		
Mutual Fund*	13.82	62.81
Security Receipts	136.05	141.78
Less: Impairment loss allowance - Security Receipts	(136.05)	(125.76)
Investment in subsidiaries at cost		
2,000,000 (March 31, 2025: 2,000,000) equity shares of ₹ 10 each fully paid up in Caspian Financial Services Limited, representing 100% stake in the entity	2.00	2.00
Less: Impairment loss allowance - Investment	(2.00)	(2.00)
1,56,59,389 (March 31, 2025: 1,56,59,389) equity shares of ₹ 10 each fully paid up in Criss Financial Limited, representing 99.92% stake in the entity	315.00	315.00
Equity instruments at cost (unquoted)		
100,000 (March 31, 2025: 100,000) equity shares of ₹ 10 each fully paid up in Alpha Micro Finance Consultants Private Limited	-	0.10
	428.51	**424.75**

Note: All investments are held within India.

*held as security against borrowings

9: Other financial assets

	As at March 31, 2026	As at March 31, 2025
Unsecured, considered good		
Security deposits	6.51	6.87
Deposits with other Financial institutions^	49.47	93.03
Retained interest on direct assignment	21.57	28.55
Less: Impairment loss allowance - Retained interest on direct assignment	(0.08)	(2.25)
Receivable from advertisement income	7.60	4.11
Receivable from insurance company	1.34	4.31
Other receivables *	1.11	0.71
	87.52	**135.33**
Unsecured, considered doubtful		
Receivable from insurance company	0.02	0.25
Provision for doubtful debts - claims	(0.02)	(0.25)
	87.52	**135.33**

*Comprises of float amount with insurance company and receivable from Asset reconstruction Company

^Balances with other Financial institutions are held as margin money or security against the borrowings

Notes to the Standalone Financial Statements

for the year ended March 31, 2026

(₹ in crores unless otherwise stated)

10: Current Tax Assets (net)

	As at March 31, 2026	As at March 31, 2025
Advance income tax (net of provision)	117.30	110.03
	117.30	**110.03**

11: Deferred Tax Assets (net)

	As at March 31, 2026	As at March 31, 2025
Effects of deferred tax assets / (liabilities):		
Impairment loss allowance and other provision	74.96	176.60
Tax losses carried forward	530.37	224.28
Property, plant and equipment	7.05	7.18
Share options outstanding account (ESOP)	14.16	19.43
Financial assets at fair value through OCI	15.27	12.73
Net gain on derecognition of financial instruments measured at fair value through other comprehensive income	(5.43)	(7.19)
Provision for employee benefits	4.33	3.90
Effective portion of cashflow hedges	(0.09)	1.03
	640.63	**437.97**

Refer note 50 (e) for assessment on recognition of deferred tax assets.

11. 1: Deferred tax assets (net)

Movement in deferred tax balances for the period ended March 31, 2026

Particulars	Net Balance April 1, 2025	(Charge) / credit in the statement of profit and loss	Recognised in OCI	Net Balance March 31, 2026
Deferred tax assets / (liabilities)				
Impairment loss allowance and other provision	176.60	(101.63)	-	74.96
Tax losses carried forward	224.28	306.09	-	530.37
Property, plant and equipment	7.18	(0.13)	-	7.05
Share options outstanding account (ESOP)	19.43	(5.28)	-	14.16
Financial assets at fair value through OCI	12.73	-	2.54	15.27
Net gain on derecognition of financial instruments measured at fair value through other comprehensive income	(7.19)	1.76	-	(5.43)
Provision for employee benefits	3.90	0.49	(0.06)	4.33
Effective portion of cashflow hedges	1.03	-	(1.12)	(0.09)
Net Deferred tax assets / (liabilities)	**437.97**	**201.30**	**1.36**	**640.63**

Movement in deferred tax balances for the year ended March 31, 2025

Particulars	Net Balance April 1, 2024	(Charge) / credit in the statement of profit and loss	Recognised in OCI	Net Balance March 31, 2025
Deferred tax assets / (liabilities)				
Impairment loss allowance and other provision	94.16	82.44	-	176.60
Tax losses carried forward	-	224.28	-	224.28
Property, plant and equipment	5.94	1.24	-	7.18

Notes to the Standalone Financial Statements

for the year ended March 31, 2026

(₹ in crores unless otherwise stated)

11. 1: Deferred tax assets (net) (Contd.)

Particulars	Net Balance April 1, 2024	(Charge) / credit in the statement of profit and loss	Recognised in OCI	Net Balance March 31, 2025
Share options outstanding account (ESOP)	15.64	3.79	-	19.43
Financial assets at fair value through OCI	14.96	-	(2.23)	12.73
Net gain on derecognition of financial instruments measured at fair value through other comprehensive income	(12.66)	5.47	-	(7.19)
Provision for employee benefits	4.09	(0.06)	(0.13)	3.90
Effective portion of cashflow hedges	-	-	1.03	1.03
Fair value impact for Market linked debentures	0.05	(0.05)	-	-
Net Deferred tax assets / (liabilities)	**122.18**	**317.11**	**(1.33)**	**437.97**

12: Property, plant and equipment

	Building *	Leasehold Improvements	Furniture and Fixtures	Office Equipment	Vehicles	Computers	Right of use asset	Total
Gross carrying amount								
At April 1, 2024	**0.20**	**8.20**	**14.47**	**11.34**	**5.46**	**27.73**	**13.84**	**81.24**
Addition	-	-	2.23	3.17	-	6.28	1.33	13.01
Disposals	-	-	(0.02)	(0.04)	(0.75)	(6.23)	-	(7.04)
At March 31, 2025	**0.20**	**8.20**	**16.68**	**14.47**	**4.71**	**27.78**	**15.17**	**87.21**
Addition	-	0.05	0.39	0.35	-	0.66	0.49	1.94
Disposals	-	-	(1.15)	(1.79)	(3.11)	(2.64)	-	(8.69)
As at March 31, 2026	**0.20**	**8.25**	**15.92**	**13.03**	**1.60**	**25.80**	**15.66**	**80.46**
Accumulated depreciation								
At April 1, 2024	**0.06**	**6.00**	**12.11**	**7.09**	**3.11**	**20.47**	**4.57**	**53.41**
Charge for the year	0.01	1.39	2.37	2.76	0.72	6.91	3.00	17.15
Disposals	-	-	(0.02)	(0.03)	(0.65)	(5.99)	-	(6.69)
At March 31, 2025	**0.07**	**7.39**	**14.46**	**9.82**	**3.18**	**21.39**	**7.57**	**63.88**
Charge for the year	0.01	0.41	1.14	2.23	0.31	3.87	3.18	11.14
Disposals	-	-	(1.15)	(1.76)	(2.32)	(2.55)	-	(7.78)
As at March 31, 2026	**0.08**	**7.80**	**14.45**	**10.29**	**1.17**	**22.71**	**10.75**	**67.24**
Net carrying amount								
At March 31, 2025	0.13	0.81	2.22	4.65	1.53	6.39	7.61	23.34
As at March 31, 2026	**0.12**	**0.45**	**1.47**	**2.74**	**0.43**	**3.09**	**4.91**	**13.22**

* The title deeds of all the immovable properties held by the Company (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee), are held in the name of the Company.

12 A: Other Intangible assets

Particulars	Computer software	Total
Gross carrying amount		
At April 1, 2024	**10.21**	**10.21**
Addition	-	-
Disposal	-	-
At March 31, 2025	**10.21**	**10.21**
Addition	1.68	1.68
Disposal	-	-
As at March 31, 2026	**11.89**	**11.89**

Notes to the Standalone Financial Statements

for the year ended March 31, 2026

(₹ in crores unless otherwise stated)

12 A: Other Intangible assets (Contd.)

Particulars	Computer software	Total
Accumulated amortization		
At April 1, 2024	**5.86**	**5.86**
Charge for the year	1.76	1.76
Disposal	-	-
At March 31, 2025	**7.62**	**7.62**
Charge for the year	1.47	1.47
Disposal	-	-
As at March 31, 2026	**9.09**	**9.09**
Net carrying amount		
At March 31, 2025	2.59	2.59
As at March 31, 2026	**2.80**	**2.80**

13: Other non-financial assets

	As at March 31, 2026	As at March 31, 2025
Unsecured, considered good		
Prepaid expenses	27.46	38.49
Capital advances	0.30	0.65
Other advances *	8.66	4.34
	36.42	**43.48**
Unsecured, considered doubtful		
Amounts deposited with courts	0.44	0.56
Less: Impairment loss allowance	(0.44)	(0.56)
	-	-
	36.42	**43.48**

*Comprises of input GST, excess CSR spent

14: Payables

	As at March 31, 2026	As at March 31, 2025
Trade payables		
(a) total outstanding dues of micro enterprises and small enterprises (Refer Note 41)	0.95	-
(b) total outstanding dues of creditors other than micro enterprises and small enterprises	8.47	7.31
	9.42	**7.31**

Trade payables ageing schedule as at March 31, 2026

Particulars	Outstanding for following periods from due dates of transaction						Total
	Not due	Unbilled	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	-	0.88	0.07	-	-	-	0.95
(II) Others	-	7.00	1.37	0.10	-	-	8.47
(iii) Disputed dues- MSME	-	-	-	-	-	-	-
(iv) Disputed dues- others	-	-	-	-	-	-	-

Notes to the Standalone Financial Statements

for the year ended March 31, 2026

(₹ in crores unless otherwise stated)

14: Payables (Contd.)

Trade payables ageing schedule as at March 31, 2025

Particulars	Outstanding for following periods from due dates of transaction						Total
	Not due	Unbilled	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	-	-	-	-	-	-	-
(II) Others	-	7.31	-	-	-	-	7.31
(iii) Disputed dues- MSME	-	-	-	-	-	-	-
(iv) Disputed dues- others	-	-	-	-	-	-	-

15: (a) Debt Securities (at amortised cost)

	No. of debentures oustanding		Face Value (₹ in Crs)	As at March 31, 2026	As at March 31, 2025
	As at March 31, 2026	As at March 31, 2025			
(i) Debentures (Secured)					
11.10% Secured, Senior, Redeemable, Listed, Rated, Non-convertible Debentures, redeemable at par at the end of Twenty Four months from the date of allotment i.e. April 24, 2023 in 8 quarterly installments	-	8,128	0.01	-	10.18
11.35% Secured, Senior, Redeemable, rated, Liated, Non-convertible Debentures, redeemable at par at the end of Twenty eight months from the date of allotment i.e. December 30, 2022 in 5 installments	-	403	0.10	-	8.06
10.00% Secured, senior, redeemable, transferable, listed, rated, Non-convertible Debentures, redeemable at par at the end of Twenty Four months from the date of allotment i.e. June 12, 2023 in 8 quarterly installments	-	7,500	0.01	-	9.38
10.75% Secured,Senior, redeemable, transferable, Listed, rated, Non convertible debentures at par at the end of Eighteen months from the date of allotment i.e. February 13, 2024 in last 4 quarterly installments	-	10,000	0.01	-	50.54
10.75% Secured, Senior, Redeemable, listed, rated, trasnferable, Non-convertible Debentures, redeemable at par at the end of Twenty Four months from the date of allotment i.e. October 06, 2023 in last 4 quarterly installments	-	5,000	0.01	-	37.68
10.11% Secured, senior, Redeemable, trasnferable, listed, rated, Non-convertible Debentures, redeemable at par at the end of Twenty Four months from the date of allotment i.e. December 18, 2023 in 1 Bullet repayment	-	20,000	0.01	-	198.53
11.35% Secured, senior, redeemable, listed, rated, Non-convertible Debentures, redeemable at par at the end of Thirty Six months from the date of allotment i.e. December 30, 2022 in 5 half yearly installments	-	829	0.10	-	32.97
9.81% Secured, Senior, Redeemable, Transferable,Listed, Rated, Non-convertible Debentures, redeemable at par at the end of Twenty Four months from the date of allotment i.e. March 28, 2024 in 1 bullet repayment	10,000	10,000	0.01	100.86	98.56
10.75% Secured, Listed,Redeemable, Transferable, Unsubordinated, rated, Non-convertible Debentures, redeemable at par at the end of Twenty five from the date of allotment i.e. March 07, 2024 in 4 half yearly installments	7,000	7,000	0.01	17.95	53.62

Notes to the Standalone Financial Statements

for the year ended March 31, 2026

(₹ in crores unless otherwise stated)

15: (a) Debt Securities (at amortised cost) (Cont.)

	No. of debentures oustanding		Face Value (₹ in Crs)	As at March 31, 2026	As at March 31, 2025
	As at March 31, 2026	As at March 31, 2025			
11.10% Secured, senior, redeemable, listed, rated, Non-convertible Debentures, redeemable at par at the end of Thirty Six months from the date of allotment i.e.April 24, 2023 in 7 Quarterly Installments	734	844	0.01	1.05	5.94
9.84% Secured,Senoir, Redeemable, Transferable, Rated, Listed, Non-convertible Debentures, redeemable at par at the end of Twenty Four months from the date of allotment i.e. June 28, 2024 in 1 Bullet repayment	32,500	32,500	0.01	324.44	320.54
10.75% Secured, Senior,rated, Listed ,Redeemable, Taxable, Transferable , Non-convertible Debentures, redeemable at par at the end of Twenty Four months from the date of allotment i.e. July 10, 2024 in 1 Bullet repayment	3,200	5,500	0.01	32.14	54.89
10.75% Secured, Senior, Listed, Rated, transferable, redeemable Non-convertible Debentures, redeemable at par at the end of Thirty Six months from the date of allotment i.e. September 04, 2023 in 1 Bullet repayment	15,000	15,000	0.01	158.70	157.44
10.75% Secured, Senior,redeemable, transferable, rated, Listed, Non convertible debentures at par at the end of Thirty Three months from the date of allotment i.e. March 21,2024 in 1 bullet repayment	-	5,000	0.01	-	49.41
10.50% Secured, Senior, Redeemable, Transferable, Listed, Rated, Non-convertible Debentures, redeemable at par at the end of Thitry two months from the date of allotment i.e. August 14, 2024 in 1 Bullet repayment	-	10,000	0.01	-	99.21
10.75% Secured, Listed, Rated, Unsubordinated, Redeemable, Transferable, Non-convertible Debentures, redeemable at par at the end of Thirty one months from the date of allotment i.e. September 05, 2024 in 11 Quarterly repayment	5,000	5,000	0.01	27.77	46.27
12.29% Secured,Rated, Listed, Redeemable, Transferable Non-convertible Debentures, redeemable at par at the end of Seventy two months from the date of allotment i.e. August 01, 2022 in 1 Bullet repayment	-	230	0.10	-	23.44
11.25% Listed, Rated, Senior, Secured, Redeemable, Non-convertible Debentures, redeemable at par at the end of Twenty four months from the date of allotment i.e. December 17, 2025 in 8 quarterly installments	8,500	-	0.01	73.11	-
11.00% Listed, Rated, Senior, Secured, Redeemable, Non-convertible Debentures, redeemable at par at the end of Twent Seven months from the date of allotment i.e. December 23, 2025 in 1 Bullet repayment	7,500	-	0.01	72.74	-
11.00% Listed, Rated, Senior, Secured, Redeemable, Non-convertible Debentures, redeemable at par at the end of Thity months from the date of allotment i.e. October 24, 2025 in 10 quarterly installments	25,000	-	0.01	231.11	-

Notes to the Standalone Financial Statements

for the year ended March 31, 2026

(₹ in crores unless otherwise stated)

15: (a) Debt Securities (at amortised cost) (Contd.)

	No. of debentures outstanding		Face Value (₹ in Crs)	As at March 31, 2026	As at March 31, 2025
	As at March 31, 2026	As at March 31, 2025			
11.50% Rated, Listed, Senior, Secured, Redeemable, Taxable, Non-convertible Debentures, redeemable at par at the end of Thity months from the date of allotment i.e. December 23, 2025 in 9 quarterly installments	14,000	-	0.01	135.18	-
11.50% Rated, Listed, Senior, Secured, Redeemable, Taxable, Non-convertible Debentures, redeemable at par at the end of Thity months from the date of allotment i.e. December 23, 2025 in 9 quarterly installments	20,000	-	0.01	192.49	-
- Sub - Total				**1,367.54**	**1,256.66**
(ii) Borrowing under securitisation arrangement (secured)					
From Banks				670.01	488.52
From non-banking financial companies				46.49	189.75
Sub - Total				**716.50**	**678.27**
Total Debt Securities				**2,084.04**	**1,934.93**

Nature of security

The above debt securities are secured by the way of first and exclusive charge over eligible specified book debts and margin money deposits

	As at March 31, 2026	As at March 31, 2025
Out of the above debt securities		
Debt securities in India	2,084.04	1,934.93
Debt securities outside India	-	-
Total	**2,084.04**	**1,934.93**

(b) Borrowings (Other than Debt Securities)

	As at March 31, 2026	As at March 31, 2025
(i) Secured, measured at amortised cost		
Term loan from banks	888.21	2,049.14
Term loan from other parties	852.00	1,212.57
Total	**1,740.21**	**3,261.71**
Out of the above		
Borrowings in India	1,640.74	3,090.58
Borrowings outside India	99.47	171.13
Total	**1,740.21**	**3,261.71**

Nature of security

Borrowings (other than debt securities) are secured by the way of hypothecation of book debts and margin money deposits.

Refer Note 15A for terms of prinicipal repayment and the applicable interest rate on the borrowings (other than debt securities) and borrowing under securitisation arrangement (secured)

Notes to the Standalone Financial Statements

for the year ended March 31, 2026

(₹ in crores unless otherwise stated)

15A: Terms of principal repayment of borrowings and applicable interest rate on borrowings (other than Debentures, secured) and borrowing under securitisation arrangement (secured)

(i) As at March 31, 2026

Original maturity of loan	Frequency of repayment	Interest rate	Due within 1 year		Due between 1 to 2 Years		Due between 2 to 3 Years		Total
			No. of install-ments	Amount	No. of install-ments	Amount	No. of install-ments	Amount	
Borrowings (Other than Debt Securities)									
1-3 years	Monthly	8.50%-10.00%	89	332.59	21	21.00	-	-	353.59
		10.01%-12.00%	368	887.88	136	346.22	5	4.06	1,238.16
		12.01%-13.50%	133	411.40	66	101.00	12	10.56	522.96
	Quarterly	9.75%-12.00%	62	193.69	16	36.31	-	-	230.00
		12.01%-12.75%	24	25.00	18	18.75	-	-	43.75
	Half Yearly	9.00%-12.00%	79	65.46	-	-	-	-	65.46
Total				**1,916.02**		**523.28**		**14.62**	**2,453.92**
Impact of EIR									(4.43)
Interest accured on borrowings									7.23
Total									**2,456.71**

(ii) As at March 31, 2025

Original maturity of loan	Frequency of repayment	Interest rate	Due within 1 year		Due between 1 to 2 Years		Due between 2 to 3 Years		Total
			No. of install-ments	Amount	No. of install-ments	Amount	No. of install-ments	Amount	
Borrowings (Other than Debt Securities)									
1-3 years	Monthly	6.50%-10.00%	211	828.39	13	13.00	-	-	841.39
		10.01%-12.00%	700	1,565.77	189	416.19	-	-	1,981.95
		12.01%-13.50%	36	91.26	-	-	-	-	91.26
	Quarterly	10.00%-12.00%	170	477.74	62	177.02	15	31.83	686.60
	Half Yearly	10.50%-13.30%	236	109.53	79	65.46	-	-	174.99
	Bullet payment	13.30%	2	164.60	-	-	-	-	164.60
Total				**3,237.29**		**671.67**		**31.83**	**3,940.79**
Impact of EIR									(11.04)
Interest accured on borrowings									10.23
Total									**3,939.98**

15(B) Instances of breach of covenant of loan availed or debt securities issued during year ended March 31, 2026 [Refer Note 50 (b)]

15C. Changes in liabilities arising from financing activities

Particulars	As at March 31, 2025	Net cash flows	Others *	As at March 31,2026
Debt securities	1,934.93	166.12	(17.01)	2,084.04
Borrowings (other than debt securities)	3,261.71	(1,539.71)	18.21	1,740.21
	5,196.64	**(1,373.59)**	**1.20**	**3,824.25**

Notes to the Standalone Financial Statements

for the year ended March 31, 2026

(₹ in crores unless otherwise stated)

15C. Changes in liabilities arising from financing activities (Contd.)

Particulars	As at March 31, 2024	Net cash flows	Others *	As at March 31, 2025
Debt securities	3,867.66	(1,868.89)	(63.84)	1,934.93
Borrowings (other than debt securities)	5,124.50	(1,869.07)	6.27	3,261.71
Subordinated liabilities	20.00	(20.00)	0.00	-
	9,012.16	**(3,757.96)**	**(57.57)**	**5,196.64**

* Represents change in liabilites due to amortization of finance cost and interest accruals

16: Other financial liabilities

	As at March 31, 2026	As at March 31, 2025
Employee benefits payable	29.90	26.90
Lease liability	6.27	9.15
Refund of excess interest collected (Refer Note 49)	23.10	23.13
Assignment and other payables	36.87	68.14
	96.14	**127.32**

17: Current tax liabilities (net)

	As at March 31, 2026	As at March 31, 2025
Provision for tax (net of advance tax)	11.06	5.35
	11.06	**5.35**

18: Provisions

	As at March 31, 2026	As at March 31, 2025
Provision for employee benefits		
Gratuity, net of contribution (Refer note 39)	9.42	13.09
Leave encashment	13.47	11.53
	22.89	**24.62**

19: Other Non-Financial liabilities

	As at March 31, 2026	As at March 31, 2025
Service tax liability [net of amount paid under protest ₹ 0.39 crores]	3.77	6.53
Statutory dues payable	10.45	11.96
Other payables	5.18	5.48
	19.40	**23.97**

20: Equity share capital

	As at March 31, 2026	As at March 31, 2025
Authorised		
900,000,000 (March 31, 2025: 900,000,000) equity shares of ₹ 10 each	900.00	900.00
1,250,000,000 (March 31, 2025: 1,250,000,000) preference shares of ₹ 10 each	1,250.00	1,250.00
	2,150.00	**2,150.00**

Notes to the Standalone Financial Statements

for the year ended March 31, 2026

(₹ in crores unless otherwise stated)

20: Equity share capital (Contd.)

	As at March 31, 2026	As at March 31, 2025
Issued, subscribed and paid-up		
88,639,506 (March 31, 2025: 71,305,144) equity shares of ₹ 10 each (7,13,05,144 ₹10 fully paid up equity shares and 1,73,34,362 ₹10 partly paid-up equity shares) [refer Note b(ii)]	79.97	71.31
	79.97	**71.31**

(a) Terms / rights attached to equity shares

The Company has only one class of equity shares of par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share in proportion to the paid up value of such share. Any dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. The Company declares and pays dividends in Indian rupees. During the current financial year no dividend has been proposed by the Company. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(b) Reconciliation of the number of equity shares outstanding at the beginning and at the end of the year:

Particulars	As at March 31, 2026		As at March 31, 2025	
	No. of shares	Amount	No. of shares	Amount
Outstanding at the beginning of the year	7,13,05,144	71.31	7,12,97,444	71.30
Issued during the year - Exercise of employee stock options	-	-	7,700	0.01
Issued during the year - Right issue (₹10 partly paid-up equity shares)	1,73,34,362	8.66	-	-
Outstanding at the end of the year	**8,86,39,506**	**79.97**	**7,13,05,144**	**71.31**

Note:

(i) During FY25-26, the Company had allotted nil equity shares (FY24-25: 7,700 equity shares) to eligible employees under Employee stock option plan.

(ii) The Board of Directors of the Company, at its meeting held on July 15, 2025, approved a Rights Issue of partly paid-up equity shares aggregating up to ₹400 crore. Subsequently, at its meeting on July 18, 2025, the Board finalized the terms of the Rights Issue, fixing the price at ₹230 per equity share (including a premium of ₹220), with ₹115 payable on application. Further, pursuant to its meeting held on August 12, 2025, the Capital raising committee approved the allotment of 1,73,34,362 partly paid-up equity shares at ₹230 per share, in accordance with the terms of the Rights Issue.

(c) Details of shareholders holding more than 5% in the Company:

As per the records maintained, including register of shareholders/members and other declaration received from shareholders regarding beneficial interest, the shareholding given below represents both legal and beneficial ownership of shares.

Name of the shareholder	As at March 31, 2026		As at March 31, 2025	
	No. of shares	% of holding	No. of shares	% of holding
Equity shares of ₹ 10 each				
Kangchenjunga Limited (comprising 2,93,03,172 ₹10 fully paid up equity shares and 71,47,115 ₹10 partly paid-up equity shares)	3,64,50,287	41.12%	2,93,03,172	41.10%
Kedaara Capital Fund III LLP (comprising 50,13,295 ₹10 fully paid up equity shares and 12,22,754 ₹10 partly paid-up equity shares)	62,36,049	7.04%	50,13,295	7.03%

Notes to the Standalone Financial Statements

for the year ended March 31, 2026

(₹ in crores unless otherwise stated)

20: Equity share capital (Contd.)

(d) Shareholding of Promoters as defined in the Companies Act, 2013 as below:

Promoter name	As at March 31, 2026		As at March 31, 2025		% Change during the year
	No. of Shares	%	No. of Shares	%	
Kangchenjunga Limited	3,64,50,287	41.12%	2,93,03,172	41.10%	0.03%
Kedaara Capital Fund III LLP	62,36,049	7.04%	50,13,295	7.03%	0.00%

Promoter name	As at March 31, 2025		As at March 31, 2024		% Change during the year
	No. of Shares	%	No. of Shares	%	
Padmaja Gangireddy	-	0.00%	81,73,938	11.46%	-11.46%
Vijaya Sivarami Reddy Vendidand	-	0.00%	1,09,151	0.15%	-0.15%
Kangchenjunga Limited	2,93,03,172	41.10%	2,93,03,172	41.10%	0.00%
Kedaara Capital Fund III LLP	50,13,295	7.03%	50,13,295	7.03%	0.00%

(e) For details of shares reserved for issue under the employee stock option (ESOP) plan of the Company refer Note 44.

(f) Issue of bonus shares or buyback of shares

The Company has not issued/ allotted any shares pursuant to contracts without payment being received in cash, nor issued any bonus shares nor there has been any buyback of shares during five years immediately preceding March 31, 2026.

(g) Dividend

The Company has not paid any dividend during the financial year ended March 31, 2026 and March 31, 2025.

21: Other Equity

	As at March 31, 2026	As at March 31, 2025
Securities premium	2,427.67	2,241.08
General reserve	40.50	15.71
Capital redemption reserve	152.69	152.69
Share options outstanding account	56.26	77.23
Statutory reserve [as required by Section 45-IC of Reserve Bank of India Act, 1934]	455.13	455.13
Retained earnings	(966.59)	(342.73)
Fair valuation on loans through other comprehensive income	(52.16)	(44.59)
Effective portion of cashflow hedges	0.28	(3.06)
Total other equity	**2,113.78**	**2,551.46**

For detailed movement of reserves refer statement of changes in equity for the year ended March 31, 2026.

Nature and purpose of other equity

Securities premium

Securities premium is used to record the premium on issue of shares. The reserve can be utilised only for limited purposes in accordance with the provisions of the Companies Act, 2013.

General reserve

Amount set aside from retained profits as a general reserve to be utilised in accordance with provisions of the Companies Act, 2013.

Notes to the Standalone Financial Statements

for the year ended March 31, 2026

(₹ in crores unless otherwise stated)

21: Other Equity (Contd.)

Capital redemption reserve

In accordance with section 55 of the Companies Act, 2013, the Company had transferred an amount equivalent of the nominal value of Optionally convertible cumulative redeemable preference shares redeemed during previous years, to the Capital Redemption Reserve. The reserve can be utilised only for limited purposes in accordance with the provisions of the Companies Act, 2013.

Share options outstanding account

The share option outstanding account is used to recognise the grant date fair value of option issued to employees under employee stock option scheme.

Statutory reserve (As required by Section 45-IC of Reserve Bank of India Act, 1934

Statutory reserve represents the accumulation of amount transferred from surplus year on year based on the fixed percentage of profit for the year, as per section 45-IC of Reserve Bank of India Act 1934.

Retained earnings

Retained earnings are the profits that the Company has earned till date, less any transfers to statutory reserve, general reserve or any other such other appropriations to specific reserves.

Fair valuation on loans through other comprehensive income

The Company has elected to recognize changes in the fair value of loans in other comprehensive income. These changes are accumulated as reserve within equity. The Company transfers amount from this reserve to retained earnings when the relevant loans are derecognized.

Effective portion of cashflow hedges

For designated and qualifying cash flow hedges, the effective portion of the cumulative gain or loss on the hedging instrument is initially recognised directly in OCI within equity (cash flow hedge reserve). When the hedged cash flow affects the statement of profit and loss, the effective portion of the gain or loss on the hedging instrument is recorded in the corresponding income or expense line of the statement of profit and loss.

22: Interest Income

	For year ended March 31, 2026	For year ended March 31, 2025
Measured at fair value through OCI		
Interest on loans	773.58	1,976.88
Measured at amortised cost		
Interest on inter corporate advances	28.69	11.66
Interest from Government Securities	0.68	-
Interest on deposits with banks	43.12	30.88
Other interest income	4.02	2.01
	850.09	**2,021.43**

23: Net gain on fair value changes

	For year ended March 31, 2026	For year ended March 31, 2025
On trading portfolio	28.56	75.96
	28.56	**75.96**
Fair value changes		
- Realised	27.67	75.51
- Unrealised	0.89	0.45
	28.56	**75.96**

Notes to the Standalone Financial Statements

for the year ended March 31, 2026

(₹ in crores unless otherwise stated)

24: Net gain on derecognition of financial instruments measured at FVTOCI

	For year ended March 31, 2026	For year ended March 31, 2025
Gain on derecognition of loans designated at FVTOCI	27.94	83.33
	27.94	**83.33**

25: Other income

	For year ended March 31, 2026	For year ended March 31, 2025
Advertisement income	32.48	56.51
Profit on sale of property, plant and equipment	0.50	-
Miscellaneous income	2.63	7.96
	35.61	**64.47**

26: Finance costs

	For year ended March 31, 2026	For year ended March 31, 2025
On financial liabilities measured at amortised cost		
Interest on debt securities	186.94	342.80
Interest on borrowings (other than Debt Securities)	262.41	511.38
Interest on subordinated liabilities	-	0.56
Interest on lease liabilities	0.85	1.09
Other finance cost	26.19	19.73
	476.39	**875.56**

27: Impairment on financial instruments

	For year ended March 31, 2026	For year ended March 31, 2025
a) Measured at fair value through OCI		
Impairment allowance^	(396.06)	236.61
Technical write-offs (Refer Note 50)	1,159.85	1,555.39
Impairment allowance - Retained interest on direct assignment	(2.16)	2.25
Recovery of loans written-off	(141.57)	(24.59)
b) Measured at fair value through profit or loss		
Impairment allowance (Security Receipts)	10.28	91.74
c) Measured at cost		
Impairment allowance (Investment)	-	2.00
	630.34	**1,863.40**

^Impairment allowance on loans excludes impairment reversal of ₹12.74 crores (March 31, 2025: ₹7.52 crores) relating to interest on credit impaired assets, which is netted off from interest income in accordance with Ind AS 109 Financial Instrument.

28: Employee benefits expense

	For year ended March 31, 2026	For year ended March 31, 2025
Salaries, wages and bonus	399.70	474.37
Contribution to provident and other funds	32.32	38.74
Gratuity benefits (Refer Note 39 & 53)	7.58	3.51
Leave benefits (Refer Note 53)	8.09	6.98
Share based payments to employees (Refer Note 44)	3.82	19.12
Staff welfare expenses	7.46	12.72
	458.97	**555.44**

Notes to the Standalone Financial Statements

for the year ended March 31, 2026

(₹ in crores unless otherwise stated)

29: Depreciation and amortization

	For year ended March 31, 2026	For year ended March 31, 2025
On property, plant and equipment	7.96	14.16
On right of use assets	3.18	3.00
On intangible assets	1.47	1.76
	12.61	**18.92**

30: Other expenses

	For year ended March 31, 2026	For year ended March 31, 2025
Rent	31.20	31.27
Rates and taxes	1.21	1.61
Bank charges	2.35	3.62
Insurance	12.68	10.36
Office maintenance	8.76	10.98
Computers and network maintenance	30.35	24.84
Electricity charges	3.59	3.38
Travelling Expenses	56.27	67.32
Communication expenses	7.19	2.74
Printing and stationery	2.86	5.16
Legal and professional charges	14.79	10.71
Directors Remuneration	2.40	2.29
Auditors' remuneration (refer note 30.1 below)	2.11	1.64
Recruitment and training	0.06	0.13
Losses on account of fraud / rejected claim	15.06	36.09
Provision reversal on indirect tax matter	(2.76)	(12.32)
Loss on sale of property, plant and equipment	-	0.01
Corporate social responsibility expenditure (CSR) [refer note 30.2 below]	0.59	4.73
Miscellaneous Expenses	0.53	1.17
	189.24	**205.72**

30. 1 Details of payments to auditors:

	For year ended March 31, 2026	For year ended March 31, 2025
Audit fees	1.85	1.47
Certification fees	0.10	0.02
Out of pocket expenses	0.16	0.15
	2.11	**1.64**

Notes to the Standalone Financial Statements

for the year ended March 31, 2026

(₹ in crores unless otherwise stated)

30. 2 Details of CSR expenditure:

	For year ended March 31, 2026	For year ended March 31, 2025
Amount required to be spent during the year	-	4.73
Amount approved by the Board to be spent during the year	0.59	4.92
Amount spent during the year		
(i) Construction/ acquisition of asset	-	-
(ii) On purposes other than (i) above	0.59	4.92
Shortfall / (excess) at the end of the year	-	(0.19)
Total of previous years shortfall	-	-
Reason for shortfall	NA	NA
Nature of CSR activities	1. Skill development and Livelihoods 2. Health 3.Education 4.Water 5. Digital and Financial Literacy and 6. Promotion of Clean energy	
Details of related party transactions	Nil	Nil
Provision made during the year	-	-

Disclosure under section 135 (5) of the Companies Act, 2013

Particulars	For year ended March 31, 2026	For year ended March 31, 2025
Opening balance	(0.19)	(0.36)
Amount required to be spent during the year	-	4.73
Amount spent during the year	0.59	4.92
Closing balance	(0.19)	(0.19)

The Company has spent Nil for the year ended March 31, 2026 (March 31, 2025 ₹0.19 crores) in excess of requirement provided under sub-section (5) of section 135 and such excess amount is recognized as an asset to set off against the CSR obligation of the succeeding financial year.

31: Tax expense

	For year ended March 31, 2026	For year ended March 31, 2025
Current tax	-	-
Deferred tax (attributable to origination and reversal of temporary differences)	(201.30)	(317.11)
Total tax charge	**(201.30)**	**(317.11)**

Reconciliation of tax expense and the accounting (loss) / profit multiplied by India's tax rate

	For year ended March 31, 2026	For year ended March 31, 2025
Accounting profit before tax	(825.35)	(1,273.85)
Expected tax expense at the Indian tax rate 25.168%	(207.72)	(320.60)
Tax effect of amounts which are not deductible/taxable in calculating taxable income:		
Effect of expenses not deductible under the Income tax Act, 1961	6.42	3.49
Tax expense reported in the statement of profit and loss	**(201.30)**	**(317.11)**

Notes to the Standalone Financial Statements

for the year ended March 31, 2026

(₹ in crores unless otherwise stated)

32: Earning per share

	For year ended March 31, 2026	For year ended March 31, 2025
Net profit after tax as per statement of profit and loss	(624.05)	(956.74)
Net profit as above for calculation of basic EPS and diluted EPS	(624.05)	(956.74)
Weighted average number of equity shares in calculating basic EPS	7,68,14,147	7,13,04,406
Stock options granted under ESOP	-	-
Weighted average number of equity shares for diluted EPS	7,68,14,147	7,13,04,406
Basic earnings per share (₹)	(81.24)	(134.18)
Diluted earnings per share (₹)	(81.24)	(134.18)

Note: Employee stock options granted under ESOP were excluded from the calculation of diluted weighted average number of equity shares as their effect would have been anti-dilutive.

33: Operating segment

The Company operates in a single business segment i.e. financing, as the nature of the loans are exposed to similar risk and return profiles hence they are collectively operating under a single segment as per Ind AS 108 on 'Operating Segments'. The Company operates in a single geographical segment i.e. domestic, and hence there is no external revenue or assets which require disclosure. No revenue from transactions with a single external customer aggregates to 10% or more of the Company's total revenue during the year ended March 31, 2026 or March 31, 2025.

34: Related party disclosures (As per Ind AS 24)

(a) Name of related parties and nature of relationship

I. Subsidiary Companies

a) Caspian Financial Services Limited

b) Criss Financial Limited

II. Key Management Personnel ("KMP")

a) Mr. Venkatesh Krishnan - Managing Director and Chief Executive Officer (w.e.f November 27, 2025)

b) Mr. Ashish Damani - President and Chief Financial Officer (Interim CEO w.e.f.April 23, 2025 till November 27, 2025)

c) Mr. Vinay Prakash Tripathi - Company Secretary (w.e.f. January 23, 2024)

d) Mr. Shalabh Saxena - Managing Director and Chief Executive Officer (resigned w.e.f April 23, 2025)

III. Directors

a) Ms. Abanti Mitra - Non-Executive Chairperson and Independent Director

b) Mr. Deepak Vaidya - Independent Director

c) Mr. Animesh Chauhan - Independent Director

d) Mrs. Dipali Sheth - Independent Director

e) Mr. Vinayak Prasad - Independent Director

f) Mr. Sunish Sharma - Nominee Director

g) Ms. Saakshi Gera - Nominee Director (w.e.f May 22, 2024)

h) Mr. Ramachandra Kasargod Kamath - Nominee Director

i) Mr. Neeraj Swaroop - Nominee Director

j) Mr. Kartikeya Dhruv Kaji - Nominee Director (upto May 21, 2024)

IV. Entity having significant influence

a) Kangchenjunga Limited

b) Kedaara Capital Fund III LLP

Notes to the Standalone Financial Statements

for the year ended March 31, 2026

(₹ in crores unless otherwise stated)

34: Related party disclosures (As per Ind AS 24) (Contd.)

(b) Transactions with related parties

(i) Criss Financial Limited

	For year ended March 31, 2026	For year ended March 31, 2025
Interest income on Inter corporate advances	28.69	11.66
Rental income	0.03	0.06
Rental expense	0.00	0.23
Inter-corporate advances granted (gross)	447.50	143.10
Inter-corporate advances repaid	161.50	192.00
Investments made	-	100.00
Cashflow settlement (outflow)^	0.28	1.59
Expense reimbursements	0.21	0.26

^represents reimbursement of collections

(ii) Key Management Personnel

	For year ended March 31, 2026		
	(a) short-term employee benefits	(b) other long -term benefits	(c) share-based payment ^
Mr.Venkatesh Krishnan	1.48	0.02	1.68
Mr. Ashish Damani	4.35	0.10	2.02
Mr. Vinay Prakash Tripathi	0.65	0.01	0.33
Mr. Shalabh Saxena*	0.35	-	(4.50)

	For year ended March 31, 2025		
	(a) short-term employee benefits	(b) other long-term benefits	(c) share-based payment ^
Mr. Shalabh Saxena	6.05	0.28	4.08
Mr. Ashish Damani	4.58	0.25	2.05
Mr. Vinay Prakash Tripathi	0.65	0.02	0.32

^ Represents remuneration in the form of share-based payments towards employee stock options, whereby employees render services as consideration for equity instruments (equity-settled transactions). The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using the Black Scholes valuation model and amortized over vesting schedule.

* The total cost reversed in respect of share-based payments relating to employee stock options (10,28,127) amounted to ₹18.91 crore, including a reversal of ₹4.50 crore pertaining to unvested options, which has been recognised through the Statement of Profit and Loss.

(iii) Transactions with Non-Executive Directors (Annual fees) ^

	For year ended March 31, 2026	For year ended March 31, 2025
Mr. Deepak Vaidya	0.30	0.30
Mr. K R Kamath	0.30	0.30
Ms. Abanti Mitra	0.40	0.30
Mr. Animesh Chauhan	0.30	0.30
Mr. Neeraj Swaroop	0.30	0.30
Mrs. Dipali Sheth	0.30	0.30
Mr. Vinayak Prasad	0.30	0.30

^The above amounts are exclusive of GST

Notes to the Standalone Financial Statements

for the year ended March 31, 2026

(₹ in crores unless otherwise stated)

34: Related party disclosures (As per Ind AS 24) (Contd.)

(c) Balance receivable / (payable)

	As at March 31, 2026	As at March 31, 2025
Loans		
Criss Financial Limited	311.67	23.57
Investment in subsidiaries at cost		
Criss Financial Limited	315.00	315.00
Caspian Financial Services Limited	2.00	2.00
Less: Impairment loss allowance - Investment	(2.00)	(2.00)
Other non-financial assets		
Mr.Venkatesh Krishnan	2.49	-

(d) Corporate Guarantee for the term loans availed by Criss Financial Limited	-	**75.15**

Notes:

(a) All above transactions are in the ordinary course of business and on arms length basis. All outstanding balances are to be settled in cash and are unsecured.

35: Contingent liabilities and commitments

a. Claims against the Company not acknowledged as debt:

Particulars	March 31, 2026	March 31, 2025
Service tax	0.40	0.56
Goods and service tax	20.23	21.31
Income tax	33.42	28.78
Total	**54.05**	**50.65**

The Company's pending litigations primarily relate to matters under direct Tax and indirect tax. These have been reviewed in detail, and appropriate provisions have been made wherever required. Contingent liabilities have been disclosed, wherever applicable, in accordance with accounting standards. The amounts involved are based on management's best estimates, and no material liability is expected to arise from these matters. The Company does not expect the outcome of these proceedings to have a materially adverse effect on its financial performance and financial position regarding the amounts disclosed above, it is not practicable to disclose information on the possibility of any reimbursements as it is determinable only on the occurrence of uncertain future events.

b. Guarantee excluding financial guarantee

Particulars	March 31, 2026	March 31, 2025
Corporate Guarantee for the term loans availed by Criss Financial Limited	-	75.15
Total	**-**	**75.15**

Corporate Guarantee provided by the Company for the term loans availed by Criss Financial Limited (""CFL"") was used to assist CFL for its working capital requirement and day-to-day business activities.

c. Capital commitment

Particulars	March 31, 2026	March 31, 2025
Capital commitment	25.79	-
Total	**25.79**	**-**

36: Fair Value

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e., an exit price), regardless of whether that price is directly observable or estimated using a valuation technique. In order to show how fair values have been derived, financial instruments are classified based on a hierarchy of valuation techniques. This note describes the fair value measurement.

Notes to the Standalone Financial Statement

for the year ended March 31, 2026

(₹ in crores unless otherwise stated)

36: Fair Value (Contd.)

Valuation framework

The Company will assess the fair values for assets qualifying for fair valuation. The Company's valuation framework includes:

1. Benchmarking prices against observable market prices or other independent sources;
2. Development and validation of fair valuation models using model logic, inputs and adjustments.

These valuation models are subject to a process of due diligence and validation before they become operational and are continuously calibrated. These models are subject to approvals by various functions.

Fair values of financial assets, other than those which are subsequently measured at amortised cost, have been arrived at as under:

1. Fair values of investments held under FVTPL have been determined under level 1 using quoted Net Asset Value of the underlying instruments;
2. Fair value of loans held under a business model that is achieved by both collecting contractual cash flows and selling the loans are measured at FVOCI. The fair value of these loans has been determined under level 2.

37: Fair Value Hierarchy of assets and liabilities

Fair value measurement

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

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

Level 2 - The fair value of financial instruments that are not traded in an active market are determined using valuation techniques which maximise the use of observable market data (either directly as prices or indirectly derived from prices) and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2. The financial instruments included in Level 2 of fair value hierarchy have been valued using quotes available for similar assets and liabilities in the active market.

Level 3 - If one or more of the significant inputs is not based on observable market data (unobservable), the instrument is included in level 3.

I. The following table shows an analysis of financial instruments recorded at fair value by level of the fair value hierarchy

	Fair value measurement using		
	Level -1	**Level -2**	**Level -3**
Financial assets measured at fair value as at March 31, 2026			
Derivative financial instruments	-	7.49	-
Term Loans (at fair value through OCI)	-	3,317.57	-
Investments in mutual funds (measured at FVTPL)	13.82	-	-
Investments in security receipts (measured at FVTPL)	-	-	-
Retained interest on direct assignment	-	21.48	-
	13.82	**3,346.54**	**-**
Financial assets measured at fair value as at March 31, 2025			
Derivative financial instruments	-	2.47	-
Term Loans (at fair value through OCI)	-	5,013.65	-
Investments in mutual funds (measured at FVTPL)	62.81	-	-
Investments in security receipts (measured at FVTPL)	-	-	16.02
Retained interest on direct assignment	-	26.30	-
	62.81	**5,042.42**	**16.02**

Notes to the Standalone Financial Statement

for the year ended March 31, 2026

(₹ in crores unless otherwise stated)

37: Fair Value Hierarchy of assets and liabilities (Contd.)

II. The following table shows an analysis of financial assets that are not carried at fair value

	Amortized cost	Fair value measurement using		
		Level -1	Level -2	Level -3
Financial assets measured at fair value as at March 31, 2026				
Loans repayable on demand - Inter corporate advances to related parties - (at amortized cost) *	311.67	-	311.67	-
Investments in Government Securities (measured at amortized cost)	99.69	99.69	-	-
Investment in subsidiaries at cost *	315.00	-	-	315.00
	726.37	**99.69**	**311.67**	**315.00**
Financial assets measured at fair value as at March 31, 2025				
Loans repayable on demand - Inter corporate advances to related parties - (at amortized cost) *	23.57	-	23.57	-
Investments in Government Securities (measured at amortized cost)	30.82	30.82		
Investments in equity shares (measured at cost)	0.10	-	-	0.10
Investment in subsidiaries at cost *	315.00	-	-	315.00
	369.49	**30.82**	**23.57**	**315.10**

* Fair value considered to be equivalent to cost

III. The following table shows an analysis of financial liabilities that are not carried at fair value

	Amortized cost	Fair value measurement using		
		Level -1	Level -2	Level -3
Liabilities measured at fair value as at March 31, 2026				
Debt securities	2,084.04	-	2,117.62	-
Borrowings (other than Debt Securities)	1,740.21	-	1,744.66	
Lease Liabilities	6.27		6.27	
	3,830.52	**-**	**3,868.55**	**-**
Liabilities measured at fair value as at March 31, 2025				
Debt securities	1,934.93	-	1,946.49	-
Borrowings (other than Debt Securities)	3,261.71	-	3,258.66	-
Lease liabilities	9.15	-	9.15	-
	5,205.79	**-**	**5,214.30**	**-**

Note:

The carrying amounts of cash and cash equivalents, bank balances other than cash and cash equivalents, other financial assets, other financial liabilities and trade payables approximate the fair value because of their short-term nature.

Valuation technique used

For Term loans

The scheduled future cash flows (including principal and interest) are discounted using the lending rate prevailing as at the balance sheet date. The discounting factor is applied assuming the cash flows will be evenly received in a month. Further the overdue cash flows upto 90 Days (upto stage II) are discounted assuming they will be received in the third month. Fairvalue of cash flows for stage III loans are assumed as carrying value less provision for impairment loss allowance.

For investment in mutual funds

For investments, the Company has assessed the fair value on the basis of the NAV (Net Asset Value) declared by the mutual fund houses.

For investment in security receipts

The expected recoveries are discounted at yield to arrive at the present value of the recoveries. Fair value of cash flows are assumed as carrying value less provision for impairment loss allowance.

Notes to the Standalone Financial Statement

for the year ended March 31, 2026

(₹ in crores unless otherwise stated)

37: Fair Value Hierarchy of assets and liabilities (Contd.)

Financial liabilities measured at amortised cost

For Borrowings

The fair value of fixed rate borrowings is determined by discounting expected future contractual cash flows using current market interest rate being charged for new borrowings. The fair value of floating rate borrowing is deemed to equal its carrying value.

There have been no transfer between Level 1, 2 and 3 during the year ended March 31, 2026 and March 31, 2025.

38: Capital Management (Refer Note 51)

The Company's objective for capital management is to maximize shareholders' value, safeguard business continuity, meet the regulatory requirement and support the growth of the Company. The Company determines the capital requirement based on annual operating plans and long-term and other strategic investment plans. The funding requirements are met through borrowings, retained earnings and operating cash flows generated.

As an NBFC-MFI, the RBI requires us to maintain a minimum capital to risk weighted assets ratio ("CRAR") consisting of Tier I and Tier II capital of 15% of our aggregate risk weighted assets. Further, the total of our Tier II capital cannot exceed 100% of our Tier I capital at any point of time. The capital management process of the Company ensures to maintain a healthy CRAR at all the times.

The Company has a board approved policy on resource planning which states that the resource planning of the Company shall be based on its Asset Liability Management (ALM) requirement. The policy of the Company on resource planning will also cover the objectives of the regulatory requirement. The policy prescribes the sources of funds, threshold for mix from various sources, tenure, manner of raising the funds etc.

Regulatory Capital

Particulars	March 31, 2026	March 31, 2025
Tier I Capital	842.43	1,672.74
Tier II Capital	-	-
Total Capital	**842.43**	**1,672.74**
Risk weighted assets	2,830.75	4,607.30
Tier I CRAR	29.76%	36.31%
Tier II CRAR	0.00%	0.00%
Total CRAR	**29.76%**	**36.31%**

39: Defined Benefit Gratuity Plan

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service is eligible for gratuity, on cessation of employment and it is computed at 15 days salary (last drawn salary) for each completed year of service subject to limit of ₹ 0.2 crs per the Code on Social Security, 2020. The scheme is funded with an insurance Company in the form of a qualifying insurance policy.

The following tables summarized the components of net benefit expense recognized in the statement of profit and loss and the funded status and amounts recognized in the Balance Sheet for the gratuity plan.

Investment risk

The plan liabilities are calculated using a discount rate set with references to government bond yields; if plan assets underperform compared to this yield, this will create or increase a deficit. Currently, for the plan in India, it has a relatively balanced mix of investments in government securities, and other debt instruments.

Interest rate risk

A decrease in government bond yields will increase plan liabilities, although this is expected to be partially offset by an increase in the value of the plan's investment in debt instruments.

Variability in withdrawal rates

If actual withdrawal rates are higher than assumed withdrawal rate assumption, then the gratuity benefits will be paid earlier than expected. The impact of this will depend on whether the benefits are vested as at the resignation date.

Notes to the Standalone Financial Statement

for the year ended March 31, 2026

(₹ in crores unless otherwise stated)

39: Defined Benefit Gratuity Plan (Contd.)

Regulatory Risk

Gratuity Benefit must comply with the requirements of the Code on Social Security, 2020. There is a risk of change in the regulations requiring higher gratuity payments (e.g. raising the present ceiling of ₹ 20,00,000, raising accrual rate from 15/26 etc.).

Inflation Risk

The present value of some of the defined benefit plan obligations are calculated with reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

Salary Risk

The present value of the defined benefit plan liability is calculated by reference to the future salaries of members. As such, an increase in the salary of the members more than assumed level will increase the plan's liability.

Asset Liability Matching Risk

The plan faces the ALM risk as to the matching cash flow. Since the plan is invested in lines of Rule 101 of Income Tax Rules, 1062, this generally reduces ALM risk.

Concentration Risk

Plan is having a concentration risk as all the assets are invested with the insurance company and a default will wipe out all the assets. Although probability of this is very low.

Life expectancy

The present value of defined benefit plan obligation is calculated by reference to the best estimate of the mortality of plan participants, both during and after the employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

If actual mortality rates are higher than assumed mortality rate assumption than the gratuity benefits will be paid earlier than expected. Since there is no condition of vesting on the death benefit, the acceleration of cashflow will lead to an actuarial loss or gain depending on the relative values of the assumed salary growth and discount rate.

Movement in defined benefit obligations

Particulars	March 31, 2026	March 31, 2025
Defined benefit obligation as at the beginning of the year	13.32	11.81
Current service cost	6.72	2.78
Interest on defined benefit obligation	0.87	0.85
Remeasurements- Actuarial (gain) / loss	(0.23)	(0.52)
Benefits paid	(2.85)	(1.60)
Defined benefit obligation as at the end of the year	**17.83**	**13.32**

Movement in plan assets

Particulars	March 31, 2026	March 31, 2025
Fair value of plan assets as at the beginning of the year	0.22	1.70
Actual return on plan assets	0.02	0.10
Employer contributions	11.01	0.02
Benefits paid	(2.85)	(1.60)
Fair value of plan assets as at the end of the year	**8.41**	**0.22**

The Company expects to contribute ₹5.16 crores (March 31, 2025 ₹4.00 crores) to gratuity in the next financial year.

Reconciliation of net liability/ asset

Particulars	March 31, 2026	March 31, 2025
Net defined benefit liability as at the beginning of the year	13.10	10.11
Expense charged to statement of profit and loss	7.58	3.51
Amount recognised in other comprehensive income	(0.24)	(0.50)
Employer contributions	(11.01)	(0.02)
Net defined benefit liability as at the end of the year	**9.42**	**13.10**

Notes to the Standalone Financial Statement

for the year ended March 31, 2026

(₹ in crores unless otherwise stated)

39: Defined Benefit Gratuity Plan (Contd.)

Expenses charged to the statement of profit and loss

Particulars	March 31, 2026	March 31, 2025
Current service cost	6.72	2.78
Interest cost	0.86	0.73
Total	**7.58**	**3.51**

Remeasurement gains/(losses) in the other comprehensive income

Particulars	March 31, 2026	March 31, 2025
Actuarial Gain / (Loss) on Liabilities		
- due to change in financial assumptions	0.09	(0.37)
- due to change in demographic assumptions	-	2.74
- due to experience variance	0.15	(1.85)
Total -A	**0.24**	**0.52**
Actuarial Gain / (Loss) on assets		
- Expected Interest Income	0.02	0.12
- Actual Income on Plan Asset	0.02	0.10
Total - B	**0.00**	**(0.02)**
Amount recognised under OCI (A+B)	**0.24**	**0.50**

The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:

Category of Assets	March 31, 2026	March 31, 2025
Fund managed by Insurer	100%	100%
Total	**100%**	**100%**

Summary of Actuarial Assumptions

Particulars	March 31, 2026	March 31, 2025
Discount rate	6.80%	6.55%
Return on plan assets	6.55%	7.18%
Rate of Increase in compensation levels	7.50%-12.50%	7.50%-12.50%
Retirement age (years)	58	58
Withdrawal rate / Attrition rate	40%	40%
Mortality rate	100% of IALM 2012-14	

Discount rate: The discount rate is based on the 5 years government bond yields as at the balance sheet date for the estimated term of the obligations.

Return on plan assets: This is based on the expectation of the average long term rate of return expected on investments of the fund during the estimated term of the obligations.

Salary escalation rate: The estimates of future salary increases considered taking into account the inflation, seniority, promotion and other relevant factors.

A quantitative sensitivity analysis for significant assumptions as at the balance sheet date are as shown below:

Particulars	March 31, 2026	March 31, 2025
Discount rate (+0.5%)	(0.17)	(0.13)
Discount rate (-0.5%)	0.18	0.14
Salary Inflation (+1%)	0.34	0.26
Salary Inflation (-1%)	(0.33)	(0.25)
Withdrawal Rate (+5%)	(0.84)	(0.69)
Withdrawal Rate (-5%)	0.95	0.79

Notes to the Standalone Financial Statement

for the year ended March 31, 2026

(₹ in crores unless otherwise stated)

39: Defined Benefit Gratuity Plan (Contd.)

A quantitative sensitivity analysis for significant assumptions as at the balance sheet date are as shown below:

Particulars	March 31, 2026	March 31, 2025
Year 1	5.03	3.62
Year 2	4.01	3.07
Year 3	3.47	2.49
Year 4	2.78	2.00
Year 5	1.93	1.54
After year 5	3.47	2.72

The weighted average duration of the defined benefit obligation of Company is ~ 5 years

40: Leases

Company as a lessee

The Company's significant leasing arrangements are in respect of operating leases of office premises (Head office and branch offices). The branch office premises are generally rented on cancellable term of eleven months with or without escalation clause, however none of the branch lease agreements carries non-cancellable lease periods. The head office premises have been obtained on a lease term of five years with an annual escalation clause of five percent. The Company has applied short term lease exemption for leasing arrangements where the period of lease is less than 12 months.

Amounts recognised in the statement of profit and loss:

Particulars	March 31, 2025	March 31, 2024
Depreciation expense of right-of-use assets	3.18	3.00
Interest expense on lease liabilities	0.85	1.09
Expense relating to short-term leases	31.20	31.27
Total amount recognised in the statement of profit and loss	**35.23**	**35.36**

Particulars	March 31, 2025	March 31, 2024
Total commitments for short term leases	10.26	13.81

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the year:

Particulars	March 31, 2026	March 31, 2025
Balances as at the beginning of the year	7.61	9.27
Addition	0.49	1.33
Deletion	-	-
Depreciation	(3.18)	(3.00)
Balances as at the end of the year	**4.91**	**7.61**

Set out below are the carrying amounts of lease liabilities recognised and the movements during the year:

Particulars	March 31, 2026	March 31, 2025
Balances as at the beginning of the year	9.15	10.54
Addition	0.49	1.33
Accretion of interest	0.85	1.09
Deletion	-	-
Payments	(4.22)	(3.82)
Balances as at the end of the year	**6.27**	**9.15**

Notes to the Standalone Financial Statement

for the year ended March 31, 2026

(₹ in crores unless otherwise stated)

40: Leases (Contd.)

The details of the contractual maturities of lease liabilities on an undiscounted basis is as follows:

Particulars	March 31, 2026	March 31, 2025
Less than one year	4.50	4.14
One to five years	2.39	6.35
More than five years	-	-
Total	**6.89**	**10.49**

The total cash outflow for leases is ₹35.75 crores (March 31, 2025: ₹35.41 crores), including cash outflow for short term leases

41: Amount payable to micro small and medium enterprises

Based on information available with the Company, as at the reporting period, there are no dues payable to suppliers who are registered as micro and small enterprises under the provisions of the Micro, Small and Medium Enterprises Development Act, 2006.

Particulars	March 31, 2026	March 31, 2025
1. the principal amount and the interest due thereon (to be shown separately) remaining unpaid to any supplier at the end or each accounting year;^	0.95	-
2. the amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year	-	-
3. the amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006;	-	-
4. the amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006;	-	-
5. the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance or a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	-	-

^Including unbilled amount of ₹0.88 crs

42: Risk Management and financial objectives

Risk is an integral part of the Company's business and sound risk management is critical to the success. As a financial intermediary, the Company is exposed to risks that are particular to its line of business and the environment within which it operates and primarily includes credit, liquidity and market risks. The Company has a risk management policy which covers all types of risks that the Company is exposed to. The risk management policy is approved by the Board of Directors. The Company has identified and implemented comprehensive policies and procedures to assess, monitor and manage risk throughout the Company. The risk management process is continuously reviewed, improved and adapted in the context of changing risk scenarios and agility of the risk management process is monitored and reviewed for its appropriateness in the changing risk landscape. The process of continuous evaluation of risks includes taking stock of the risk landscape on an event-driven basis. The Company has an elaborate process for risk management. Major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continuing basis.

Notes to the Standalone Financial Statement

for the year ended March 31, 2026

(₹ in crores unless otherwise stated)

42.1 Credit Risk

Credit risk is the risk that the counterparty shall not meet its obligations under a financial instrument or customer contract, leading to a financial loss for the lender. Credit risk encompasses of both, the direct risk of default and the risk of deterioration of the creditworthiness as well as concentration of risks. Credit risk arises primarily from financial assets such as loan receivables, investment in securities, balances with banks and other receivables. Financial instruments that are subject to concentration of credit risk principally consist of investments, bank deposits and other financial assets. The policies of the Company are framed in a manner that ensure that none of the financial instruments where the Company has invested result in material concentration of credit risk. None of the Company's cash equivalents, including fixed deposits, were either past due or impaired as at March 31, 2026 and March 31, 2025. The Company has diversified its portfolio of investment in cash and cash equivalents and term deposits with various banks with sound credit ratings, hence the risk is reduced.

Loans

Credit risk is the risk of loss that may occur from defaults by our borrowers under our loan agreements. In order to address this credit risk, we have stringent credit assessment policies for client selection. Measures such as verifying client details, online documentation and the usage of credit bureau data to get information on past credit behaviour also supplement the efforts for containing credit risk. We also follow a systematic methodology in the opening of new branches, which takes into account factors such as the demand for credit in the area; income and market potential; and socio-economic and law and order risks in the proposed area. Further, our client due diligence procedures encompass various layers of checks, designed to assess the quality of the proposed group and to confirm that they meet our criteria."

The Company is a rural focused NBFC-MFI with a geographically diversified presence in India and offers income generation loans under the joint liability group model, predominantly to women from low-income households in rural areas. Further, as we focus on providing micro-loans in rural areas, the results of our operations are affected by the performance and the future growth potential of microfinance in rural India. Our clients typically have limited sources of income, savings and credit histories and our loans are typically provided free of collateral. Such clients generally do not have a high level of financial resilience, and, as a result, they can be adversely affected by declining economic conditions and natural calamities. In addition, we rely on non-traditional guarantee mechanisms rather than tangible assets as collateral, which may not be effective in recovering the value of our loans.

The criteria of default, significant increase in credit risk and stage assessment is mentioned in note 3 (j) of the material accounting policies. The below discussion describes the Company's approach for assessing impairment.

A) Probability of default (PD)

The Company compute PD at enterprise level considering the borrower profile and loan product offered to them are homogeneous. The product features like loan tenure, interest rate, ticket size, customer selection are uniform across the branches and thus carry similar uncertainties. The geographical related political and natural calamity risk is more rationalised when looked at the enterprise level.

Accordingly, the Company determines PD for each stage depending upon the underlying classification of asset (i.e., Stage I or Stage II). The PD rates for Stage I and II have been further bifurcated based on the days-past-due (DPD) status of the loans (i.e., current to 30 DPD, 31-60 DPD and 61-90 DPD) to incorporate adequate granularity. PD rate for stage 3 is derived as 100% considering that the default occurs as soon as the loan becomes overdue for 90 days.

B) Exposure at default (EAD)

Exposure at default (EAD) is the sum of outstanding principal and the interest amount accrued but not received on each loan as at reporting date."

C) Loss given default

The Company determines its expectation of lifetime loss by estimating recoveries towards its loan through analysis of historical information. The Company determines its recovery rates by analysing the recovery trends over different periods of time after a loan has defaulted. LGD is the difference between the exposure at default and its recovery rate. It is based on the difference between the contractual cash flows due and those that the Company would expect to receive. LGD is calculated as % of Exposure that the Company expects to lose at the time of default. LGD is computed as {1-Recovery Rate (RR)} where RR indicates % of Recovery post default.

Notes to the Standalone Financial Statement

for the year ended March 31, 2026

(₹ in crores unless otherwise stated)

42: Risk Management and financial objectives (Contd.)

Analysis of concentration risk:

The Company's loan book consists of a large number of customers spread over diverse geographical area. The following tables show the geographical concentrations of loans:

Particulars	March 31, 2026	March 31, 2025
Madhya Pradesh	14.69%	13.35%
Bihar	14.01%	11.49%
Odisha	12.63%	12.65%
Andhra Pradesh	10.37%	11.00%
West Bengal	8.60%	6.46%
Maharashtra	6.79%	8.23%
Jharkhand	6.67%	5.42%
Karnataka	6.17%	10.17%
Uttar Pradesh	5.89%	5.49%
Chhattisgarh	5.04%	5.04%
Rajasthan	3.63%	3.55%
Telangana	1.97%	1.45%
Gujarat	1.69%	3.21%
Others ^	1.86%	2.49%
Total	**100.00%**	**100.00%**

^ comprises of Goa, Haryana, Himachal Pradesh, Kerala, Pondicherry, Tamilnadu and Uttarakhand

Collateral and other credit enhancement

The Company's secured portfolio consists of loans against property (including land and building). Although collateral is an important mitigant credit risk, the Company's practice is to lend on the basis of its assessment of the customer's ability to repay rather than placing primary reliance on collateral. Based on the nature of the product and the Company's assessment of the customer's credit risk, a loan may be offered with suitable collateral.

42.1.a Inter-corporate advance given by the Company to related parties are repayable on demand and governed by Company's policy on demand loans approved by the board of directors. Such policy requires credit appraisal of the financial and operational performance of the counter parties, to be performed by the Company before renewing/ rolling over of the advance.

42.2 Liquidity Risk

Liquidity risk refers to the risk that the Company may not meet its financial obligations. Liquidity risk arises due to the unavailability of adequate funds at an appropriate cost or tenure. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The Company consistently generates sufficient cash flows from operating and financing activities to meet its financial obligations as and when they fall due. Our resource mobilization team sources funds from multiple sources, including from banks, financial institutions and capital markets to maintain a healthy mix of sources. The resource mobilization team is responsible for diversifying fundraising sources, managing interest rate risks and maintaining a strong relationship with banks, financial institutions, mutual funds, insurance companies, other domestic and foreign financial institutions and rating agencies to ensure the liquidity risk is well addressed. In order to reduce dependence on a single lender, the Company has adopted a cap on borrowing from any single lender at 25%. The maturity schedule for all financial liabilities and assets are regularly reviewed and monitored. Company has a asset liability management (ALM) policy and ALM Committee to review and monitor the liquidity risk and ensure the compliance with the prescribed regulatory requirement. The ALM Policy prescribes the detailed guidelines for managing the liquidity risk.

Notes to the Standalone Financial Statement

for the year ended March 31, 2026

(₹ in crores unless otherwise stated)

42: Risk Management and financial objectives (Contd.)

Maturity pattern of financial liabilities:

Particulars	Borrowings *		Other financial liabilities	
	March 31, 2026	March 31, 2025	March 31, 2026	March 31, 2025
Upto 1 month	365.26	349.30	72.17	71.17
1 to 2 months	254.09	383.37	15.69	5.78
2 to 3 months	658.50	878.66	0.36	3.60
3 to 6 months	897.93	990.38	3.84	16.53
6 months to 1 year	917.78	1,610.92	2.29	2.10
1 to 3 years	1,062.12	1,394.68	2.12	29.79
3 to 5 years	-	10.98	0.27	0.39
Over 5 years	-	-	-	-
Total	**4,155.68**	**5,618.29**	**96.74**	**129.36**

*Represents debt securities, borrowings (other than debt securities) and subordinated liabilities and includes interest payable as per agreed repayment schedule

Maturity analysis of assets and liabilities

The table below shows an analysis of assets and liabilities analyzed according to when they are expected to be recovered and settled.

	March 31, 2026			March 31, 2025		
	Within 12 Months	After 12 Months	Total	Within 12 Months	After 12 Months	Total
ASSETS						
Financial assets						
Cash and cash equivalents	720.33	-	720.33	1,206.97	-	1,206.97
Bank balance other than cash and cash equivalents	420.85	72.60	493.45	540.41	43.42	583.83
Derivative financial instruments	7.49	-	7.49	2.47	-	2.47
Loans	2,294.50	1,334.74	3,629.24	4,215.93	821.29	5,037.22
Investments	113.51	315.00	428.51	107.81	316.94	424.75
Other financial assets	71.26	16.26	87.52	94.05	41.28	135.33
Total financial assets	**3,627.93**	**1,738.61**	**5,366.54**	**6,167.63**	**1,222.94**	**7,390.57**
Non-Financial assets						
Current tax assets (net)	-	117.30	117.30	-	110.03	110.03
Deferred tax assets (net)	-	640.63	640.63	-	437.97	437.97
Property, plant and equipment	-	13.22	13.22	-	23.34	23.34
Other intangible assets	-	2.80	2.80	-	2.59	2.59
Other non-financial assets	-	36.42	36.42	-	43.48	43.48
Total non-financial assets	**-**	**810.37**	**810.37**	**-**	**617.41**	**617.41**
Total Assets	**3,627.93**	**2,548.98**	**6,176.91**	**6,167.63**	**1,840.35**	**8,007.98**
LIABILITIES						
Financial liabilities						-
Payables	9.42	-	9.42	7.31	-	7.31
Debt securities	1,501.57	582.47	2,084.04	1,276.04	658.89	1,934.93
Borrowings (other than Debt Securities)	1,334.09	406.12	1,740.21	2,604.22	657.49	3,261.71
Other financial liabilities	93.91	2.22	96.14	98.36	28.96	127.32
Total financial liabilities	**2,938.99**	**990.82**	**3,929.81**	**3,985.93**	**1,345.34**	**5,331.27**

Notes to the Standalone Financial Statement

for the year ended March 31, 2026

(₹ in crores unless otherwise stated)

42: Risk Management and financial objectives (Contd.)

	March 31, 2026			March 31, 2025		
	Within 12 Months	After 12 Months	Total	Within 12 Months	After 12 Months	Total
Non-Financial liabilities						
Current tax liabilities (net)	-	11.06	11.06	-	5.35	5.35
Provisions	10.25	12.64	22.89	8.10	16.52	24.62
Other non-financial liabilities	15.63	3.77	19.40	17.44	6.53	23.97
Total non-financial liabilities	**25.87**	**27.48**	**53.35**	**25.54**	**28.40**	**53.94**
Total Liabilities	**2,964.86**	**1,018.30**	**3,983.16**	**4,011.47**	**1,373.74**	**5,385.21**
Net	**663.07**	**1,530.68**	**2,193.75**	**2,156.16**	**466.61**	**2,622.77**

42.3 Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market factor. Such changes in the values of financial instruments may result from changes in the interest rates, credit, liquidity and other market changes. The Company is exposed to two types of market risks as follows:

42.3a Interest rate risk

Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

We are subject to interest rate risk, principally because we lend to clients at fixed interest rates and for periods that may differ from our funding sources, while our borrowings are at both fixed and variable interest rates for different periods. We assess and manage our interest rate risk by managing our assets and liabilities. Our Asset Liability Management Committee evaluates asset liability management, and ensures that all significant mismatches, if any, are being managed appropriately.

The Company has Board Approved Asset Liability Management (ALM) policy for managing interest rate risk and policy for determining the interest rate to be charged on the loans given.

The following table demonstrates the sensitivity to a reasonably possible change in the interest rates on the portion of borrowings affected. With all other variables held constant, the profit before tax and equity is affected through the impact on floating rate borrowings, as follows:

Finance Cost	March 31, 2026	March 31, 2025
0.50 % Increase	(19.12)	(25.98)
0.50 % Decrease	19.12	25.98

42.3b Price Risk

The Company's exposure to price risk is not material and it is primarily on account of investment of temporary treasury surplus in the highly liquid debt funds for very short durations. The Company has a board approved policy of investing its surplus funds in highly rated debt mutual funds and other instruments having insignificant price risk, not being equity funds/ risk bearing instruments.

42.3c Currency Risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. Foreign currency risk arise majorly on account of foreign currency borrowings. The Company manages its foreign currency risk by entering in to cross currency interest rate swaps.

Particulars	March 31, 2026		March 31, 2025	
	Amount in USD	Amount in INR	Amount in USD	Amount in INR
Borrowings (other than Debt Securities)	1,05,00,000	92.27	2,00,00,000	164.60
Derivative financial instruments	1,05,00,000	7.49	2,00,00,000	2.47

The carrying amount of the Company's foreign currency denominated monetary items as at March 31, 2026 and March 31, 2025 is not significant and hence reasonably possible change in the exchange rates, with all other variables held constant, will not have a significant impact on the profit before tax and equity of the Company.

Notes to the Standalone Financial Statement

for the year ended March 31, 2026

(₹ in crores unless otherwise stated)

43: Transfer of Financial assets

a. Securitisation Transaction:

The Company has entered into securitisation arrangement with various parties. Under such arrangement, the Company has transferred a pool of loans, which does not fulfil the derecognition criteria specified under Ind AS 109 as the Company has concluded that risk and rewards with respect to these assets are not substantially transferred. Following such transfer, the Company's involvement in these assets is as follows:

- As a servicer of the transferred assets
- To the extent of credit enhancements provided to such parties

The value of Financial assets and liabilities as on :-

Particulars	March 31, 2026	March 31, 2025
Carrying amount of assets	764.71	920.40
Carrying amount of associated liabilities	716.50	678.27
Fair value of assets	762.87	946.39
Fair value of associated liabilities	722.32	679.57

The shortfall of fair value of associated liabilities over fair value of assets is ₹ Nil (March 31, 2025: ₹ Nil)

b. Assignment Transaction:

The Company has sold some loans and advances measured at FVOCI as per assignment deals, as a source of finance. As per the terms of deal, since the derecognition criteria as per Ind AS 109, including transfer of substantially all the risks and rewards relating to assets to the buyer being met, the assets have been derecognised.

The table below summarises the carrying amount of the derecognised financial assets measured at fair value and the gain/(loss) on derecognition :-

Particulars	March 31, 2026	March 31, 2025
Carrying amount in respect of financial assets derecognised	354.76	528.29
Gain/(loss) from derecognition during the year	27.94	83.33

Since the Company transferred the above financial asset in a transfer that qualified for derecognition in its entirety, therefore the whole of the interest spread (over the expected life of the asset) is recognised on the date of derecognition itself as interest only strip receivable and correspondingly recognised as profit on derecognition of financial asset.

Notes to the Standalone Financial Statements

for the year ended March 31, 2026

(₹ in crores unless otherwise stated)

44: Employee Stock Option Plan (ESOP)

a) **The Company has provided various equity settled share based payment schemes to its employees. The details are ESOP scheme are as follows.**

Particulars	Grant I	Grant II	Grant IV	Grant V	Grant IX	Grant XII ESOP Plan 2018 and ESOP Scheme 2021	Grant I ESOP Plan 2021 and ESOP Scheme 2021-Series A	Grant II ESOP Plan 2021 and ESOP Scheme 2021-Series A	Grant III ESOP Plan 2021 and ESOP Scheme 2021-Series A
Date of grant	13-Aug-18	13-Aug-18	28-Jan-20	28-Jan-20	31-Aug-20	14-Aug-21	02-Nov-21	30-Mar-22	11-Jul-22
Date of Board / Compensation/ Committee Approval	13-Aug-18	13-Aug-18	28-Jan-20	28-Jan-20	31-Aug-20	14-Aug-21	02-Nov-21	30-Mar-22	11-Jul-22
Number of options granted	3,38,854	8,17,500	90,500	3,36,500	28,000	12,28,000	1,23,000	16,60,000	2,15,000
Exercise price	263.35	263.35	1077.37	1077.37	608.74	636.46	521.66	371.07	415.59
Method of settlement	Equity	Equity	Equity	Equity	Equity	Equity	Equity	Equity	Equity
Vesting period	20 % equally at the end of each year	End of year 1 – 30% End of year 2 – 30% End of year 3 – 20% End of year 4 – 20%	20 % equally at the end of each year	End of year 1 – 30% End of year 2 – 30% End of year 3 – 20% End of year 4 – 20%	20 % equally at the end of each year			25 % equally at the end of each year	
Exercise period	9 years from the grant date (or) one year from the date of separation after vesting, whichever is earlier								
Name of the plan	ESOP Plan 2018 and ESOP Scheme 2018					ESOP Plan 2021 and ESOP Scheme 2021-Series A			

Particulars	Grant IV ESOP Plan 2021 and ESOP Scheme 2021-Series A	Grant V ESOP Plan 2021 and ESOP Scheme 2021-Series A	Grant VI ESOP Plan 2021 and ESOP Scheme 2021-Series A	Grant XIII ESOP Plan 2018 and ESOP Scheme 2021	Grant XIV ESOP Plan 2018 and ESOP Scheme 2021	Grant XV ESOP Plan 2018 and ESOP Scheme 2021	Grant XVI ESOP Plan 2018 and ESOP Scheme 2021	Grant XVII ESOP Plan 2018 and ESOP Scheme 2021
Date of grant	08-Sep-22	17-Oct-22	31-Jan-23	25-Apr-23	02-May-23	03-Nov-23	20-Jan-24	17-Feb-24
Date of Board / Compensation/ Committee Approval	08-Sep-22	17-Oct-22	31-Jan-23	25-Apr-23	02-May-23	03-Nov-23	20-Jan-24	17-Feb-24
Number of options granted	1,60,000	50,000	6,38,000	1,50,000	60,000	10,000	7,000	1,87,135
Exercise price	554.88	553.1	569.18	567.02	582.96	849.38	1192.56	970.92
Method of settlement	Equity	Equity	Equity	Equity	Equity	Equity	Equity	Equity

Notes to the Standalone Financial Statements

for the year ended March 31, 2026

(₹ in crores unless otherwise stated)

44: Employee Stock Option Plan (ESOP) (Contd.)

Particulars	Grant IV ESOP Plan 2021 and ESOP Scheme 2021-Series A	Grant V ESOP Plan 2021 and ESOP Scheme 2021-Series A	Grant VI ESOP Plan 2021 and ESOP Scheme 2021-Series A	Grant XIII ESOP Plan 2018 and ESOP Scheme 2021	Grant XIV ESOP Plan 2018 and ESOP Scheme 2021	Grant XV ESOP Plan 2018 and ESOP Scheme 2021	Grant XVI ESOP Plan 2018 and ESOP Scheme 2021	Grant XVII ESOP Plan 2018 and ESOP Scheme 2021
Vesting period	25 % equally at the end of each year							End of year 1 – 33% End of year 2 – 33% End of year 3 – 34%
Exercise period	9 years from the grant date (or) before separation after vesting, whichever is earlier.							4 years from the date of each vesting
Name of the plan	ESOP Plan 2021 and ESOP Scheme 2021-Series A				ESOP Plan 2018 and ESOP Scheme 2021			

Particulars	Grant XVIII ESOP Plan 2018 and ESOP Scheme 2021	Grant XIX ESOP Plan 2018 and ESOP Scheme 2021	Grant XX ESOP Plan 2018 and ESOP Scheme 2021	Grant XXI ESOP Plan 2018 and ESOP Scheme 2021
Date of grant	23-Apr-24	02-Nov-24	16-Jan-25	05-Mar-25
Date of Board / Compensation/ Committee Approval	23-Apr-24	02-Nov-24	16-Jan-25	05-Mar-25
Number of options granted	60,000	10,000	7,000	67,000
Exercise price	881.76	446.93	408.98	283.85
Method of settlement	Equity	Equity	Equity	Equity
Vesting period	25 % equally at the end of each year			
Exercise period	9 years from the grant date (or) before separation after vesting, whichever is earlier.			
Name of the plan	ESOP Plan 2018 and ESOP Scheme 2021			

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for the year ended March 31, 2026

(₹ in crores unless otherwise stated)

44: Employee Stock Option Plan (ESOP) (Contd.)

Particulars	Grant XXII ESOP Plan 2018 and ESOP Scheme 2021	Grant XXIII ESOP Plan 2018 and ESOP Scheme 2021	Grant XXIV ESOP Plan 2018 and ESOP Scheme 2021	Grant XXV ESOP Plan 2018 and ESOP Scheme 2021 & Grant VII ESOP Plan 2021 and ESOP Scheme 2021-Series A	Grant XXVI ESOP Plan 2018 and ESOP Scheme 2021 & Grant VIII ESOP Plan 2021 and ESOP Scheme 2021-Series A	Grant IX ESOP Plan 2021 and ESOP Scheme 2021-Series A	Grant X ESOP Plan 2021 and ESOP Scheme 2021-Series A & Grant XXVII ESOP Plan 2018 and ESOP Scheme 2021
Date of grant	05-Apr-25	23-May-25	31-Jul-25	08-Oct-25	27-Dec-25	05-Feb-26	26-Feb-26
Date of Board / Compensation/ Committee Approval	05-Apr-25	23-May-25	31-Jul-25	08-Oct-25	27-Dec-25	05-Feb-26	26-Feb-26
Number of options granted	6,500	16,500	5,000	12,43,000	8,85,000	80,000	60,000
Exercise price	248.06	285.38	291.08	255.31	269.44	246.43	258.17
Method of settlement	Equity	Equity	Equity	Equity	Equity	Equity	Equity
Vesting period	25 % equally at the end of each year						
Exercise period	9 years from the grant date (or) before separation after vesting, whichever is earlier.						
Name of the plan	ESOP Plan 2018 and ESOP Scheme 2021				ESOP Plan 2021 and ESOP Scheme 2021-Series A ESOP Plan 2018 and ESOP Scheme 2021		

b) The details of all grants in operation during financial year 2025-26 have been summarised below:

Plan	Grant Date	Exercise Price	Outstanding at the beginning of the year	Grant during the year	Exercised during the year	Lapsed during the year	Outstanding at the end of the year	Exercisable at the end of the year	Weighted average remaining contractual life of options (in years)
Grant I	13-Aug-18	263.35	1,600	-	-	-	1,600	1,600	1.36
Grant II	13-Aug-18	263.35	13,550	-	-	-	13,550	13,550	1.36
Grant IV	28-Jan-20	1,077.37	13,000	-	-	4,000	9,000	9,000	2.82
Grant V	28-Jan-20	1,077.37	1,19,500	-	-	15,500	1,04,000	1,04,000	2.82
Grant IX	31-Aug-20	608.74	8,000	-	-	-	8,000	8,000	3.42
Grant XII Scheme 2021	14-Aug-21	636.46	5,42,050	-	-	1,76,300	3,65,750	2,86,550	4.37
Grant I Plan 2021 Series A	02-Nov-21	521.66	43,500	-	-	12,900	30,600	21,600	4.59
Grant II Plan 2021 Series A	30-Mar-22	371.07	15,00,000	-	-	9,80,000	5,20,000	5,20,000	4.99
Grant III Plan 2021 Series A	11-Jul-22	415.59	37,000	-	-	37,000	-	-	5.28

Notes to the Standalone Financial Statements

for the year ended March 31, 2026

(₹ in crores unless otherwise stated)

44: Employee Stock Option Plan (ESOP) (Contd.)

Plan	Grant Date	Exercise Price	Outstanding at the beginning of the year	Grant during the year	Exercised during the year	Lapsed during the year	Outstanding at the end of the year	Exercisable at the end of the year	Weighted average remaining contractual life of options (in years)
Grant IV Plan 2021 Series A	08-Sep-22	554.88	1,00,000	-	-	30,000	70,000	50,000	5.44
Grant V Plan 2021 Series A	17-Oct-22	553.10	47,500	-	-	47,500	-	-	5.55
Grant VI Plan 2021 Series A	31-Jan-23	569.18	5,19,250	-	-	1,90,500	3,28,750	2,37,500	5.84
Grant XIII Scheme 2021	25-Apr-23	567.02	1,40,000	-	-	-	1,40,000	70,000	6.07
Grant XIV Scheme 2021	02-May-23	582.96	60,000	-	-	-	60,000	30,000	6.08
Grant XV Scheme 2021	03-Nov-23	849.38	10,000	-	-	-	10,000	5,000	6.59
Grant XVI Scheme 2021	20-Jan-24	1,192.56	7,000	-	-	-	7,000	3,500	6.81
Grant XVII Scheme 2021	17-Feb-24	970.92	1,69,262	-	-	79,809	89,453	59,044	4.88
Grant XVIII Scheme 2021	23-Apr-24	881.76	60,000	-	-	-	60,000	15,000	7.06
Grant XIX Scheme 2021	02-Nov-24	446.93	10,000	-	-	10,000	-	-	7.59
Grant XX Scheme 2021	16-Jan-25	408.98	7,000	-	-	-	7,000	1,750	7.80
Grant XXI Scheme 2021	05-Mar-25	283.85	67,000	-	-	67,000	-	-	7.93
Grant XXII Scheme 2021	05-Apr-25	248.06	-	6,500	-	-	6,500	-	8.01
Grant XXIII Scheme 2021	23-May-25	285.38	-	16,500	-	-	16,500	-	8.15
Grant XXIV Scheme 2021	31-Jul-25	291.08	-	5,000	-	-	5,000	-	8.33
Grant VII Plan 2021 Series A & Grant XXV Scheme 2021	08-Oct-25	255.31	-	12,43,000	-	1,34,000	11,09,000	-	8.52
Grant VIII Plan 2021 Series A & Grant XXVI Scheme 2021	27-Dec-25	269.44	-	8,85,000	-	-	8,85,000	-	8.74
Grant IX Plan 2021 Series A	05-Feb-26	246.43	-	80,000	-	-	80,000	-	8.85
Grant X Plan 2021 Series A & Grant XXVII Scheme 2021	26-Feb-26	258.17	-	60,000	-	-	60,000	-	8.91
Total			34,75,212	22,96,000	-	17,84,509	39,86,703	14,36,094	

Notes to the Standalone Financial Statements

for the year ended March 31, 2026

(₹ in crores unless otherwise stated)

44: Employee Stock Option Plan (ESOP) (Contd.)

c) The details of all grants in operation during financial year 2024-25 have been summarised below:

Plan	Grant Date	Exercise Price	Outstanding at the beginning of the year	Grant during the year	Exercised during the year	Lapsed during the year	Outstanding at the end of the year	Exercisable at the end of the year	Weighted average remaining contractual life of options (in years)
Grant I	13-Aug-18	263.35	2,600	-	-	1,000	1,600	1,600	2.36
Grant II	13-Aug-18	263.35	18,650	-	-	5,100	13,550	13,550	2.36
Grant IV	28-Jan-20	1,077.37	18,800	-	-	5,800	13,000	13,000	3.82
Grant V	28-Jan-20	1,077.37	1,48,700	-	-	29,200	1,19,500	1,19,500	3.82
Grant IX	31-Aug-20	608.74	8,000	-	-	-	8,000	4,000	4.42
Grant XII Scheme 2021	14-Aug-21	636.46	6,55,350	-	1,500	1,11,800	5,42,050	3,35,450	5.37
Grant I Plan 2021 Series A	02-Nov-21	521.66	59,100	-	1,200	14,400	43,500	18,900	5.59
Grant II Plan 2021 Series A	30-Mar-22	371.07	15,00,000	-	-	-	15,00,000	11,25,000	5.99
Grant III Plan 2021 Series A	11-Jul-22	415.59	52,000	-	-	15,000	37,000	18,500	6.28
Grant IV Plan 2021 Series A	08-Sep-22	554.88	1,00,000	-	-	-	1,00,000	40,000	6.44
Grant V Plan 2021 Series A	17-Oct-22	553.10	47,500	-	-	-	47,500	22,500	6.55
Grant VI Plan 2021 Series A	31-Jan-23	569.18	5,79,250	-	5,000	55,000	5,19,250	2,35,250	6.84
Grant XIII Scheme 2021	25-Apr-23	567.02	1,40,000	-	-	-	1,40,000	35,000	7.07
Grant XIV Scheme 2021	02-May-23	582.96	60,000	-	-	-	60,000	15,000	7.08
Grant XV Scheme 2021	03-Nov-23	849.38	10,000	-	-	-	10,000	2,500	7.59
Grant XVI Scheme 2021	20-Jan-24	1,192.56	7,000	-	-	-	7,000	1,750	7.81
Grant XVII Scheme 2021	17-Feb-24	970.92	1,85,844	-	-	16,582	1,69,262	57,847	7.88
Grant XVIII Scheme 2021	23-Apr-24	881.76	-	60,000	-	-	60,000	-	8.06
Grant XIX Scheme 2021	02-Nov-24	446.93	-	10,000	-	-	10,000	-	8.59
Grant XX Scheme 2021	16-Jan-25	408.98	-	7,000	-	-	7,000	-	8.80
Grant XXI Scheme 2021	05-Mar-25	283.85	-	67,000	-	-	67,000	-	8.93
Total			**35,92,794**	**1,44,000**	**7,700**	**2,53,882**	**34,75,212**	**20,59,347**	

The expense recognised for employee services received during the year is ₹3.82 crs (March 31, 2025: ₹ 19.12 crs)

Notes to the Standalone Financial Statements

for the year ended March 31, 2026

(₹ in crores unless otherwise stated)

44: Employee Stock Option Plan (ESOP) (Contd.)

d) The following table lists the input to the black scholes models used for the options granted during the year ended March 31, 2026

Plan	Grant XXII ESOP Plan 2018 and ESOP Scheme 2021	Grant XXIII ESOP Plan 2018 and ESOP Scheme 2021	Grant XXIV ESOP Plan 2018 and ESOP Scheme 2021	Grant XXV ESOP Plan 2018 and ESOP Scheme 2021 & Grant VII ESOP Plan 2021 and ESOP Scheme 2021-Series A	Grant XXVI ESOP Plan 2018 and ESOP Scheme 2021 & Grant VIII ESOP Plan 2021 and ESOP Scheme 2021-Series A	Grant IX ESOP Plan 2021 and ESOP Scheme 2021-Series A	Grant X ESOP Plan 2021 and ESOP Scheme 2021-Series A & Grant XXVII ESOP Plan 2018 and ESOP Scheme 2021
Date of Grant	05-Apr-25	23-May-25	31-Jul-25	08-Oct-25	27-Dec-25	05-Feb-26	26-Feb-26
No of ESOPs	6,500	16,500	5,000	12,43,000	8,85,000	80,000	60,000
Stock Price on the date of grant (₹)	247.98	283.81	299.50	257.32	267.21	246.57	259.39
Exercise Price (₹)	248.06	285.38	291.08	255.31	269.44	246.43	258.17
Expected Volatility	52.13%	51.97%	51.71%	50.87%	50.20%	49.88%	49.93%
Dividend Yield	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Risk Free Interest Rate	6.27%	5.94%	6.12%	6.22%	6.31%	6.40%	6.31%
Fair value of option							
Vest-1	129.07	144.68	155.44	132.26	134.82	125.52	131.69
Vest-2	137.78	156.01	168.07	139.10	141.63	131.10	137.78
Vest-3	142.77	161.64	173.32	147.73	152.21	140.15	148.20
Vest-4	148.03	167.67	179.74	152.77	157.22	145.55	152.84
Weighted average fair value	**139.41**	**157.50**	**169.14**	**142.96**	**146.47**	**135.58**	**142.62**

e) The following table lists the input to the black scholes models used for the options granted during the year ended March 31, 2025

Plan	Grant XIII ESOP Plan 2018 and ESOP Scheme 2021	Grant XIV ESOP Plan 2018 and ESOP Scheme 2021	Grant XV ESOP Plan 2018 and ESOP Scheme 2021	Grant XVI ESOP Plan 2018 and ESOP Scheme 2021
Date of Grant	23-Apr-24	02-Nov-24	16-Jan-25	05-Mar-25
No of ESOPs	60,000	10,000	7,000	67,000
Stock Price on the date of grant (₹)	881.74	426.13	433.00	278.19
Exercise Price (₹)	881.76	446.93	408.98	283.85
Expected Volatility	52.41%	51.12%	53.41%	53.57%
Dividend Yield	0.00%	0.00%	0.00%	0.00%
Risk Free Interest Rate	7.08% - 7.09%	6.69% - 6.73%	6.66% - 6.68%	6.54% - 6.6%
Fair value of option				
Vest-1	476.79	219.12	240.69	148.85
Vest-2	498.49	228.43	248.35	153.91
Vest-3	518.59	238.40	257.82	160.08
Vest-4	537.36	247.68	266.75	166.08
Weighted average fair value	**507.81**	**233.41**	**253.40**	**157.23**

Spandana Employee Stock Option Plan 2018 and Spandana Employee Stock Option Scheme, 2018 ('ESOP Plan 2018 and ESOP Scheme 2018')

Spandana Employee Stock Option Plan 2018 and Spandana Employee Stock Option Scheme, 2021 ('ESOP Plan 2018 and ESOP Scheme 2021')

Spandana Employee Stock Option Plan 2021 Series A and Spandana Employee Stock Option Scheme, 2021-Series A ('ESOP Plan 2021 and ESOP Scheme 2021 Series A')

Notes to the Standalone Financial Statement

for the year ended March 31, 2026

(₹ in crores unless otherwise stated)

45: 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 or entity , including foreign entities (Intermediaries) with the understanding (whether recorded in writing or otherwise) that the Intermediary shall:

(i) 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

(ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

46: 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:

(i) directly or indirectly lend or invest in other person or entity identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

(ii) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

47: Schedule to the Balance Sheet of a Non-Banking Financial Company as required under Reserve Bank of India (Non-Banking Financial Companies – Financial Statements: Presentation and Disclosures) Directions, 2025, as amended from time to time:

	Particulars	March 31, 2026		March 31, 2025	
		Amount Outstanding	Amount Overdue	Amount Outstanding	Amount Overdue
1)	**Liabilities side:**				
	Loans and advances availed by the non-banking financial company inclusive of interest accrued thereon but not paid:				
	(a) Debentures : Secured	1,367.54	-	1,256.66	-
	: Unsecured	-	-	-	-
	(other than falling within the meaning of public deposits)				
	(b) Deferred Credits	-	-	-	-
	(c) Term Loans	1,740.21	-	3,261.71	-
	(d) Inter-Corporate loans and borrowing	-	-	-	-
	(e) Commercial Paper	-	-	-	-
	(f) Other Loans - Borrowing under securitisation arrangement (secured)	716.50	-	678.27	-

	Particulars	March 31, 2026	March 31, 2025
2)	**Assets side:**		
	Break-up of Loans and Advances including bills receivables (other than those included in (4) below):		
	(a) Secured	0.07	0.48
	(b) Unsecured	3,629.17	5,036.74
3)	**Break-up of Leased Assets and stock on hire and other assets counting towards AFC activities**		
	(i) Lease assets including lease rentals under sundry debtors:		
	(a) Financial lease	-	-
	(b) Operating lease	4.91	7.61
	(ii) Stock on hire including hire charges under sudry debtors:		
	(a) Assets on hire	-	-
	(b) Repossessed Assets	-	-
	(iii) Other loans counting towards AFC activities		
	(a) Loans where assets have been repossessed	-	-
	(b) Loans other than (a) above	-	-

Notes to the Standalone Financial Statement

for the year ended March 31, 2026

(₹ in crores unless otherwise stated)

47: Schedule to the Balance Sheet of a Non-Banking Financial Company as required under Reserve Bank of India (Non-Banking Financial Companies – Financial Statements: Presentation and Disclosures) Directions, 2025, as amended from time to time: (contd.)

	Particulars	March 31, 2026	March 31, 2025
4)	**Break-up of Investments:**		
	Current Investments:		
	1. Quoted:		
	(i) Shares: (a) Equity	-	-
	(b) Preference	-	-
	(ii) Debentures and Bonds	-	-
	(iii) Units of mutual funds	13.82	62.81
	(iv) Government Securities	99.69	30.82
	(v) Others (please specify)	-	-
	2. Unquoted:		
	(i) Shares: (a) Equity	-	-
	(b) Preference	-	-
	(ii) Debentures and Bonds	-	-
	(iii) Units of mutual funds	-	-
	(iv) Government Securities	-	-
	(v) Others (Certificate of Deposits and Commercial Paper)	-	-
	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 (please specify)	-	-
	2. Unquoted:		
	(i) Shares: (a) Equity	315.00	315.10
	(b) Preference	-	-
	(ii) Debentures and Bonds	-	-
	(iii) Units of mutual funds	-	-
	(iv) Government Securities	-	-
	(v) Security receipts	-	16.02

5) Borrower group-wise classsification of assets financed as in (2) and (3) above:

Category	March 31, 2026			March 31, 2025		
	Amount net of provisions			Amount net of provisions		
	Secured	Unsecured	Total	Secured	Unsecured	Total
1. Related Parties						
(a) Subsidiaries	-	311.67	311.67	-	23.57	23.57
(b) Companies in the same group	-	-	-	-	-	-
(c) Other related parties	-	-	-	-	-	-
2. Other than related parties	0.07	3,317.50	3,317.57	0.48	5,013.17	5,013.65
Total	**0.07**	**3,629.17**	**3,629.24**	**0.48**	**5,036.74**	**5,037.22**

Notes to the Standalone Financial Statement

for the year ended March 31, 2026

(₹ in crores unless otherwise stated)

47: Schedule to the Balance Sheet of a Non-Banking Financial Company as required under Reserve Bank of India (Non-Banking Financial Companies – Financial Statements: Presentation and Disclosures) Directions, 2025, as amended from time to time: (contd.)

6) Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted):

Category	March 31, 2026		March 31, 2025	
	Market Value / Break up or fair value or NAV	Book Value (Net of Provisions)	Market Value / Break up or fair value or NAV	Book Value (Net of Provisions)
1. Related Parties				
(a) Subsidiaries	315.00	315.00	315.00	315.00
(b) Companies in the same group	-	-	-	-
(c) Other related parties	-	-	-	-
2. Other than related parties	113.51	113.51	109.75	109.75
Total	**428.51**	**428.51**	**424.75**	**424.75**

7) Other Information

Particulars	March 31, 2026	March 31, 2025
(i) Gross Non-Performing Assets		
(a) Related parties	-	-
(b) Other than related parties	127.45	294.11
(ii) Net Non-Performing Assets		
(a) Related parties	-	-
(b) Other than related parties	24.69	58.36
(iii) Assets acquired in satisfaction of debt	-	-

48: Additional information required by Reserve Bank of India (Non-Banking Financial Companies – Financial Statements: Presentation and Disclosures) Directions, 2025, as amended from time to time.

A: Corporate Governance

NBFCs shall put up to the Board of Directors, at regular intervals, the progress made in putting in place a progressive risk management system and risk management policy and strategy followed by the NBFC.	The Company has put in place a risk management policy and periodic updates are presented to the Risk Management Committee.
NBFCs shall put up to the Board of Directors, at regular intervals, conformity with corporate governance standards viz., in composition of various committees, their role and functions, periodicity of the meetings and compliance with coverage and review functions, etc.	The Company has put up to the Board of Directors' conformity with corporate governance standards compliance.

B. Capital to risk assets ratio ('CRAR')

Particulars	March 31, 2026	March 31, 2025
CRAR (%)	29.76%	36.31%
CRAR-Tier I Capital (%)	29.76%	36.31%
CRAR-Tier II Capital (%)	-	-
Amount of subordinated debt raised as Tier-II capital	-	-
Amount raised by issue of Perpetual Debt Instruments	-	-

Notes to the Standalone Financial Statement

for the year ended March 31, 2026

(₹ in crores unless otherwise stated)

48: Additional information required by Reserve Bank of India (Non-Banking Financial Companies – Financial Statements: Presentation and Disclosures) Directions, 2025, as amended from time to time. (contd.)

C. Investments:

Particulars	March 31, 2026	March 31, 2025
1. Value of investments		
(i) Gross value of investments		
(a) In India	566.56	552.51
(b) Outside India	-	-
(ii) Provision for depreciation		
(a) In India	138.05	127.76
(b) Outside India	-	-
(iii) Net value of investments		
(a) In India	428.51	424.75
(b) Outside India	-	-
2. Movement of provisions held towards deprecation		
Opening balance	127.76	34.02
Add: Provision made during the year	10.28	93.74
Less: Write off/ write back	-	-
Closing balance	138.05	127.76

D. Derivatives:

Forward Rate Agreement/Interest Rate Swap

Particulars	March 31, 2026	March 31, 2025
(i) The notional principal of swap agreements	92.27	164.60
(ii) Gain / (losses) which would be incurred if counterparties failed to fulfil their obligations under the agreements	7.49	2.47
(iii) Collateral required to be provided by the NBFC upon entering into swaps	110%	110%
(iv) Concentration of credit risk arising from the swaps	NA	NA
(v) The fair value of the swap book	4.47	(4.09)

The Company has entered into derivative contracts with scheduled commercial banks

Exchange Traded Interest Rate (IR) Derivatives

The Company has not traded in Interest Rate Derivative during the financial year ended March 31,2026 (March 31, 2025: Nil).

Disclosures on Risk Exposure in Derivatives

A. Qualitative Disclosure

The Company manages various risks associated with the lending business, including liquidity risk, foreign exchange risk, interest rate risk and counterparty risk. To manage these risks, the Company has Board approved policies and framework, including the Risk Management Policy and ALM Policy, which sets limits for exposures on currency, interest rates and other parameters. The Company manages its currency risk and enters in to derivative contracts in accordance with the guidelines prescribed therein.

Liquidity risk and Interest rate risk arising out of maturity mismatch of assets and liabilities are managed through regular monitoring of maturity profiles. The currency risk and interest rate risk on borrowings is actively managed mainly through derivative financial instruments by entering in to forward contracts and cross currency interest rate swaps. Counter party risk is reviewed periodically to ensure that exposure to various counter parties is well diversified and is within the limits fixed by the Risk Management Committee.

Notes to the Standalone Financial Statement

for the year ended March 31, 2026

(₹ in crores unless otherwise stated)

48: Additional information required by Reserve Bank of India (Non-Banking Financial Companies – Financial Statements: Presentation and Disclosures) Directions, 2025, as amended from time to time. (contd.)

B. Quantitative Disclosure

The Company has sourced External Commercial Borrowing in foreign currency. The same has been hedged as required by RBI. Details of Risk Management policy pertains to derivatives have been provided above. Further, quantitative details are given below:

Particulars	March 31, 2026	March 31, 2025
Derivatives (Notional Principal amount) for hedging	92.27	164.60
Marked to market positions		
Asset (+)	7.49	2.47
Liability (-)	-	-
Credit Exposure	Nil	Nil
Unhedged Exposure	Nil	Nil

E. Asset liability management - Maturity Pattern of certain items of assets and liabilities:

Maturity pattern	March 31, 2026				March 31, 2025			
	Assets		Liabilities		Assets		Liabilities	
	Loans	Investments	Borrowings	Foreign currency liabilites	Loans	Investments	Borrowings	Foreign currency liabilites
0-7 Days	161.02	-	149.52	-	324.56	-	57.76	-
8-14 Days	75.25	-	40.46	-	144.14	-	54.97	-
15-30/31 Days	30.90	99.69	129.16	17.73	58.85	63.56	215.02	-
Over 1 month to 2 months	205.31	-	204.48	21.97	429.38	31.23	346.09	-
Over 2 months upto 3 months	229.18	13.82	596.83	26.36	439.17	1.00	840.18	-
Over 3 months to 6 months	592.64	-	782.80	33.40	1,167.92	3.00	879.83	-
Over 6 months to 1 year	1,000.19	-	832.94	-	1,651.91	9.02	1,315.27	171.13
Over 1 year to 3 years	1,258.37	-	988.59	-	762.92	1.84	1,307.20	-
Over 3 years to 5 years	76.37	-	-	-	58.37	-	9.19	-
Over 5 years	-	315.00	-	-	-	315.10	-	-
Total	**3,629.24**	**428.51**	**3,724.78**	**99.47**	**5,037.22**	**424.75**	**5,025.51**	**171.13**

Note:

a) The Company does not have deposits (public) and foreign currency assets as of March 31, 2026 and March 31, 2025

b) The maturity pattern of certain asset and liability items has been classified into different time buckets based on the underlying cash flows and assumptions considered by the Company

c) The individual bucket wise mismatch will be met by the surplus in cash and cash equivalents and other bank balances including fixed deposits.

d) Borrowings exclude foreign currency liabilites

Notes to the Standalone Financial Statement

for the year ended March 31, 2026

(₹ in crores unless otherwise stated)

48: Additional information required by Reserve Bank of India (Non-Banking Financial Companies – Financial Statements: Presentation and Disclosures) Directions, 2025, as amended from time to time. (contd.)

F. Exposure to real estate sector

Category	March 31, 2026	March 31, 2025
A. Direct exposure		
I. Residential Mortgages		
Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented.	0.09	0.56
II. Commercial Real Estate		
Lending secured by mortgages on commercial real estates (office buildings, retail space, multipurpose Commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.). Exposure would also include non-fund based (NFB) limits.	-	-
III. Investments in Mortgage Backed Securities (MBS) and other securitised exposures		
Residential	-	-
Commercial Real Estate	-	-
B. Indirect exposure		
Fund based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs)	-	-
Total	**0.09**	**0.56**

G. The Company has no exposure to capital market during current and previous year.

Particulars	March 31, 2026	March 31, 2025
Direct investment in equity shares (Alpha Micro Finance Consultants Private Limited)	-	0.10

H. The Company does not have any parent company, hence disclosure relating to product financed by parent company is not applicable.

I. Details of Single Borrower Limit (SGL) / Group Borrower Limit (GBL) exceeded by the applicable NBFC

The Company has not exceeded the prudential exposure limits for Single Borrower Limit / Group Borrower Limit during current and previous year.

J. Unsecured Advances – Refer note 7

K. Registration obtained from other financial sector regulators:

The Company is registered with the 'Ministry of Corporate Affairs' (Financial regulators as described by Ministry of Finance).

L. Disclosure of Penalties imposed by RBI and Other Regulators:

For the year ended March 31, 2026: No penalty imposed by RBI and other Regulators

For the year ended March 31, 2025: No penalty imposed by RBI and other Regulators

Notes to the Standalone Financial Statement

for the year ended March 31, 2026

(₹ in crores unless otherwise stated)

48: Additional information required by Reserve Bank of India (Non-Banking Financial Companies – Financial Statements: Presentation and Disclosures) Directions, 2025, as amended from time to time. (contd.)

M. Disclosures relating to securitisation as per Reserve Bank of India (Non-Banking Financial Companies – Financial Statements: Presentation and Disclosures) Directions, 2025

Particulars	March 31, 2026	March 31, 2025
1. No. of SPVs sponsored by the NBFC for securitisation transactions during the year	10	10
2. Total amount of securitised assets as per the books of the SPVs sponsored by the NBFC as on the date	718.48	678.27
3. Total amount of exposures retained to comply with minimum retention requirement ('MRR')		
a) On balance sheet exposures		
- First loss (MRR)	73.59	137.54
- Others	-	-
4. Amount of exposures to securitization transactions other than MRR:		
a) On-balance sheet exposures		
i) Exposure to own securitisations		
- First loss	111.46	255.57
- Others	-	-
ii) Exposure to third party securitisations		
- First loss	-	-
- Others	-	-
5. Sale consideration received for the securitised assets and gain / loss on sale on account of securitisation^	911.90	1,094.90
6. Form and quantum (outstanding value) of services provided by way of, liquidity support, post-securitisation asset servicing, etc.*		
7. Performance of facility provided		
(a) Amount paid	232.32	1,336.27
(b) Repayment received	232.32	1,336.27
(c) Outstanding amount	718.48	678.27
8. Average default rate of portfolios observed in the past.	0.93%	17.92%
9. Amount and number of additional / top up loan given on same underlying asset.	-	-
10. Investor complaints	-	-
(a) Directly / Indirectly received and;	-	-
(b) Complaints outstanding	-	-

^ proceeds received with respect to the securitisation/PTC transaction during the year. There is no gain/loss on sale on account of securitisation.

* Company considers the securitization as one of the mode of fund raising. As this do not meets the criteria for derecognition, the same remains on balance sheet item and the amount received is considered as borrowing. Company remits the interest payable and principal collection from the pool to the lender at periodic intervals as per the agreement.

Notes to the Standalone Financial Statement

for the year ended March 31, 2026

(₹ in crores unless otherwise stated)

48: Additional information required by Reserve Bank of India (Non-Banking Financial Companies – Financial Statements: Presentation and Disclosures) Directions, 2025, as amended from time to time. (contd.)

N. Details of loans transferred / acquired under the Reserve Bank of India (Non-Banking Financial Companies – Financial Statements: Presentation and Disclosures) Directions, 2025 are given below :

(i) Details of loan transfer through direct assignment in respect of loans not in default during the year ended:

Particulars	March 31, 2026	March 31, 2025
Number of Loans	96,248	2,43,508
Aggregate pool amount (In crores)	368.80	824.36
Sale consideration (In crores)	331.92	741.92
Number of transactions	4	5
Weighted average remaining maturity (in months)	15.13	17.00
Weighted average holding period after origination (in months)	7.59	7.00
Retention of beneficial economic interest (MRR) (In crores)	36.88	82.44
Coverage of tangible security coverage	NA	NA
Rating wise distribution of rated loans	NA	NA
Number of instances (transactions) where transferred as agreed to replace the transferred loans	Nil	Nil
Number of transferred loans replaced	Nil	Nil

(a) The Company has not transferred any non-performing assets (NPAs) excpet as disclosed in note 48 N (ii) below.

(b) The Company has not acquired any loans through assignment.

(c) The Company has not acquired any stressed loan.

(ii) The details of stressed loans transferred and Investment made in Security Receipts during year ended March 31, 2026 to ARCs as as under.

Particulars	To ARC	To Permitted transferres	To Other transferres
i) No. of accounts	1,98,978	-	-
ii) Aggregate principal outstanding of loans transferred (In crores) ^	493.55	-	-
iii) Weighted average residual tenor of the loans transferred (months)	4.40	-	-
iv) Net book value of loans transferred (at the time of transfer)	6.45	-	-
v) Aggregate consideration	34.55	-	-
vi) Additional consideration realised in respect of accounts transferred in earlier years	-	-	-
vii) Excess provisions reversed to the profit and loss account on sale of stressed loans	-	-	-
viii) Investment in Security Receipts (SR)	2.94	-	-

^ includes written-off loans aggregating to ₹461.32 crs for the year ended March 31, 2026

Notes to the Standalone Financial Statement

for the year ended March 31, 2026

(₹ in crores unless otherwise stated)

48: Additional information required by Reserve Bank of India (Non-Banking Financial Companies – Financial Statements: Presentation and Disclosures) Directions, 2025, as amended from time to time. (contd.)

The details of stressed loans transferred and Investment made in Security Receipts during year ended March 31, 2025 to ARCs as as under.

Particulars	To ARC	To Permitted transferres	To Other transferres
i) No. of accounts	1,27,698	-	-
ii) Aggregate principal outstanding of loans transferred (In crores) ^	304.41	-	-
iii) Weighted average residual tenor of the loans transferred (months)	6.95	-	-
iv) Net book value of loans transferred (at the time of transfer)	40.09	-	-
v) Aggregate consideration	16.74	-	-
vi) Additional consideration realised in respect of accounts transferred in earlier years	-	-	-
vii) Excess provisions reversed to the profit and loss account on sale of stressed loans		-	-
viii) Investment in Security Receipts (SR)	1.42	-	-

^ includes written-off loans aggregating to ₹ 103.98 crs for the year ended March 31, 2025

Details of recovery rating assigned for security receipts:

Recovery Rating Scale	March 31, 2026		Recovery Rating Scale	March 31, 2025	
	Implied recovery	Book Value (₹ in Crs)		Implied recovery	Book Value (₹ in Crs)
RR1+	75% to 100%	0.19	RR1+	75% to 100%	0.78
RR5	Upto 25%	40.48	RR3	50% to 75%	45.35
RR5	Upto 25%	93.79	RR4	25% to 50%	95.64
To be rated within timeline as per RBI guidelines		1.59			
Total		**136.05**	**Total**		**141.78**

Total carrying amount of SRs held by the Company is Nil (Gross carrying amount: ₹136.05 crores, impairment loss allowance: ₹136.05 crores) as on March 31, 2026.

O. The Company has not purchased non-performing financial assets in the current and previous year.

P. Provisions and contingencies (shown under expenditure in statement of profit and loss)

Provisions

Particulars	March 31, 2026	March 31, 2025
Provision for income tax (net)	(201.30)	(317.11)
Provision for non-performing assets (impairment allowance on stage III loans)	(132.98)	101.29
Provision for standard assets (impairment allowance on stage I and stage II loans)	(263.07)	135.32
Provision for security receipts	10.28	91.74
Provision for investment in subsidiaries	-	2.00
Provision for indirect tax matter	(2.76)	(12.32)
Provision for gratuity	7.58	3.51
Provision for leave benefits	8.09	6.98

Notes to the Standalone Financial Statement

for the year ended March 31, 2026

(₹ in crores unless otherwise stated)

48: Additional information required by Reserve Bank of India (Non-Banking Financial Companies – Financial Statements: Presentation and Disclosures) Directions, 2025, as amended from time to time. (contd.)

Contingencies

Particulars	March 31, 2026	March 31, 2025
Service tax	0.40	0.56
Goods and service tax	20.23	21.31
Income tax	33.42	28.78
Total	**54.05**	**50.65**

Guarantee

Particulars	March 31, 2026	March 31, 2025
Corporate Guarantee for the term loans availed by Criss Financial Limited	-	75.15
Total	**-**	**75.15**

Q. There has been no drawdown from reserves during the current year and previous year.

R. Concentration of Advances, Exposures and NPAs

Particulars	March 31, 2026	March 31, 2025
Concentration of Advances		
Total advances to twenty largest borrowers #	0.34	0.51
(%) of advances to twenty largest borrowers to total advances	0.01%	0.01%
Concentration of Exposures		
Total exposure to twenty largest borrowers #	0.35	0.53
(%) of exposure to twenty largest borrowers to total exposure	0.01%	0.01%
Concentration of NPAs *		
Total exposure to top four NPA accounts	0.05	0.04

excludes inter-corporate deposits extended to related parties
* Represents stage III loans including interest

S. Sector wise NPAs

	Percentage of NPAs to total advances in that sector	
Sector	**As at March 31, 2026**	**As at March 31, 2025**
Agriculture and allied activities	3.18%	4.39%
MSME	4.06%	6.37%
Corporate borrowers	0.00%	0.00%
Services	0.00%	0.00%
Unsecured personal loans	21.89%	3.75%
Auto Loans	0.00%	0.00%
Other personal loans	30.11%	0.00%

* Percentage of NPAs to total advances in that sector is computed based on amount of principal outstanding for stage III loans
The above sector wise classification is based on the Company's determination of the purpose/activity for which the loan was granted.

Notes to the Standalone Financial Statement

for the year ended March 31, 2026

(₹ in crores unless otherwise stated)

48: Additional information required by Reserve Bank of India (Non-Banking Financial Companies – Financial Statements: Presentation and Disclosures) Directions, 2025, as amended from time to time. (contd.)

T. Movement of NPAs*

Particulars	March 31, 2026	March 31, 2025
Net NPAs to net advances (%)	0.68%	1.16%
Movement of NPAs (gross)		
1. Opening balance	294.11	168.07
2. Additions during the year ^	1,030.22	1,719.45
3. Reductions/ write off during the year	(1,196.88)	(1,593.41)
4. Closing balance	127.45	294.11
Movement of Net NPAs		
1. Opening balance	58.36	33.61
2. Additions during the year ^	3.36	62.77
3. Reductions/ write off during the year	(37.03)	(38.01)
4. Closing balance	24.69	58.36
Movement of provision for NPAs		
1. Opening balance	235.75	134.46
2. Additions during the year ^	1,026.86	1,656.68
3. Reductions/ write off during the year	(1,159.85)	(1,555.39)
4. Closing balance	102.76	235.75

* NPA loans and related provision considered in the above table represent loans classified as stage III in accordance with Ind AS 109 and the related ECL provision
(refer note 7)
^The above do not include NPAs identified and upgraded during the year.

U. Overseas assets

The Company does not have any subsidiary / joint venture abroad.

V. Off Balance sheet SPVs sponsored (which are required to be consolidated as per accounting norms)

The Company does not have SPVs sponsored (which are required to be consolidated as per accounting norms).

W. Information on instances of fraud

Nature of fraud	No. of cases	Amount of fraud	Recovery*	Amount provided
Cash Embezzlement - For the year ended March 31, 2026	3,985	21.83	7.31	14.52
Cash Embezzlement - For the year ended March 31, 2025	3,393	39.64	5.20	34.44

*Includes recoveries in respect of frauds reported in earlier years

Notes to the Standalone Financial Statement

for the year ended March 31, 2026

(₹ in crores unless otherwise stated)

48: Additional information required by Reserve Bank of India (Non-Banking Financial Companies – Financial Statements: Presentation and Disclosures) Directions, 2025, as amended from time to time. (contd.)

X. Sectoral Exposure

Sectors*	Current Year (As at March 31, 2026)			Previous Year (As at March 31, 2025)		
	Total Exposure (includes on balance sheet and off-balance sheet exposure)	Gross NPAs	Percentage of Gross NPAs to total exposure in that sector	Total Exposure (includes on balance sheet and off-balance sheet exposure)	Gross NPAs	Percentage of Gross NPAs to total exposure in that sector
Agriculture and allied activities	2,902.79	92.23	3.18%	4,180.75	183.39	4.39%
Industry (Micro and small)	582.15	23.62	4.06%	1,290.58	82.15	6.37%
Personal Loans	0.52	0.12	23.27%	29.46	1.08	3.68%
Total	**3,485.46**	**115.98**	**3.33%**	**5,500.79**	**266.62**	**4.85%**

* Represents amount of principal outstanding

Sectors*	Current Year (As at March 31, 2026)			Previous Year (As at March 31, 2025)		
	Total Exposure (includes on balance sheet and off-balance sheet exposure)	Gross NPAs	Percentage of Gross NPAs to total exposure in that sector	Total Exposure (includes on balance sheet and off-balance sheet exposure)	Gross NPAs	Percentage of Gross NPAs to total exposure in that sector
Agriculture and allied activities	2,953.11	101.34	3.43%	4,276.68	201.91	4.72%
Industry (Micro and small)	592.09	25.98	4.39%	1,325.15	91.06	6.87%
Personal Loans	0.53	0.13	24.01%	29.96	1.14	3.79%
Total	**3,545.73**	**127.45**	**3.59%**	**5,631.79**	**294.11**	**5.22%**

** Represents amount of principal outstanding and interest accrued

Y. Intra-group exposures

Particulars	March 31, 2026	March 31, 2025
(i) Total amount of intra-group exposures	311.67	23.57
(ii) Total amount of top 20 intra-group exposures	311.67	23.57
(iii) Percentage of intra-group exposures to total exposure of the NBFC on borrowers/customers	8.29%	0.42%

Z. Related party transactions – Refer note 34.

Notes to the Standalone Financial Statement

for the year ended March 31, 2026

(₹ in crores unless otherwise stated)

48: Additional information required by Reserve Bank of India (Non-Banking Financial Companies – Financial Statements: Presentation and Disclosures) Directions, 2025, as amended from time to time. (contd.)

AA. Ratings assigned by credit rating agencies and migration of ratings during the year:

Sr. No.	Instrument	Rating agency	Date of Rating	Rating assigned	Valid up to	Borrowing limit
1	Long term Bank facilites	CARE Ratings Limited	18-Dec-25	CARE BBB+/Stable	Note 1	800.00
2		ICRA Limited	26-Aug-25	ICRA BBB+/Negative		2,105.00
3		CRISIL Ratings Limited	01-Jul-25	CRISIL BBB+/Stable		1,700.00
4		India Rating	14-Oct-25	IND BBB+/ Negative		1,500.00
5	Non convertible debentures	CARE Ratings Limited	18-Dec-25	CARE BBB+/Stable		880.00
6		ICRA Limited	26-Aug-25	ICRA BBB+/Negative		423.00
7		India Rating	14-Oct-25	IND BBB+/ Negative		1,120.00
8	Commercial Paper	CARE Ratings Limited	18-Dec-25	CARE A2		100.00
	Securitisation	ICRA Limited	13-Aug-25	ICRA A+(SO)	24-Apr-27	57.50
		ICRA Limited	30-Sep-25	ICRA AA- and A- (SO)	17-Jun-27	52.38
		ICRA Limited	19-Dec-25	ICRA AA-(SO)	17-Aug-27	49.04
		ICRA Limited	23-Dec-25	ICRA A+(SO)	19-Aug-27	30.33
		ICRA Limited	29-Dec-25	ICRA AA-(SO)	17-Sep-27	196.74
		ICRA Limited	30-Dec-25	ICRA AA-(SO)	13-Aug-27	125.29
		CARE Ratings Limited	12-Feb-26	CARE AA-(SO)	17-Oct-27	99.31
		ICRA Limited	17-Feb-26	ICRA AA and A (SO)	23-Feb-28	86.98
		CARE Ratings Limited	19-Mar-26	CARE AA-(SO)	13-Feb-28	138.31
		ICRA Limited	28-Mar-26	ICRA AA-(SO)	17-Jun-28	76.01

Note 1: The rating is subject to annual surveillance till final repayment / redemption of rated facilities.

Note 2: Revision of rating by ICRA and INDIA rating from A/Negative to BBB+/Negative, by CARE from A/Negative to BBB+/ Stable and by CRISIL from CRISIL A-/Stable to BBB+/Stable

Ratings assigned by credit rating agencies and migration of ratings during previous year:

Sr. No.	Instrument	Rating agency	Date of Rating	Rating assigned	Valid up to	Borrowing limit
1	Long term Bank facilites	CARE Ratings Limited	03-Feb-25	CARE A/ Negative	Note 1	1,500.00
2		ICRA Limited	03-Feb-25	ICRA A/ Negative		2,105.00
3		CRISIL Ratings Limited	10-Feb-25	CRISIL A -/ Stable		3,500.00
4		India Rating	12-Feb-25	IND A/ Negative		1,500.00
5	Non convertible debentures	CARE Ratings Limited	03-Feb-25	CARE A/Negative		700.00
6		ICRA Limited	03-Feb-25	ICRA A/Negative		423.00
7		India Rating	12-Feb-25	IND A/Negative		1,720.00
8	Commercial Paper	CARE Ratings Limited	03-Feb-25	CARE A1		100.00

Notes to the Standalone Financial Statement

for the year ended March 31, 2026

(₹ in crores unless otherwise stated)

48: Additional information required by Reserve Bank of India (Non-Banking Financial Companies – Financial Statements: Presentation and Disclosures) Directions, 2025, as amended from time to time. (contd.)

Sr. No.	Instrument	Rating agency	Date of Rating	Rating assigned	Valid up to	Borrowing limit
9	Securitisation	CARE Ratings Limited	28-May-24	CARE AA-(SO)	15-Jan-26	141.44
10		CARE Ratings Limited	31-May-24	CARE AA-(SO)	15-Jan-26	99.43
11		CARE Ratings Limited	30-May-24	CARE AA-(SO)	13-Jan-26	157.47
12		CARE Ratings Limited	26-Jun-24	CARE AA-(SO)	17-Feb-26	84.96
13		CRISIL Ratings Limited	28-Jun-24	CRISIL AA+(SO)	16-Feb-26	197.32
14		India Rating	29-Jul-24	IND AA-(SO)	17-Mar-26	93.19
15		ICRA Limited	26-Nov-24	ICRA AA+(SO)	17-Jul-26	68.98
16		ICRA Limited	30-Dec-24	ICRA AA(SO)	17-Sep-26	74.59
17		ICRA Rating	22-Jan-25	ICRA AA-(SO)	13-Oct-26	138.62
18		ICRA Rating	05-Feb-25	ICRA AA-(SO)	17-Oct-26	38.90

Note 1: The rating is subject to annual surveillance till final repayment / redemption of rated facilities.

Note 2: Revision of rating by ICRA and INDIA rating from A/Negative to A- Negative, and by CARE from A/ Negative to A-/Stable

AB. Disclosure of complaints

(i) Summary information on complaints received by the NBFCs from customers and from the Offices of Ombudsman

Sr. No.	Particulars		March 31, 2026	March 31, 2025
Complaints received by the Company from its customers				
1.	No. of complaints pending at the beginning of the year		20	8
2.	No. of complaints received during the year		3,326	1,303
3.	No. of complaints disposed during the year		3,150	1,291
	3.1	Of Which, no. of complaints rejected during the year	118	26
4.		No. of complaints pending at the end of the year	196	20
Maintainable complaints received from Office of Ombudsman				
5.	No. of maintainable complaints received from Office of Ombudsman		27	-
	5.1	Of 5, no. of complaints resolved in favour of the Company by Office of Ombudsman	26	-
	5.2	Of 5, no. of maintainable complaints resolved through conciliation/mediation/advisories issued by Office of Ombudsman	-	-
	5.3	Of 5, no. of complaints resolved after passing of Awards by Office of Ombudsman against the Company	1	-
6.	No. of Awards unimplemented within the stipulated time (other than those appealed)		-	-

Notes to the Standalone Financial Statement

for the year ended March 31, 2026

(₹ in crores unless otherwise stated)

48: Additional information required by Reserve Bank of India (Non-Banking Financial Companies – Financial Statements: Presentation and Disclosures) Directions, 2025, as amended from time to time. (contd.)

(ii) Top five grounds of complaints received by the Company 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	Number of complaints pending beyond 30 days
Current year					
Ground - 1: Instalment and overdue related	17	1,745	149%	92	5
Ground - 2: Insurance claim settlements	2	185	-55%	1	
Ground - 3: New loan request	1	1	-99%	-	
Ground - 4: Interest related enquiries	-	2	100%	-	
Others	-	1,393	12564%	99	
Total	**20**	**3,326**		**192**	**5**

Previous year

	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	Number of complaints pending beyond 30 days
Ground - 1: Instalment and overdue related	8	701	-37%	17	-
Ground - 2: Insurance claim settlements	-	408	47%	2	-
Ground - 3: New loan request	-	183	-8%	1	-
Ground - 4: Interest related enquiries	-	-	-100%	-	-
Others	-	11	-95%	-	-
Total	**8**	**1,303**		**20**	**-**

Notes to the Standalone Financial Statement

for the year ended March 31, 2026

(₹ in crores unless otherwise stated)

48: Additional information required by Reserve Bank of India (Non-Banking Financial Companies – Financial Statements: Presentation and Disclosures) Directions, 2025, as amended from time to time. (contd.)

AC: Comparison between provisions required under Income Recognition and Asset Classification and Provision norms as per Reserve Bank of India (Non-Banking Financial Companies – Financial Statements: Presentation and Disclosures) Directions, 2025 and impairment allowances made under Ind AS 109 for the year ended March 31, 2026:

Asset Classification as per RBI Norms	Asset Classification as per Ind AS 109	Gross carrying Amount as per Ind AS	Loss Allowancess (Provisions) as required as per Ind AS 109	Net Carrying Amount	Provisions as per IRACP norms #	Difference between Ind AS 109 Provisions and IRACP norms
1	2	3	4	5=3-4	6	7=4-6
Performing Assets						
Standard	Stage 1	3,296.94	14.70	3,282.23	13.38	1.32
	Stage 2	25.19	14.54	10.64	0.10	14.45
Subtotal		**3,322.12**	**29.25**	**3,292.88**	**13.48**	**15.77**
Non Performing Assets (NPA)						
Substandard	Stage 3	**123.47**	**98.78**	**24.69**	**70.78**	**28.00**
Doubtful - up to 1 year	Stage 3	3.98	3.98	-	3.40	0.58
1 to 3 years	Stage 3	-	-	-	-	-
More than 3 years	Stage 3	-	-	-	-	-
Subtotal for Doubtful		**3.98**	**3.98**	**-**	**3.40**	**0.58**
Loss	Stage 3	-	-	-	-	-
Subtotal for NPA		**127.45**	**102.76**	**24.69**	**74.18**	**28.58**
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	3,296.94	14.70	3,282.23	13.38	1.32
	Stage 2	25.19	14.54	10.64	0.10	14.45
	Stage 3	127.45	102.76	24.69	74.18	28.58
	Total	**3,449.58**	**132.01**	**3,317.56**	**87.66**	**44.36**

Notes to the Standalone Financial Statement

for the year ended March 31, 2026

(₹ in crores unless otherwise stated)

48: Additional information required by Reserve Bank of India (Non-Banking Financial Companies – Financial Statements: Presentation and Disclosures) Directions, 2025, as amended from time to time. (contd.)

Comparison between provisions required under Income Recognition and Asset Classification and Provision norms as per RBI master directions and impairment allowances made under Ind AS 109 for the year ended March 31, 2025:

Asset Classification as per RBI Norms	Asset Classification as per Ind AS 109	Gross carrying Amount as per Ind AS	Loss Allowancess (Provisions) as required as per Ind AS 109	Net Carrying Amount	Provisions as per IRACP norms #	Difference between Ind AS 109 Provisions and IRACP norms
1	2	3	4	5=3-4	6	7=4-6
Performing Assets						
Loans	Stage 1	4,698.70	41.85	4,656.84	18.79	23.07
	Stage 2	561.64	263.20	298.44	2.15	261.05
Subtotal		**5,260.34**	**305.05**	**4,955.28**	**20.94**	**284.12**
Non Performing Assets (NPA)	**Stage 3**	**291.82**	**233.47**	**58.36**	**109.57**	**123.90**
Doubtful - up to 1 year	Stage 3	2.28	2.28	-	2.00	0.28
1 to 3 years	Stage 3	-	-	-	-	-
More than 3 years	Stage 3	-	-	-	-	-
Subtotal for Doubtful		**2.28**	**2.28**	**-**	**2.00**	**0.28**
Loss	Stage 3	-	-	-	-	-
Subtotal for NPA		**294.11**	**235.75**	**58.36**	**111.57**	**124.18**
Other provisions		-	-	-	-	-
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	4,698.70	41.85	4,656.84	18.79	23.07
	Stage 2	561.64	263.20	298.44	2.15	261.05
	Stage 3	294.11	235.75	58.36	111.57	124.18
	Total	**5,554.45**	**540.80**	**5,013.64**	**132.51**	**408.30**

1. Interest on NPA loans is required to be de-recognised under IRACP norms. However, interest on Stage III loans is required to be recognised on the credit impaired (net of ECL) loan balance. Such income de-recognition is not considered as a provision for the purpose of above comparison.

Figures under this columns represents provisions determined in accordance with the Asset classification and provisioning norms as stipulated under RBI Master Directions.

Notes to the Standalone Financial Statement

for the year ended March 31, 2026

(₹ in crores unless otherwise stated)

48: Additional information required by Reserve Bank of India (Non-Banking Financial Companies – Financial Statements: Presentation and Disclosures) Directions, 2025, as amended from time to time. (contd.)

AD: Liquidity coverage ratio

As per the Reserve Bank of India (Non-Banking Financial Companies – Asset Liability Management) Directions, 2025, LCR requirement shall be binding on all non-deposit taking systemically important NBFCs with asset size of ₹ 5000 crore, with the minimum LCR level of 100%. The Company follows the criteria laid down by RBI for calculation of High Quality Liquid Assets (HQLA), gross outflows and inflows within the next 30-day period. HQLA predominantly comprises cash and balance with other banks in current account. All significant outflows and inflows determined in accordance with RBI guidelines are included in the prescribed LCR computation template. The disclosure on Liquidity Coverage Ratio of the Company for the period ended March 31, 2026 is as under:

Sr. No.	Particulars	Q1FY25-26		Q2FY25-26		Q3FY25-26		Q4FY25-26	
		Total unweighted value @	Total weighted value (average)	Total unweighted value @	Total weighted value (average)	Total unweighted value @	Total weighted value (average)	Total unweighted value @	Total weighted value (average)
High Quality Liquid Assets									
	Cash and bank balances	202.30	202.30	200.76	200.76	172.67	172.67	220.53	220.53
	Investment in Government Securities	10.16	10.16	-	-	-	-	28.70	28.70
1	**Total High Quality Liquid Assets (HQLA)**	**212.46**	**212.46**	**200.76**	**200.76**	**172.67**	**172.67**	**249.24**	**249.24**
	Cash outflows	-	-	-	-	-	-	-	-
2	Deposits (for deposit taking companies)	-	-	-	-	-	-	-	-
3	Unsecured wholesale funding	-	-	0.01	0.01	0.03	0.04	0.02	0.03
4	Secured wholesale funding	-	-		-		-		-
5	Additional requirements, of which	544.52	626.19	395.01	454.27	344.21	395.84	293.19	337.17
i	Outflows related to derivative exposures and other collateral requirements	-	-	-	-	-	-	-	-
ii	Outflows related to loss of funding on debt products	-	-	-	-	-	-	-	-
iii	Credit and liquidity facilities	544.52	626.19	395.01	454.27	344.21	395.84	293.19	337.17
6	Other contractual funding obligations	9.41	10.82	9.60	11.04	10.42	11.98	10.96	12.61
7	Other Contingent Funding Obligations	-	-	-	-	-	-		-
8	**Total cash outflows**	**553.92**	**637.01**	**404.63**	**465.32**	**354.66**	**407.86**	**304.18**	**349.80**
	Cash inflows								
9	Secured lending	-	-	-	-	-	-	-	-
10	Inflows from fully performing exposures	587.65	440.74	462.84	347.13	372.23	279.17	333.39	250.04

Notes to the Standalone Financial Statement

for the year ended March 31, 2026

(₹ in crores unless otherwise stated)

48: Additional information required by Reserve Bank of India (Non-Banking Financial Companies – Financial Statements: Presentation and Disclosures) Directions, 2025, as amended from time to time. (contd.)

Sr. No.	Particulars	Q1FY25-26		Q2FY25-26		Q3FY25-26		Q4FY25-26	
		Total unweighted value @	Total weighted value (average)	Total unweighted value @	Total weighted value (average)	Total unweighted value @	Total weighted value (average)	Total unweighted value @	Total weighted value (average)
11	Other cash inflows	738.73	554.05	665.22	498.92	435.39	326.55	434.06	325.55
12	**Total cash inflows**	**1,326.38**	**994.79**	**1,128.07**	**846.05**	**807.63**	**605.72**	**767.45**	**575.59**
13	**Total HQLA**		**212.46**		**200.76**		**172.67**		**249.24**
14	**Total net cash outflow**		**159.25**		**116.33**		**101.97**		**87.45**
15	**Liquidity coverage ratio (%)**		**133%**		**173%**		**169%**		**285%**

@ Unweighted values is calculated as outstanding balances maturing or callable within 30 days (for inflows and outflows).

Weighted values is calculated after the application of respective haircuts (for HQLA) and stress factors on inflow (75%) and outflow (115%).

Note: The liquidity coverage ratio (LCR) in the table above is computed excluding investment in mutual funds.

The disclosure on Liquidity Coverage Ratio of the Company for the year ended March 31, 2025 is as under:

Sr. No.	Particulars	Q1FY24-25		Q2FY24-25		Q3FY24-25		Q4FY24-25	
		Total unweighted value @	Total weighted value (average)	Total unweighted value @	Total weighted value (average)	Total unweighted value @	Total weighted value (average)	Total unweighted value @	Total weighted value (average)
High Quality Liquid Assets									
	Cash and bank balances	268.37	268.37	313.39	313.39	271.06	271.06	245.60	245.60
	Liquid Debt Mutual Fund	826.25	826.25	1,194.35	1,194.35	1,363.58	1,363.58	1,182.86	1,182.86
	Investment in Government Securities	-	-	-	-	-	-	3.77	3.77
1	**Total High Quality Liquid Assets (HQLA)**	**1,094.62**	**1,094.62**	**1,507.74**	**1,507.74**	**1,634.64**	**1,634.64**	**1,432.22**	**1,432.22**
	Cash outflows	-	-	-	-	-	-	-	-
2	Deposits (for deposit taking companies)	-	-	-	-	-	-	-	-
3	Unsecured wholesale funding	14.11	16.23	10.12	11.64	3.24	3.73	0.01	0.01
4	Secured wholesale funding	-	-	-	-	-	-	-	-
5	Additional requirements, of which	861.69	990.94	745.69	857.54	753.89	866.97	586.21	674.14
i	Outflows related to derivative exposures and other collateral requirements	-	-	-	-	-	-	-	-
ii	Outflows related to loss of funding on debt products	-	-	-	-	-	-	-	-

Notes to the Standalone Financial Statement

for the year ended March 31, 2026

(₹ in crores unless otherwise stated)

48: Additional information required by Reserve Bank of India (Non-Banking Financial Companies – Financial Statements: Presentation and Disclosures) Directions, 2025, as amended from time to time. (contd.)

Sr. No.	Particulars	Q1FY24-25		Q2FY24-25		Q3FY24-25		Q4FY24-25	
		Total unweighted value @	Total weighted value (average)	Total unweighted value @	Total weighted value (average)	Total unweighted value @	Total weighted value (average)	Total unweighted value @	Total weighted value (average)
iii	Credit and liquidity facilities	861.69	990.94	745.69	857.54	753.89	866.97	586.21	674.14
6	Other contractual funding obligations	38.91	44.74	36.32	41.76	36.75	42.26	35.76	41.12
7	Other Contingent Funding Obligations	-	-	-	-	-	-	-	-
8	**Total cash outflows**	**914.71**	**1,051.91**	**792.12**	**910.94**	**793.88**	**912.97**	**621.97**	**715.27**
	Cash inflows								
9	Secured lending	-	-	-	-	-	-	-	-
10	Inflows from fully performing exposures	1,023.29	767.47	1,054.83	791.12	972.33	729.25	750.40	562.80
11	Other cash inflows	174.05	130.53	51.60	38.70	199.30	149.48	127.05	95.29
12	**Total cash inflows**	**1,197.33**	**898.00**	**1,106.43**	**829.82**	**1,171.63**	**878.73**	**877.46**	**658.09**
13	**Total HQLA**		**1,094.62**		**1,507.74**		**1,634.64**		**1,432.22**
14	**Total net cash outflow**		**262.98**		**227.74**		**228.24**		**178.82**
15	**Liquidity coverage ratio (%)**		**416%**		**662%**		**716%**		**801%**

@ Unweighted values is calculated as outstanding balances maturing or callable within 30 days (for inflows and outflows).

Weighted values is calculated after the application of respective haircuts (for HQLA) and stress factors on inflow (75%) and outflow (115%).

AE. Loans to Directors, Senior Officers and Relatives of Directors

The Company has not granted any loans to directors or senior officers or relatives of directors or relatives of senior officers or to entities associated with directors or their relatives.

AF. Public Disclosure on liquidity risk

1. Funding concentration based on significant counterparty (both deposits and borrowings) - The Company does not accept any deposits.

Number of significant counterparties	March 31, 2026	March 31, 2025
30 (Thirty)	3,467.27	4,493.50
% of Total Liabilities	87.05%	83.44%

2. Top 20 Large Deposits : Not Applicable

3. Top 10 borrowings

Number of significant counterparties	March 31, 2026	March 31, 2025
Amount of top 10 borrowings Amount	2,161.56	2,762.64
% of Total Borrowings	56.52%	53.16%

Notes to the Standalone Financial Statement

for the year ended March 31, 2026

(₹ in crores unless otherwise stated)

48: Additional information required by Reserve Bank of India (Non-Banking Financial Companies – Financial Statements: Presentation and Disclosures) Directions, 2025, as amended from time to time. (contd.)

4. Funding concentration based on significant instrument/product

Name of Instrument/product	March 31, 2026		March 31, 2025	
	Amount	% of Total Liabilities	Amount	% of Total Liabilities
Term Loans	1,740.21	43.69%	3,261.71	60.57%
Borrowings under securitization arrangement	716.50	17.99%	678.27	12.60%
Non convertible Debentures	1,367.54	34.33%	1,256.66	23.34%
Total Liabilities	**3,983.16**		5,385.21	

5. Stock Ratios

Particulars	March 31, 2026	March 31, 2025
Commercial Papers to Total Public Funds	Nil	Nil
Commercial Papers to Total Liabilities	Nil	Nil
Commercial Papers to Total Assets	Nil	Nil
NCDs (Original Maturity <1 yrs.) to Total Public Funds	Nil	Nil
NCDs (Original Maturity <1 yrs.) to Total Liabilities	Nil	Nil
NCDs (Original Maturity <1 yrs.) to Total Assets	Nil	Nil
Other Short Term Liabilities to Total Public Funds	77.53%	93.12%
Other Short Term Liabilities to Total Liabilities	74.43%	89.86%
Other Short Term Liabilities to Total Assets	48.00%	60.43%

6. Institutional set-up for liquidity risk management:

The Company has an Asset Liability Management Committee (ALCO), a management level committee to handle liquidity risk management. The ALCO meetings are held at periodic intervals. At the apex level, the Risk Committee (RC), a sub-committee of the Board of Directors of the Company, oversees the liquidity risk management. The RC subsequently updates the Board of Directors on the same.

Notes:

1. Significant counterparty is as defined in RBI Circular RBI/2019-20/88 DOR.NBFC (PD) CC.No.102/03.10.001/2019-20 dated November 4, 2019 on Liquidity Risk Management Framework for Non-Banking Financial Companies and Core Investment Companies.
2. Significant instrument/product is as defined in RBI Circular RBI/2019-20/88 DOR.NBFC (PD) CC.No.102/03.10.001/2019-20 dated November 4, 2019 on Liquidity Risk Management Framework for Non-Banking Financial Companies and Core Investment Companies.
3. Total Liabilities has been computed as sum of all liabilities (Balance Sheet figure) less Equities and Reserves/Surplus.
4. Short term liabilities includes all financial and non-financial liabilities expected to be paid within one year.
5. Public funds is as defined in Reserve Bank of India (Non-Banking Financial Companies – Registration, Exemptions and Framework for Scale Based Regulation) Directions, 2025

Notes to the Standalone Financial Statement

for the year ended March 31, 2026

(₹ in crores unless otherwise stated)

49: The Company in respect of the observation made by the RBI in its inspection report for the years ended March 31, 2018 and March 31, 2019 and subsequent correspondence with Reserve Bank of India ("RBI") with respect to the compliance with the pricing of credit guidelines prescribed under paragraph 56 of the Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016, dated September 1, 2016, as amended had adequately recognised the impact of excess interest collected on loans disbursed during the period from Oct 2017 to Feb 2020, in the financial statements for the year ended March 31, 2021. During the year ended March 31, 2026, the Company had refunded ₹ 0.04 crores by way of credit into customers bank accounts / loan accounts. Given the profile of the customers and accessibility issues, the company is unable to trace borrower / bank account of borrower for remaining balances of ₹ 23.10 crores and has sought advice from Reserve bank of India on the refund of balance amount (for which bank account details are not available with the Company) and will act as per directive from Reserve bank of India.

Particulars	March 31, 2026	March 31, 2025
Refund of excess interest collected (Liabilites)	23.13	23.36
Less: Amount refunded / adjusted to credit of borrowers	0.03	0.23
Amount to be refunded to borrowers	23.10	23.13

50 (a): During the year ended March 31, 2026, the Company operated in a challenging industry environment characterised by stress in the joint liability group lending model, borrower over-indebtedness, socio-political disruptions and elevated field attrition. Against this backdrop, the Company's legacy loan portfolio originated in earlier periods experienced higher delinquencies, resulting in elevated impairment cost for the period April 01, 2025 to December 31, 2025 (nine months period). The Company undertook technical write-offs during the nine months period, aggregating to a principal outstanding of ₹1,155.27 crore. The selection of accounts for technical write-off was based on objective criteria identified by the management as loss assets in line with the Company's credit loss policy framed as per Ind AS 109 – Financial Instruments. The Company continues to pursue recovery actions in respect of written-off accounts in line with its recovery processes. Loans originated during FY2026 exhibited stable performance, while overall collection efficiency across all buckets improved steadily over the course of the year. These trends reflect the positive impact of strengthened underwriting standards and enhanced risk management practices. In light of the improvement observed across key operating and credit parameters, the Company believes that its existing provisioning and recovery-led approach remains appropriate, and that accelerated write-offs are no longer warranted. Accordingly, the write-offs recognised during the year are aligned with the Company's impairment assessment framework.

(b) The Company was not compliant with certain financial covenants relating to its borrowings due to factors mentioned in note 50 (a) as at March 31, 2026. The Company has obtained waivers in respect of such non-compliant covenants from majority of the lenders. The Company has been in constant communication with its lenders and is confident that no material demand for immediate repayment of borrowed funds will be made due to non-compliance with the covenants. As on the date of these financial statements, none of the lenders have intimated about the same.

(c) The operating environment continued to evolve, with the implementation of industry guardrails effective from April 01, 2025, aimed at strengthening the credit discipline over time. In this context, the Company adopted a calibrated approach to disbursements and portfolio management which, together with the natural run off of the existing portfolio, resulted in a reduction in the gross loan book from ₹5,554.45 crore as at March 31, 2025 to ₹3,449.58 crore as at March 31, 2026. As at March 31, 2026, the Company reported a Capital to Risk-Weighted Assets Ratio (CRAR) of 29.76%, well above the minimum regulatory requirement under applicable RBI guidelines, with Tier I capital of ₹842.43 crore. Based on the assessment of projected cash flows, available liquidity resources, and Board approved business plans, the Company is of the view that it has adequate resources to meet its obligations as they fall due.

(d) Considering the factors outlined in Notes 50 (a), (b) and (c), Management has assessed the Company's ability to continue as a going concern, taking into account all relevant information available up to the date of approval of these standalone financial statements, including the impact of events occurring after the reporting date. While this assessment involves judgement regarding future events and conditions and is subject to inherent uncertainties, Management is of the view that no material uncertainty exists that would cast significant doubt on the Company's ability to continue as a going concern. Accordingly, the standalone financial statements for the year ended March 31, 2026 have been prepared on a going concern basis.

Notes to the Standalone Financial Statement

for the year ended March 31, 2026

(₹ in crores unless otherwise stated)

(e) The Company has recognised a deferred tax asset of ₹640.63 crore as at March 31, 2026, primarily in respect of carried-forward tax losses and deductible temporary differences. The losses incurred during the year were largely attributable to technical write-offs [refer Note 50 (a)]. Recognition of the deferred tax asset is based on Management's assessment of the Company's future taxable profits in accordance with Ind AS 12, taking into consideration Board-approved business plans, the expected reversal of taxable temporary differences, and other relevant factors. This assessment involves significant management judgement. Management believes that sufficient taxable profits will be available within the prescribed period to enable utilisation of the recognised deferred tax assets.

51. The Company, being a Non-Banking Financial Company – Microfinance Institution (NBFC-MFI), is required to maintain at least 60% of its total assets as "microfinance loans" in accordance with paragraph 12 of the Reserve Bank of India (Non-Banking Financial Companies – Microfinance Institution) Directions, 2025 (as amended), dated November 28, 2025 (the "Master Directions – MFI"). As at March 31, 2026, the Company was in compliance with this requirement, with qualifying assets (i.e., microfinance loans as a percentage of total assets) meeting the prescribed threshold.

52. The Board of Directors, at its meeting held on January 10, 2026, granted in-principle approval for the proposed merger of Criss Financial Limited, a subsidiary of the Company, with the Company. To oversee the process, the Board has constituted a Merger Steering Committee, to evaluate and finalize the terms of the proposed merger, facilitate effective decision-making on related matters, and present a final proposal to the Board for its consideration and approval. The merger scheme is yet to be drafted and will remain subject to requisite approvals from statutory and regulatory authorities, as well as the respective shareholders and creditors, in accordance with applicable law. As per Ind AS 36, indicators of impairment exist due to losses incurred in the current year, reducing the networth than the carry cost however, these are assessed to be temporary. The recoverable amount has been assessed based on value in use, supported by a Board approved long term business plan and expected economic benefits from the proposed merger, including scale efficiencies and enhanced cash generating capacity. Accordingly, no impairment has been recognised, and the subsidiary's business is expected to continue within the Company post merger."

53. On November 21, 2025, the Government of India notified the four Labour Codes—the Code on Wages, 2019; the Industrial Relations Code, 2020; the Code on Social Security, 2020; and the Occupational Safety, Health and Working Conditions Code, 2020 (collectively, the "New Labour Codes")—consolidating twenty-nine existing labour laws into a unified framework. The Ministry of Labour & Employment issued draft Central Rules and FAQs to facilitate assessment of the financial impact of these regulatory changes. Based on the best information currently available, the Company has assessed the incremental financial implications, resulting in an increase in gratuity liability due to past service cost of ₹3.91 crore and an increase in leave liability of ₹3.68 crore and the same has been recognized under the head "Employee benefit expenses" for the year ended March 31, 2026. The Company continues to monitor the finalisation of Central and State Rules, as well as further clarifications from the Government, and will evaluate and reflect any additional impact in its books of accounts as appropriate.

54: Additional Regulatory Information

(a) There is no such immovable properties held whose title deeds are not held in the name of the Company.

(b) There are no investment property as on March 31, 2026 and March 31, 2025.

(c) The Company has not revalued its Property, Plant and Equipment (including Right-of Use Assets) and intangible assets based on the valuation by a registered valuer as defined under rule 2 of Companies (Registered Valuers and Valuation) Rules, 2017.

(d) No proceeding has been initiated or pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

(e) The Company has been sanctioned working capital limits by bank on the basis of security of current assets during the year. The statements of current assets filed by the Company with bank with respect to its sanctioned working capital on a quarterly basis are in agreement with the books of accounts.

(f) The Company has not been declared wilful defaulter by any bank or financial Institution or other lender.

(g) No transactions were carried out during the year with companies struck off under section 248 of the Companies Act, 2013 or Section 560 of Companies Act, 1956

Notes to the Standalone Financial Statement

for the year ended March 31, 2026

(₹ in crores unless otherwise stated)

54: Additional Regulatory Information (Contd.)

(h) The Company has complied with the number of layers prescribed under clause (87) of Section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017

(i) 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.

(j) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

(k) The Company has availed borrowings from banks and financial institutions and has applied the funds for the specific purposes for which they were sanctioned, as at the balance sheet date. Any unutilized funds as at March 31, 2026 and March 31, 2025 have been temporarily deployed in Cash and cash equivalents.

(l) The Company has a process whereby periodically all long-term contracts (including derivative contracts) are assessed for material foreseeable losses. The Company reviews and ensures that adequate provision as required under any law/ accounting standards for material foreseeable losses on such long-term contracts (including derivative contracts) has been made in the books of account. There were no such contracts for which there were any material foreseeable losses for the year ended March 31, 2026.

As per our report of even date
For **B S R & Co. LLP**
Chartered Accountants
ICAI Firm registration number: 101248W/W-100022

Kapil Goenka
Partner
Membership No.: 118189

Place: Hyderabad
Date: May 05, 2026

For and on behalf of the Board of Directors of
Spandana Sphoorty Financial Limited

Abanti Mitra
Chairperson
DIN: 02305893

Mr.Venkatesh Krishnan
Managing Director & CEO
DIN: 02078403

Ashish Damani
President & Chief Financial Officer

Vinay Prakash Tripathi
Company Secretary
Membership No.: ACS-18976

Place: Hyderabad
Date: May 05, 2026

Independent Auditor's Report

To the Members of

Spandana Sphoorty Financial Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Spandana Sphoorty Financial Limited (hereinafter referred to as the "Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), which comprise the consolidated balance sheet as at 31 March 2026, and the consolidated statement of profit and loss (including other comprehensive income), consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of the other auditors on separate financial statements of such subsidiaries as were audited by the other auditors, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31 March 2026, of its consolidated loss and other comprehensive income, consolidated changes in equity and consolidated cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in terms of the Code of Ethics issued by the Institute of Chartered Accountants of India and the relevant provisions of the Act, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence obtained by us along with the consideration of reports of the other auditors referred in "Other Matters" section below, is sufficient and appropriate to provide a basis for our opinion on the consolidated financial statements.

Key Audit Matters

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

Impairment loss allowance on loans - Holding Company

Refer to the material accounting policies in "Note 3 (j) to the consolidated financial statements: Impairment on financial assets", "Note 7, Note 27 and Note 49 to the consolidated financial statements: Loans".

The key audit matter	How the matter was addressed in our audit
The Company's loan portfolio constitutes a significant portion of its total assets. During the year ended 31 March 2026, the Company reported a substantial increase in credit losses, resulting in a net loss for the year. The measurement of Expected Credit Losses ("ECL") under Ind AS 109 involves significant management judgment, Impairment loss allowance on loans of ₹132.01 crores as at 31 March 2026. Allowance charged to statement of profit and loss: ₹ 620.06 crores for the year ended 31 March 2026. Under Ind AS 109, Financial Instruments, impairment loss allowance is determined using expected credit loss ("ECL") model. Recognition and measurement of impairment loss allowance on loans involves significant judgement and estimates. The key areas where increased levels of audit focus in the Company's estimation of impairment loss allowance on loans are: a) Data inputs - The application of ECL model requires several data inputs. This increases the risk of irrelevant data used to create assumptions in the model b) Model estimations - Inherently judgmental models are used to estimate impairment loss allowance on loans which involves determining Probabilities of Default (PD), Loss Given Default (LGD), and Exposures at Default (EAD). PD and LGD are the key drivers of estimation complexity in ECL model and hence are considered the most significant judgmental aspect of the Company's modelling approach. c) Economic scenario: Ind AS 109 requires the Company to measure impairment loss allowance on loans in an unbiased forward-looking basis reflecting a range of future economic scenarios. Significant judgement is applied in determining the economic scenarios used and the probability weights applied to them. d) Post model adjustments / additional provision / technical write offs: Adjustments to the model-driven ECL results as additional charge are recorded by the Company to address risks not captured by models for specific exposures and accelerated technical write offs made on prudential basis. Significant judgement is involved in estimating additional charge. The underlying forecasts and assumptions used in the estimates of impairment loss allowance are subject to uncertainties which are often outside the control of the Company. **Disclosure** The disclosures regarding the Company's application of Ind AS 109 are key to explaining the key estimates, judgements and inputs used in Impairment loss allowance on loans. Given the size of loan portfolio relative to the balance sheet and the impact of impairment loss allowance including write off on the financial statements. we have considered this as a key audit matter.	In view of the significance of the matter, we applied the following key audit procedures in this area, among others to obtain sufficient audit evidence: **Testing of design and operating effectiveness of controls:** Performed end to end process walkthroughs to identify the key systems, applications and controls used in computation of impairment loss allowance on loans. Testing the relevant manual, general IT and application controls over key systems used in the impairment of loss allowance on loans. Key aspects of our testing of the design, implementation and operating effectiveness involves the following: a) Tested the key controls over the completeness and accuracy of the key inputs, data and assumptions into the Ind AS 109 impairment models. b) Tested the key governance controls over evaluation, implementation and model monitoring. c) Tested the key controls over the application of the staging criteria. d) Tested the key controls relating to selection and implementation of key macro-economic variables and the controls over the scenario selection and application of probability weights. e) Tested the key controls operating over the information used in the computation of impairment loss allowance on loans including system access, change management, program development and computer operations. f) Tested management's controls over authorisation and computation of post model adjustments and additional provision and accelerated technical write off. g) Tested the Company's controls on compliance with Ind AS 109 disclosures related to impairment loss allowance on loans. **Test of details:** Key aspects of our testing includes: a) Assessed the Company's rationale for determination of criteria for significant increase in credit risk. b) Tested sample over key inputs, data and assumptions impacting ECL model to assess relevance of data, economic forecasts, weights, and model assumptions applied. c) Tested computation of model driven impairment loss allowance on loans through re-performance on a sample basis. d) Assessed adequacy of disclosures included in the financial statements in respect of expected credit losses. e) Assessed the Company's rationale for determination of criteria for accelerated technical write offs. f) Tested details of post model adjustments/additional provision as well as the accelerated technical write offs recorded. **Involvement of specialists** We involved financial risk modelling specialists for the following: a) Evaluated the Company's Ind AS 109 impairment methodologies including PD, LGD and EAD methodologies and assumptions used in the ECL model . b) Evaluated the relevance of inputs used in the model for computation of impairment loss allowance on loans.

Information Technology systems and controls - Holding Company

The key audit matter	How the matter was addressed in our audit
Information Technology ('IT') systems and controls The Company's key financial reporting and loan accounting processes are highly dependent on on its IT system. Given the volume of transactions and reliance on automated controls, deficiencies in IT general controls ("ITGCs") could impact the integrity of financial reporting. We have identified 'IT systems and controls' as a key audit matter considering the high level of automation, use of system generated reports in management controls and the complexity of the IT architecture. Further, it impacts on the overall financial reporting process and regulatory expectation on automation.	In view of the significance of the matter, we applied the following key audit procedures in this area, among others to obtain sufficient audit evidence for scoped in applications by involving our IT specialist: a) Evaluated and tested the design, implementation and operating effectiveness of IT applications controls relevant to the accuracy of system computations, and the consistency of data transmission relating to significant accounts. b) Evaluated and tested the design, implementation and operating effectiveness of key General IT Controls. This includes controls on Access management, Change management and Computer Operations. c) Tested the design and operating effectiveness of key controls over user access management. This includes access authentication through password configuration management, granting or modification of user access, creating new users, deactivating user access for exiting users, user access and privileged access examination basis their role and function. d) Tested the design, implementation and operating effectiveness of the IT automated controls which are relevant to the accuracy of system computations impacting balances in significant accounts. e) Tested the controls over changes to applications including access to configure changes, approvals required to deploy the changes, segregation of environment and segregation of duties in change management. f) Tested the controls over computer operations including controls over backup of data, controls on operating system and database viz. authorized access, password management and changes. In addition to the procedures described above, we extended our audit procedures, where necessary, to include testing of periodic reconciliations, assessment of manual approval controls and performance of additional substantive testing.

Deferred tax assets - Holding Company

Refer to the accounting policies in "Note 3(e) to the consolidated financial statements: Income taxes", "Note 11 to the consolidated financial statements: Deferred tax assets (net)

The key audit matter	How the matter was addressed in our audit
Deferred tax assets (net) of ₹ 640.63 crores as at 31 March 2026 Under Ind AS 12 – Income taxes, the Company is required to reassess recognition of the deferred tax assets at each reporting date. The Company has deferred tax assets in respect of unused tax loss for the current and previous year and other deductible temporary differences. The recognition of deferred tax assets involves significant judgement, particularly in assessing the availability of future taxable profits against which such assets can be utilised, as required by Ind AS 12 – Income Taxes. This assessment is based on management's projections of future profitability, which are inherently uncertain and sensitive to assumptions relating to business performance, credit quality and operating conditions. Accordingly, this was considered a key audit matter.	In view of the significance of the matter, we applied the following key audit procedures in this area, among others to obtain sufficient audit evidence: a) Evaluated management's assessment of the recoverability of deferred tax assets, including the basis for concluding that sufficient future taxable profits will be available. b) Obtained management's forecasts of future taxable profits and assessed the reasonableness of key assumptions, including expected improvements in collections, asset quality and business performance. c) Compared prior period forecasts with actual performance to evaluate the reliability of management's forecasting process. d) Verified profitability projections from the Board approved business plan and tested the assumptions used in underlying sensitivity analysis. e) Assessed the availability and timing of reversal of taxable temporary differences and the period over which tax losses can be utilised under applicable tax laws. f) Performed sensitivity analyses on key assumptions to evaluate the potential impact on the recoverability of deferred tax asset g) Evaluated the adequacy of the Company's disclosures on deferred tax.

Description of key audit matter of subsidiary company - Criss Financial Limited (CFL) as provided by the statutory auditors of CFL and reproduced by us

Provisioning based on Expected Credit Loss model (ECL) under IND AS 109

The key audit matter	How the matter was addressed in audit
Under Ind AS 109, "Financial Instruments", allowance for loan losses are determined using expected credit loss ('ECL') estimation model. The estimation of ECL on financial instruments involves significant judgement and estimates. The key areas where we identified greater levels of management judgement are involved and therefore audit focus is more in the Company's estimation of ECL Probabilities of Default ("PD"), Loss Given Default ("LGD") are the key drivers of estimation of ECL provision and as a result are considered the most significant judgmental aspect of the Company's modelling approach.	Our Audit Procedures • Examined the policy approved by the board for methodology to be adopted for ECL. • Assessed the design, implementation and operating effectiveness of key internal financial controls including monitoring process of overdue loans, measurement of provision, stage-wise classification of loans, identification of NPA accounts. • Assessed the reliability of management information, which included overdue reports. • Understood management's approach, interpretation, systems and controls implemented in relation to probability of default and stage-wise bifurcation of product-wise portfolios for timely ascertainment of stress and early warning signals • Tested controls over measurement of provisions. Substantive Verification Verified key inputs, data and assumptions impacting ECL calculations to assess the completeness, accuracy and relevance of data. Disclosures - Assessed whether the disclosures on key judgements, assumptions and quantitative data with respect to impairment of loans (including restructuring related disclosures) in the Standalone Ind AS Financial Statements are appropriate and sufficient

Deferred Tax Assets under Ind As 12

The key audit matter	How the matter was addressed in audit
Deferred tax assets (net) of ₹ 61.95 crores as at 31 March 2026 Under Ind AS 12 – Income taxes, the Company is required to reassess recognition of the deferred tax assets at each reporting date. The Company has deferred tax assets in respect of unused tax loss for the current year and other temporary differences. The Company's deferred tax assets are based on the projected profitability. This is to be determined on the basis of approved business plans and availability of sufficient taxable income to utilize such unused tax losses. We have identified recognition of deferred tax assets as a key audit matter because of the related complexity and subjectivity of the assessment process. The assessment process is based on assumptions affected by expected future market and other relevant conditions.	In view of the significance of the matter, we applied the following key audit procedures in this area, among others to obtain sufficient audit evidence: a) Evaluating the design and testing the operating effectiveness of controls over assessment of deferred tax balances and underlying data. b) Evaluating the approved business plans and the basis for projections of future taxable profits. c) Testing the underlying data and assumptions used in the profitability projections d) Assessing the recoverability of deferred tax assets based on projected profits based on Company's forecasts and sensitivity analysis and other relevant conditions. e) Evaluating the adequacy of the Company's disclosures on deferred tax.

Other Information

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

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

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

When we read the annual report, 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.

Management's and Board of Directors' Responsibilities for the Consolidated Financial Statements

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

In preparing the consolidated financial statements, the respective Management and Board of Directors of the companies included in the Group are responsible for assessing the ability of each company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of each company.

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with 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 consolidated financial statements.

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

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

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

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

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

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial statements of such entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further described in section titled "Other Matters" in this audit report.

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

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

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

Other Matter

We did not audit the financial statements of two subsidiaries, whose financial statements reflects total assets (before consolidation adjustments) of ₹ 679 crores as at 31 March 2026, total revenues (before consolidation adjustments) of ₹ 153 crores and net cash inflows (before consolidation adjustments) amounting to ₹ 20 crores for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the reports of the other auditors.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of this matter with respect to our reliance on the work done and the reports of the other auditors.

Report on Other Legal and Regulatory Requirements

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

2 A. As required by Section 143(3) of the Act, based on our audit and on the consideration of reports of the other auditors on separate financial statements of such subsidiaries, as were audited by other auditors, as noted in the "Other Matters" paragraph, we report, to the extent applicable, that:

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

b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditor(s) except for the matters stated in the paragraph 2B(f) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.

c. The consolidated balance sheet, the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated statement of cash flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

d. In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act.

e. On the basis of the written representations received from the directors of the Holding Company as on 1 April 2026 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on 31 March 2026 from being appointed as a director in terms of Section 164(2) of the Act.

f. the qualification relating to the maintenance of accounts and other matters connected therewith are as stated in the paragraph 2A(b) above on reporting under Section 143(3)(b) of the Act and paragraph 2B(f) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.

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

B. 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 and based on the consideration of the reports of the other auditors on separate financial statements of the subsidiaries, as noted in the "Other Matters" paragraph:

a. The consolidated financial statements disclose the impact of pending litigations as at 31 March 2026 on the consolidated financial position of the Group. Refer Note 35 to the consolidated financial statements.

b. Provision has been made in the consolidated financial statements, as required under the applicable law or Ind AS, for material foreseeable losses, on long-term contracts including derivative contracts. Refer Note 48(B)(m) to the consolidated financial statements in respect of such items as it relates to the Group.

c. There are no amounts which are required to be transferred to the Investor Education and Protection Fund by the Holding Company or its subsidiary companies incorporated in India during the year ended 31 March 2026.

d (i) The respective management of the Holding Company and its subsidiary companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiary companies that, to the best of their knowledge and belief, as disclosed in the Note 45 to the consolidated financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or any of such subsidiary companies to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company or any of such subsidiary companies ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(ii) The respective management of the Holding Company and its subsidiary companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiary companies that, to the best of their knowledge and belief, as disclosed in the Note 46 to the consolidated financial statements, no funds have been received by the Holding Company or any of such subsidiary companies from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or any of such subsidiary companies shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(iii) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us and that performed by the auditors of the subsidiary companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our or other auditors notice that has caused us or the other auditors to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (i) and (ii) above, contain any material misstatement.

e. The Holding Company and its subsidiary companies incorporated in India have neither declared nor paid any dividend during the year.

f. Based on our examination which included test checks, the Holding Company and subsidiary companies incorporated in India whose financial statements have been audited under the Act, has used accounting softwares for maintaining its books of accounts, which have a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the respective softwares except that the feature of recording of audit trail (edit log) facility was not enabled at the database level for certain users for Holding Company.

   Further, the Holding Company has used an accounting software relating to payroll, which is operated by a third-party software service provider, for maintaining its books of account. Based on the independent auditor's report in relation to controls at a service organisation, the audit trail (edit log) facility on database was implemented from 3 April 2025 onwards. Also, in the absence of the independent auditor's report in relation to controls at a service organisation for the period from 1 January 2026 to 31 March 2026, we are unable to comment whether audit trail (edit log) facility of the said software was enabled and operated throughout the period for all relevant transactions recorded in the software.

   Further, where audit trail (edit log) facility was enabled and operated throughout the year for the respective accounting softwares, we did not come across any instance of the audit trail feature being tampered with.

   Additionally, the audit trail (edit log) facility, wherever enabled has been preserved by the Holding and subsidiary companies as per the statutory requirements for record retention.

C. With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:

In our opinion and according to the information and explanations given to us and based on the reports of the statutory auditors of such subsidiary companies incorporated in India which were not audited by us, the remuneration paid during the current year by the Holding Company and its subsidiary companies to its directors is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director by the Holding Company and its subsidiary companies is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No.:101248W/W-100022

Kapil Goenka
Partner
Membership No.: 118189
ICAI UDIN:26118189AZBSLC2825

Place: Hyderabad
Date: 05 May 2026

Annexure A to the Independent Auditor's Report on the Consolidated Financial Statements of Spandana Sphoorty Financial Limited for the year ended 31 March 2026

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

(xxi) In our opinion and according to the information and explanations given to us, following companies incorporated in India and included in the consolidated financial statements, have unfavourable remarks given by the respective auditors in their reports under the Companies (Auditor's Report) Order, 2020 (CARO):

Sr. No.	Name of the entities	CIN	Holding Company/Sub sidiary/ JV/ Associate	Clause number of the CARO report which is unfavourable or qualified or adverse
1	Spandana Sphoorty Financial Limited	L65929TG2003PLC040648	Holding Company	iii(c), iii(d), iii(f), vii (a), vii(b), ix(c), xi(a) and xvii
2	Criss Financial Limited	U65993TG1992PLC014687	Subsidiary Comapny	iii(c), iii(d), vii(a), vii(b), xi(a)

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No.:101248W/W-100022

Kapil Goenka
Partner
Membership No.: 118189
ICAI UDIN:26118189AZBSLC2825

Place: Hyderabad
Date: 05 May 2026

Annexure B to the Independent Auditor's Report on the consolidated financial statements of Spandana Sphoorty Financial Limited for the year ended 31 March 2026

Report on the internal financial controls with reference to the aforesaid consolidated financial statements under Clause (i) of Sub-section 3 of Section 143 of the Act

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Opinion

In conjunction with our audit of the consolidated financial statements of Spandana Sphoorty Financial Limited (hereinafter referred to as "the Holding Company") as of and for the year ended 31 March 2026, we have audited the internal financial controls with reference to financial statements of the Holding Company and such companies incorporated in India under the Act which are its subsidiary companies, as of that date.

In our opinion and based on the consideration of reports of the other auditors on internal financial controls with reference to financial statements of subsidiary companies, as were audited by the other auditors, the Holding Company and such companies incorporated in India which are its subsidiary companies, have, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2026, based on the internal financial controls with reference to financial statements criteria established by such companies considering the essential components of such internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's and Board of Directors' Responsibilities for Internal Financial Controls

The respective Company's Management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the respective company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. 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 were 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 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 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 consolidated financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors of the relevant subsidiary companies in terms of their reports referred to in the Other Matter paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to financial statements.

Meaning of Internal Financial Controls with Reference to Financial Statements

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

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to 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 controls 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.

Other Matter

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to financial statements insofar as it relates to two subsidiary companies, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India.

Our opinion is not modified in respect of this matter.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No.:101248W/W-100022

Kapil Goenka
Partner
Membership No.: 118189
ICAI UDIN:26118189AZBSLC2825

Place: Hyderabad
Date: 05 May 2026

Consolidated Balance Sheet

as at March 31, 2026

(₹ in crores unless otherwise stated)

	Notes	As at March 31, 2026	As at March 31, 2025
ASSETS			
Financial assets			
Cash and cash equivalents	4	769.49	1,235.97
Bank balance other than cash and cash equivalents	5	505.21	607.81
Derivative financial instruments	6	7.49	2.47
Loans	7	3,860.50	5,708.40
Investments	8	113.51	109.75
Other financial assets	9	89.71	137.61
Total financial assets		**5,345.91**	**7,802.01**
Non-financial assets			
Current tax assets (net)	10	118.87	117.88
Deferred tax assets (net)	11	702.58	475.03
Property, plant and equipment	12	18.28	31.24
Goodwill		17.39	17.39
Other intangible assets	12A	3.33	2.98
Other non-financial assets	13	40.01	47.00
Total non-financial assets		**900.46**	**691.52**
Total Assets		**6,246.37**	**8,493.53**
LIABILITIES AND EQUITY			
LIABILITIES			
Financial liabilities			
Payables	14		
Trade Payables			
Total outstanding dues of micro enterprises and small enterprises		0.95	-
Total outstanding dues of creditors other than micro enterprises and small enterprises		10.17	8.97
Other Payables			
Total outstanding dues of micro enterprises and small enterprises		-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises		-	-
Debt securities	15	2,175.29	2,264.49
Borrowings (other than Debt Securities)	15	1,767.44	3,391.14
Other financial liabilities	16	104.95	137.43
Total financial liabilities		**4,058.80**	**5,802.03**
Non-financial liabilities			
Current tax liabilities (net)	17	11.06	5.35
Provisions	18	25.50	26.67
Other non-financial liabilities	19	21.44	26.19
Total non-financial liabilities		**58.00**	**58.21**
EQUITY			
Equity share capital	20	79.97	71.31
Other equity	21	2,049.42	2,561.74
Equity attributable to owner of the Parent		2,129.39	2,633.05
Non controlling interest		0.18	0.23
Total equity		**2,129.57**	**2,633.29**
Total liabilities and equity		**6,246.37**	**8,493.53**

The accompanying notes are an integral part of these consolidated financial statements

As per our report of even date
For **B S R & Co. LLP**
Chartered Accountants
ICAI Firm registration number: 101248W/W-100022

For and on behalf of the Board of Directors of
Spandana Sphoorty Financial Limited

Kapil Goenka
Partner
Membership No.: 118189

Abanti Mitra
Chairperson
DIN: 02305893

Mr.Venkatesh Krishnan
Managing Director & CEO
DIN: 02078403

Ashish Damani
President & Chief Financial Officer

Vinay Prakash Tripathi
Company Secretary
Membership No.: ACS-18976

Place: Hyderabad
Date: May 05, 2026

Place: Hyderabad
Date: May 05, 2026

Consolidated Statement of Profit and Loss

for the year ended March 31, 2026

(₹ in crores unless otherwise stated)

	Notes	For year ended March 31, 2026	For year ended March 31, 2025
Revenue from operations			
Interest income	22	965.32	2,194.32
Net gain on fair value changes	23	30.70	77.51
Net gain on derecognition of financial instruments measured at fair value through other comprehensive income	24	27.94	83.33
Total revenue from operations		**1,023.96**	**2,355.16**
Other income	25	42.37	68.93
Total income		**1,066.33**	**2,424.09**
Expenses			
Finance costs	26	508.38	932.26
Impairment on financial instruments	27	720.71	1,986.33
Employee benefits expenses	28	532.71	631.77
Depreciation and amortization	29	16.20	22.70
Other expenses	30	213.81	229.83
Total expenses		**1,991.81**	**3,802.89**
Loss before tax		**(925.48)**	**(1,378.80)**
Tax expense	31		
Current tax		-	-
Deferred tax		(226.33)	(343.64)
Total tax expense		**(226.33)**	**(343.64)**
Loss for the year		**(699.15)**	**(1,035.16)**
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Re-measurement gains/(losses) on defined benefit plans		0.78	0.56
Income tax relating to items that will not be reclassified to profit or loss		(0.20)	(0.14)
Items that will be reclassified to profit or loss			
Effective portion of cashflow hedges		4.47	(4.09)
Fair value change on loans measured through FVOCI		(773.90)	(1,783.13)
Fair value change on loans measured through FVOCI reclassified to profit or loss		763.79	1,792.00
Income tax relating to items that will be reclassified to profit or loss		1.42	(1.20)
Other comprehensive income		**(3.64)**	**4.00**
Total comprehensive income for the year		**(702.79)**	**(1,031.16)**
(Loss) / profit attributable to Non controlling interest			
Owners of the company		(699.09)	(1,035.10)
Non-controlling interests		(0.06)	(0.06)
		(699.15)	**(1,035.16)**
Other comprehensive income for the year attributable to:			
Owners of the company		(3.64)	4.00
Non-controlling interests		-	-
		(3.64)	**4.00**
Total comprehensive income for the year attributable to :			
Owners of the company		(702.73)	(1,031.10)
Non-controlling interests		(0.06)	(0.06)
		(702.79)	**(1,031.16)**
Earnings per equity share	32		
Nominal value per equity share (₹)		10.00	10.00
Basic (₹)		(91.01)	(145.17)
Diluted (₹)		(91.01)	(145.17)

The accompanying notes are an integral part of these consolidated financial statements

As per our report of even date
For **B S R & Co. LLP**
Chartered Accountants
ICAI Firm registration number: 101248W/W-100022

For and on behalf of the Board of Directors of
Spandana Sphoorty Financial Limited

Kapil Goenka
Partner
Membership No.: 118189

Abanti Mitra
Chairperson
DIN: 02305893

Mr.Venkatesh Krishnan
Managing Director & CEO
DIN: 02078403

Ashish Damani
President & Chief Financial Officer

Vinay Prakash Tripathi
Company Secretary
Membership No.: ACS-18976

Place: Hyderabad
Date: May 05, 2026

Place: Hyderabad
Date: May 05, 2026

Consolidated Statement of Cash Flows

for the year ended March 31, 2026

(₹ in crores unless otherwise stated)

Particulars	For year ended March 31, 2026	For year ended March 31, 2025
Cash flow from operating activities		
Loss before tax	(925.48)	(1,378.80)
Adjustments for:		
Interest income	(965.32)	(2,194.32)
Net gain on fair value changes	(30.70)	(77.51)
Net gain on derecognition of financial instruments measured at fair value through other comprehensive income	(27.94)	(83.33)
Gain on redemption of other investment	(0.34)	-
Finance costs	507.17	930.92
Interest on lease liabilities	1.21	1.34
Share based payment to employees	3.82	19.12
Provision reversal on indirect tax matter	(2.76)	(12.32)
Depreciation and amortization	16.20	22.71
Loss / (Gain) on sale of property, plant and equipment	(0.50)	0.01
Impairment on financial instruments	(449.79)	396.58
Operating loss before working capital changes	**(1,874.43)**	**(2,375.60)**
Operational cash flows from interest		
Interest received on loans	988.89	2,178.24
Finance costs paid	(514.12)	(995.49)
	474.77	**1,182.75**
Working capital change		
Changes in trade payable	2.16	0.53
Changes in other financial liabilities	(29.12)	(108.78)
Changes in other non-financial liabilities	(1.99)	(11.13)
Change in provision	(0.87)	9.94
Change in Derivative financial instruments	-	(2.47)
Changes in loans	2,224.43	4,994.03
Changes in other financial assets	75.83	51.74
Changes in other non financial assets	6.97	9.16
Cash generated from operating activities	**2,277.41**	**4,943.02**
Income taxes refund / (paid)	4.72	(68.87)
Net cash generated from operating activities (A)	**882.47**	**3,681.31**
Cash flow from investing activities		
Net placement of bank balances other than cash and cash equivalents	101.39	(132.38)
Interest on deposits with banks and financial institutions	49.61	34.50
Interest on inter corporate advances	-	-
Interest from Government Securities	0.34	-
Purchase of property, plant and equipment	(4.02)	(22.30)
Proceeds from sale of property, plant and equipment	1.46	0.39
Redemption of other investment	0.44	-
Investment in security receipts	(4.29)	(1.42)

Consolidated Statement of Cash Flows

for the year ended March 31, 2026

(₹ in crores unless otherwise stated)

Particulars	For year ended March 31, 2026	For year ended March 31, 2025
Proceeds from redemption of security receipts	8.67	5.34
Investment in Government Securities	(68.53)	(30.82)
Purchase of mutual funds	(6,169.70)	(10,046.31)
Redemption of mutual funds	6,249.39	10,061.00
Net cash generated from / (used in) investing activities (B)	**164.75**	**(132.00)**
Cash flow from financing activities		
Proceeds from issue of equity shares (including securities premium)	195.25	0.44
Long-term borrowings availed	2,784.47	3,733.87
Long-term borrowings repaid	(4,488.36)	(7,445.03)
Interest payment of lease liabilities	(1.21)	(1.34)
Principal payment of lease liabilities	(3.86)	0.43
Net cash used in financing activities (C)	**(1,513.71)**	**(3,711.63)**
Net change in cash and cash equivalents (A + B + C)	(466.48)	(162.32)
Cash and cash equivalents at the beginning of the year	1,235.97	1,398.29
Cash and cash equivalents at the end of the year	**769.49**	**1,235.97**
Components of cash and cash equivalents as at the end of year		
Cash on hand	2.31	6.61
Balance with banks - in current accounts	600.89	1,203.47
Bank deposits with original maturity of three months or less	166.29	25.89
Total cash and cash equivalents	**769.49**	**1,235.97**

The accompanying notes are an integral part of these consolidated financial statements

The above Statement of cash flows has been prepared under the indirect method as set out in Ind AS-7

As per our report of even date
For **B S R & Co. LLP**
Chartered Accountants
ICAI Firm registration number: 101248W/W-100022

Kapil Goenka
Partner
Membership No.: 118189

Place: Hyderabad
Date: May 05, 2026

For and on behalf of the Board of Directors of
Spandana Sphoorty Financial Limited

Abanti Mitra
Chairperson
DIN: 02305893

Mr.Venkatesh Krishnan
Managing Director & CEO
DIN: 02078403

Ashish Damani
President & Chief Financial Officer

Vinay Prakash Tripathi
Company Secretary
Membership No.: ACS-18976

Place: Hyderabad
Date: May 05, 2026

Consolidated Statement of Changes in Equity

for the year ended March 31, 2026

(₹ in crores unless otherwise stated)

A. Equity Shares

Equity Share of ₹ 10 each issued and subscribed

Particulars	No. of Shares	Amount
As at April 1, 2024	7,12,97,444	71.30
Issue of equity share capital during the year (refer note 20)	7,700	0.01
As at March 31, 2025	7,13,05,144	71.31
Issue of equity share capital during the year (refer note 20)	1,73,34,362	8.66
As at March 31, 2026	**8,86,39,506**	**79.97**

B. Other Equity (refer note 21)

Particulars	Reserves & Surplus						Other items of comprehensive income		Other Equity attributable to owners of the Parent	Non-Controlling Interest	Total Equity
	Securities premium	Retained earnings	General reserve	Statutory reserve	Capital redemption reserve	Share options outstanding account	Fair valuation on loans	Effective portion of cashflow hedges			
Balance as at April 01, 2024	**2,240.43**	**687.24**	**11.87**	**470.13**	**152.69**	**62.16**	**(51.22)**	**-**	**3,573.30**	**0.29**	**3,573.59**
Total comprehensive income for the year ended March 31, 2025											
Loss for the year	-	(1,035.10)	-	-	-	-	-	-	(1,035.10)	(0.06)	(1,035.16)
Other comprehensive income for the year	-	0.41	-	-	-	-	6.64	(3.06)	3.99	-	3.99
Total comprehensive income for the year	**-**	**(1,034.68)**	**-**	**-**	**-**	**-**	**6.64**	**(3.06)**	**(1,031.10)**	**(0.06)**	**(1,031.16)**
Transactions with owners of the Company											
Contributions and distributions											
Transfer to Statutory Reserve	-	-	-	-	-	-	-	-	-	-	-
Premium on issue of equity shares, net of issue expenses	0.65	-	-	-	-	-	-	-	0.65	-	0.65
Add: Share based payment to employees	-		-	-	-	19.12	-	-	19.12	-	19.12
Less: Transfer on cancellation pursuant to ESOP scheme	-	-	3.84	-	-	(4.06)	-	-	(0.22)	-	(0.22)
Total Contributions and distributions	**0.65**	**-**	**3.84**	**-**	**-**	**15.06**	**-**	**-**	**19.55**	**-**	**19.55**
Balance as at March 31, 2025	**2,241.08**	**(347.44)**	**15.71**	**470.13**	**152.69**	**77.22**	**(44.58)**	**(3.06)**	**2,561.74**	**0.23**	**2,561.98**

Consolidated Statement of Changes in Equity

for the year ended March 31, 2026

(₹ in crores unless otherwise stated)

Particulars	Reserves & Surplus						Other items of comprehensive income		Other Equity attributable to owners of the Parent	Non-Controlling Interest	Total Equity
	Securities premium	Retained earnings	General reserve	Statutory reserve	Capital redemption reserve	Share options outstanding account	Fair valuation on loans	Effective portion of cashflow hedges			
Total comprehensive income for the year ended March 31, 2026											
Loss for the year	-	(699.09)	-	-	-	-	-	-	(699.09)	(0.06)	(699.15)
Other comprehensive income for the year	-	0.58	-	-	-	-	(7.57)	3.34	(3.64)	-	(3.64)
Total comprehensive income for the year	**-**	**(698.51)**	**-**	**-**	**-**	**-**	**(7.57)**	**3.34**	**(702.74)**	**(0.06)**	**(702.79)**
Transactions with owners of the Company											
Contributions and distributions											
Transfer to Statutory Reserve	-	-	-	-	-	-	-	-	-	-	-
Premium on issue of equity shares, net of issue expenses	186.59	-	-	-	-	-	-	-	186.59	-	186.59
Add: Share based payment to employees	-		-	-	-	3.82	-	-	3.82	-	3.82
Less: Transfer on cancellation pursuant to ESOP scheme	-	-	24.79	-	-	(24.79)	-	-	-	-	-
Total Contributions and distributions	**186.59**	**-**	**24.79**	**-**	**-**	**(20.97)**	**-**	**-**	**190.41**	**-**	**190.41**
Balance as at March 31, 2026	**2,427.67**	**(1,045.95)**	**40.50**	**470.13**	**152.69**	**56.25**	**(52.15)**	**0.28**	**2,049.42**	**0.18**	**2,049.60**

The accompanying notes are an integral part of these consolidated financial statements.

As per our report of even date
For **B S R & Co. LLP**
Chartered Accountants
ICAI Firm registration number: 101248W/W-100022

Kapil Goenka
Partner
Membership No.: 118189

Place: Hyderabad
Date: May 05, 2026

For and on behalf of the Board of Directors of
Spandana Sphoorty Financial Limited

Abanti Mitra
Chairperson
DIN: 02305893

Mr.Venkatesh Krishnan
Managing Director & CEO
DIN: 02078403

Ashish Damani
President & Chief Financial Officer

Vinay Prakash Tripathi
Company Secretary
Membership No.: ACS-18976

Place: Hyderabad
Date: May 05, 2026

Notes to the Consolidated Financial Statement

for the year ended March 31, 2026

(₹ in crores unless otherwise stated)

1. Corporate information

Spandana Sphoorty Financial Limited ('the Company' or 'Holding Company' or 'Parent Company') having CIN L65929TG2003PLC040648 is a public Company domiciled in India and incorporated under the provisions of erstwhile Companies Act, 1956 on March 10, 2003.The Company was registered as a non-deposit accepting non-banking financial company ('NBFC-ND') with the Reserve Bank of India ('RBI') and got classified as non-banking financial company – micro finance institution (NBFC – MFI) effective April 13, 2015. As per the "Reserve Bank of India (Non-Banking Financial Companies – Registration, Exemptions and Framework for Scale Based Regulation) Directions, 2025" ("the SBR Regulations") dated 28 November 2025, as amended issued by the RBI, the Holding Company is classified as non-banking financial company – middle layer ('NBFC – ML'). The Holding Company's shares are listed on BSE Limited ('BSE') and National Stock Exchange of India Ltd ('NSE'). The registered office of the Holding Company is located at Galaxy, Wing B, 16th floor, Plot No.1, SY no 83/1, Hyderabad Knowledge City, TSIIC, Raidurg Panmaktha, Hyderabad Rangareddy, Telangana, India.

The Holding Company together with its subsidiaries listed below hereinafter collectively referred to as the 'the Group'.

Name of the subsidiaries	% shareholding and voting power held
Caspian Financial Services Limited	100.00%
Criss Financial Limited	99.92%

The Holding Company is primarily engaged in the business of lending, providing small value unsecured loans to low-income customers in semi-urban and rural areas. The tenure of these loans is generally spread over one to two years.

Caspian Financial Services Limited ('CFSL') is a public Company domiciled in India and incorporated under the provisions of the Companies Act, 1956. CFSL was engaged in the business of marketing consumer products. However, due to the cessation in operations and the losses incurred over the previous years and inability to revive the business, the management has concluded that the business will be wound up as soon as possible.

Criss Financial Limited ('CFL') is a public Company limited by shares domiciled in India and incorporated under the provision of the Companies Act, 1956 ('the Act') on August 20, 1992. CFL is registered as a non-deposit accepting Non-Banking Financial Company ('NBFC-ND') with the Reserve Bank of India ('RBI'). CFL is engaged in the business of finance by providing Individual Loans, Small Business Loans and Loan Against Property Loans. The registered office of CFL is located at Galaxy, Wing B, 16th Floor, Plot No .1, Sy No 83/1, Hyderabad Knowledge City, TSIIC, Raidurg Panmaktha, Hyderabad, Telangana - 500081

CFSL and CFL have been collectively referred to as "the Subsidiaries". These consolidated financial statements comprise the Holding Company and its subsidiaries for the year ended March 31, 2026.

2. Basis of preparation

a) Statement of compliance

The consolidated financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as prescribed in 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), the circulars, guidelines and directions issued by the Reserve Bank of India (RBI) from time to time ("the RBI guidelines") and presentation requirements of Division III of Schedule III of the Act (Ind AS compliant Schedule III), as applicable to the Group.

These consolidated financial statements are approved for issue by the Holding Company's Board of Directors on May 05, 2026.

b) Basis of measurement

The consolidated financial statements have been prepared on a historical cost basis, except for fair value through other comprehensive income (FVOCI) instruments, net defined benefit (asset) / liability, derivative financial instruments and financial assets and liabilities designated at FVTPL, all of which have been measured at fair value.

c) Functional and presentation currency

These consolidated financial statements are presented in Indian rupees ("₹"), which is also the Group's functional currency. All amounts are rounded off to nearest crores, unless otherwise stated.

d) Use of judgments and estimates

The preparation of financial statements in conformity with the Ind AS requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the accompanying disclosure and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

Notes to the Consolidated Financial Statement

for the year ended March 31, 2026

(₹ in crores unless otherwise stated)

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized prospectively.

Judgements

Information about the judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements is included in the following notes:

- Note 3 (j): classification of financial assets: assessment of business model within which the assets are held and whether the contractual terms of the financial asset are solely payments of principal and interest on the principal amount outstanding;
- Note 3 (k): lease term: whether the group is reasonably certain to exercise extension options.

Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties at the reporting date that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year is included in the following notes:

- Note 36: Determination of the fair value of financial instruments with significant unobservable inputs;
- Note 7: Impairment of financial instruments: assessment of whether credit risk on the financial asset has increased significantly since initial recognition and incorporation of forward-looking information in the measurement of Expected Credit Loss ('ECL');
- Note 44: Share based payments;
- Note 39: Measurement of defined benefit obligations: key actuarial assumptions;
- Note 11: recognition of deferred tax assets: availability of future taxable profit against which deductible temporary differences and tax losses carry forward can be utilized;
- Note 3 (n & o): recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources;
- Note 3 (g & h): useful life of property, plant, equipment and intangibles.
- Note 3 (g & h): impairment of property, plant, equipment and intangibles.
- Note 47(B): Impairment testing of Goodwill

e) Fair value measurement

The Group measures financial instruments at fair value at each balance sheet date using various valuation techniques.

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 Group'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 amortized cost are required to be disclosed in the said financial statements.

The Group 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 Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

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

- Level 1 financial instruments - Those where the inputs used in the valuation are unadjusted quoted prices from active markets for identical assets or liabilities that the Group has access to at the measurement date. The Group considers markets as active only if there are sufficient trading activities with regards to the volume and liquidity of the identical assets or liabilities and when there are binding and exercisable price quotes available on the balance sheet date.
- Level 2 financial instruments - Those where the inputs that are used for valuation and are significant, are derived from directly or indirectly observable market data available over the entire period of the instrument's life.
- Level 3 financial instruments – include one or more unobservable input where there is little market activity for the asset/liability at the measurement date that is significant to the measurement as a whole.

f) Presentation of the financial statements

The Group presents its balance sheet in order of liquidity. Financial assets and financial liabilities are generally reported gross in the balance sheet. Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

Notes to the Consolidated Financial Statement

for the year ended March 31, 2026

(₹ in crores unless otherwise stated)

3. Material accounting policy

This note provides a list of the material accounting policies adopted in the preparation of this consolidated financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

a) Basis of Consolidation

The consolidated financial statements incorporate the standalone financial statements of the Holding Company and all its subsidiaries (from the date control is gained), being the entities that it controls. Control is evidenced where the investor is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Power is demonstrated through existing rights that give the ability to direct relevant activities, which significantly affect the entity returns. The financial statements of subsidiaries are prepared for the same reporting year as the Holding Company. Where necessary, adjustments are made to the financial statements of subsidiaries to align the accounting policies in line with accounting policies of the Holding Company.

The Holding Company re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Holding Company obtains control over the subsidiary and ceases when the Holding Company loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Holding Company gains control until the date the Holding Company ceases to control the subsidiary.

The consolidated financial statements include results of the subsidiaries of Spandana Sphoorty Financial Limited (the 'Holding Company'), consolidated in accordance with Ind AS 110 'Consolidated Financial Statements'

Name of the Company	Country of Incor-poration	Proportion of ownership as at (March 31, 2026)	Proportion of ownership as at (March 31, 2025)	Con-solidated as
Criss Financial Limited	India	99.92%	99. 92%	Subsidiary
Caspian Financial Services Limited	India	100.00%	100.00%	Subsidiary

Consolidation procedure:

(a) Combine like items of assets, liabilities, equity, income, expenses and cash flows of the Holding Company with those of its subsidiary. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognized in the consolidated financial statements at the acquisition date.

(b) Offset (eliminate) the carrying amount of the Holding Company's investment in each subsidiary and the Holding Company's portion of equity of each subsidiary. Business combinations policy explains how to account for any related goodwill.

(c) Eliminate in full intracompany assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the Company (profits or losses resulting from intracompany transactions that are recognized in assets, such as inventory and fixed assets, are eliminated in full). Intracompany losses may indicate an impairment that requires recognition in the consolidated financial statements. Ind AS 12 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intracompany transactions.

Profit or loss and each component of OCI are attributed to the equity holders of the Holding Company and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the standalone financial statements of subsidiary to bring their accounting policies in line with the Group's accounting policies. All intracompany assets, liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Non-controlling interest

NCI are measured initially at their proportionate share of the acquiree's identifiable net assets at the date of acquisition. Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

(b) Foreign Currency Transactions

Transaction and balance

Transactions in foreign currencies are initially recorded in the functional currency at the spot rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated into the functional currency at the spot rate of exchange at the reporting date. All exchange

Notes to the Consolidated Financial Statement

for the year ended March 31, 2026

(₹ in crores unless otherwise stated)

differences arising from foreign currency borrowings to the extent not capitalized

are regarded as a cost of borrowing and presented under Finance cost.

c) Revenue from contracts with customers

The Group recognizes revenue from contracts with customers (other than financial assets to which Ind AS 109 'Financial Instruments' is applicable) based on a comprehensive assessment model as set out in Ind AS 115 'Revenue from Contracts with Customers'. The Group identifies contract with a customer and its performance obligations under the contract, determines the transaction price and its allocation to the performance obligations in the contract and recognizes revenue only on satisfactory completion of performance obligations. Revenue is measured at fair value of the consideration received or receivable.

Revenue from advertisement activity is recognized upon satisfaction of performance obligation (over the time) by rendering of services underlying the contract with third party customers.

d) Employee benefits

Short-term employee benefits

Short-term employee benefits are measured on an undiscounted basis and expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus, if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably

Defined contribution plan

Retirement benefit in the form of provident fund is a defined contribution scheme. The Group has no obligation other than the contribution payable to the provident fund. The Group recognizes contribution payable to the provident fund scheme as expenditure when an employee renders the related service.

Share based payments

Employees (including senior executives) of the Group receive remuneration in the form of share-based payments in form of employee stock options, whereby employees render services as consideration for equity instruments (equity-settled transactions).

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using the Black Scholes valuation model. That cost is recognized in employee benefits expense, together with a corresponding increase in share options outstanding account in Other equity, over the period in which the performance and/or service conditions are fulfilled. The cumulative expense recognized for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The expense or credit for a period represents the movement in cumulative expense recognized as at the beginning and end of that period and is recognized in employee benefits expense. Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Group's best estimate of the number of equity instruments that will ultimately vest. The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

Defined benefit plans - Gratuity

The Group has defined benefit gratuity plan. The Group's net obligation in respect of defined benefit plans is calculated separately by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Group, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan ('the asset ceiling'). To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

Remeasurements of the net defined benefit liability / (asset), which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised immediately in OCI. The Group determines the net interest expense (income) on the net defined benefit liability (asset) by applying the discount rate, used to measure the net defined liability / (asset) as determined at the start of the financial year after taking into account any changes in the net defined benefit liability (asset) during the year as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in the statement of profit and loss. Remeasurements are not reclassified to the statement of profit and loss in subsequent periods.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service ('past service cost' or 'past service gain') or the gain or loss on curtailment is recognised immediately in the statement of profit and loss. The

Notes to the Consolidated Financial Statement

for the year ended March 31, 2026

(₹ in crores unless otherwise stated)

Group recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

Other long-term employee benefits - compensated absences

Compensated absences are a long-term employee benefit and are accrued based on an actuarial valuation done as per projected unit credit method as at the Balance Sheet date, carried out by an independent actuary.

Actuarial gains and losses arising during the year are immediately recognized in the statement of profit and loss.

e) Income taxes

Current Taxes

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities in accordance with the Income Tax Act, 1961. It is computed using tax rates and tax laws enacted or substantively enacted at the reporting date. Current income tax relating to items recognized outside the statement of profit and loss are recognized either in other comprehensive income or in other equity.

Current tax assets and liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

Deferred Taxes

Deferred tax is provided on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognized for all taxable temporary differences, except:

- Where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- In respect of taxable temporary differences associated with investments in subsidiaries, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. The carrying amount of deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are reassessed at each reporting date and are recognized to the extent that it becomes probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognized outside profit or loss are recognized either in other comprehensive income or in other equity. Deferred tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

Current and deferred taxes are recognized as income tax benefits or expenses in the statement of profit and loss except for tax related to the FVOCI instruments. The Group also recognizes the tax consequences of payments and issuing costs, related to financial instruments that are classified as equity, directly in equity.

f) Recognition of income and expense

The Group earns revenue primarily from giving loans. Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognized:

(i) Interest income and expense

Interest revenue and expense is recognized using the effective interest method (EIR). The effective interest rate is the rate that discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period, to the gross carrying amount of the financial asset or financial liability. The calculation takes into account all contractual terms of the financial instrument (for example, prepayment options) and includes any fees or incremental costs that are directly attributable to the instrument and are an integral part of the EIR, but not future credit losses.

The Group calculates interest income by applying the EIR 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 III', the Group calculates interest income by applying the effective

Notes to the Consolidated Financial Statement

for the year ended March 31, 2026

(₹ in crores unless otherwise stated)

interest rate to the net amortized cost of the financial asset. If the financial assets cures and is no longer credit-impaired, the Group reverts to calculating interest income on a gross basis.

Interest expense includes issue costs that are initially recognized as part of the carrying value of the financial liability and amortized over the expected life using the effective interest method. These include fees payable to arrangers and other expenses such as external legal costs, provided these are incremental costs that are directly related to the issue of financial liability.

(ii) Other income and expense

All Other income and expense are recognized in the period they occur.

The Group recognises gains on fair value change of financial assets measured at FVTPL and realised gains on derecognition of financial asset measured at FVTPL and FVOCI on net basis.

g) Property, plant and equipment (PPE)

The cost of an item of property, plant and equipment is recognised as an asset if, and only if:

(a) it is probable that future economic benefits associated with the item will flow to the entity; and

(b) the cost of the item can be measured reliably.

PPE are stated at cost (including incidental expenses directly attributable to bringing the asset to its working condition for its intended use) less accumulated depreciation and accumulated impairment losses, if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use. Subsequent expenditure related to PPE is capitalized only when it is probable that future economic benefits associated with these will flow to the Group and the cost of item can be measured reliably. Other repairs and maintenance costs are expensed off as and when incurred.

Leasehold improvements are amortized on straight line basis over the lease term or the estimated useful life of the assets, whichever is lower.

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.

An item of property, plant and equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss when the asset is derecognized.

Depreciation

Depreciation on property, plant and equipment provided on a written down value method at the rates arrived based on useful life of the assets, prescribed under Schedule II of the Act, which also represents the estimate of the useful life of the assets by the management. Depreciation on assets sold during the year is charged to the statement of profit and loss to the date of sale. Property, plant and equipment costing up to ₹ 5,000 (amount in full) individually are fully depreciated in the year of purchase.

The Group has used the following useful lives to provide depreciation on its Property, plant and equipment:

Asset Category	Useful Life (in years)
Furniture & Fixtures	10
Computers & Printers	3
Office Equipment	5
Leasehold Improvements	3
Vehicles	8
Land & Buildings	60

h) Intangible assets

Intangible assets that are acquired by the Group are measured initially at cost and are stated at cost less accumulated depreciation as adjusted for impairment, if any. Any gain on disposal of intangible asset is recognised in the statement of profit and loss. Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Group.

Amortization

Amortisation is calculated to write-off the cost of intangible asset using the written down value method at the rates arrived based on useful life of the assets, prescribed under Schedule II of the Act, which also represents the estimate of the useful life of the assets by the management. The estimated useful life used for computation of depreciation is five years

i) Financial instruments

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 recognized when the entity becomes a party to the contractual provisions of the instruments.

Financial Assets - All financial assets are recognized initially at fair value plus, 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, except trade receivables which

Notes to the Consolidated Financial Statement

for the year ended March 31, 2026

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is recorded at transaction price. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace (regular way trades) are recognized on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

Subsequent measurement

For the purpose of subsequent measurement, financial assets are classified in four categories:

- Loan Portfolio at amortized cost
- Loan Portfolio at fair value through other comprehensive income (FVOCI)
- nvestment in equity instruments and mutual funds at fair value through profit or loss
- Investment in Government securities at amortized cost
- Other financial assets at amortized cost

Loan Portfolio at amortized cost:

Loan Portfolio is measured at amortized cost where:

- contractual terms that give rise to cash flows on specified dates, that represent solely payments of principal and interest (SPPI)on the principal amount outstanding; and
- are held within a business model whose objective is achieved by holding to collect contractual cash flows.

Loan Portfolio at FVOCI:

Loan Portfolio is measured at FVOCI where:

- contractual terms that give rise to cash flows on specified dates, that represent solely payments of principal and interest (SPPI) on the principal amount outstanding; and
- the financial asset is held within a business model where objective is achieved by both collecting contractual cash flows and selling financial assets.

Business model: The business model reflects how the Group manages the assets in order to generate cash flows. That is, where the Group's objective is solely to collect the contractual cash flows from the assets, the same is measured at amortized cost or where the Group's objective is to collect both the contractual cash flows and cash flows arising from the sale of assets, the same is measured at fair value through other comprehensive income (FVOCI). 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: Where the business model is to hold assets to collect contractual cash flows (i.e. measured at amortized cost) or to collect contractual cash flows and sell (i.e. measured at fair value through other comprehensive income), the Group assesses whether the financial instruments' cash flows represent solely payments of principal and interest (the 'SPPI test'). In making this assessment, the Group 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 amortized cost, as mentioned above, is computed using the effective interest rate method.

After initial measurement, these financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method less impairment. Amortized 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 amortization is included in interest income in the statement of profit and loss. The losses arising from impairment are recognized under the head 'impairment on financial instruments' in the statement of profit and loss.

The measurement of credit impairment is based on the three-stage expected credit loss model described in Note: Impairment of financial assets (refer note 3(j)).

Effective interest method - The effective interest method is a method of calculating the amortized 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 and points 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 net carrying amount on initial recognition. The amortized cost of the financial asset is adjusted if the Group revises its estimates of payments or receipts. The adjusted amortized 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 recognized on an effective interest basis for loan portfolio other than those financial assets classified as at FVTPL.

Equity instruments and Mutual Funds

Equity instruments and mutual funds included within the FVTPL category are mandatorily measured at fair value with all changes recognized in the statement of profit and loss.

Financial liabilities

Initial Measurement

Financial liabilities are classified and measured at amortized cost. All financial liabilities are recognized

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initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Group's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts and derivative financial instruments.

Subsequent Measurement

Financial liabilities are subsequently carried at amortized cost using the effective interest method.

De-recognition of financial assets and financial liabilities

The Group de-recognises a financial asset when the contractual right to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the assets to another party. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognizes its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognize the financial asset and also recognises an associated liability as collateralized borrowing for the proceeds received.

On derecognition of a financial asset, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognized in OCI, and accumulated in equity is recognized in OCI and accumulated in equity is recognized in the statement of profit and loss.

A financial liability is derecognized from the balance sheet when the Group has discharged its obligation or the contract is cancelled or expires.

Securitization and direct assignment

In case of transfer of loans through securitization and direct assignment transactions, the transferred loans are de-recognised and gain/losses are accounted for, only if the Group transfers substantially all risks and rewards specified in the underlying assigned loan contract.

In accordance with the Ind AS 109, on de-recognition of a financial asset under assigned transactions, the difference between the carrying amount and the consideration received are recognised in the statement of profit and loss.

Net gain on derecognition of financial instruments measured at FVOCI

Gains arising out of direct assignment transactions comprise the difference between the interest on the loan portfolio and the applicable rate at which the direct assignment is entered into with the assignee, also known as the right of excess interest spread (EIS). The future EIS is based on the scheduled cash flows on execution of the transaction, discounted at the applicable rate entered into with the assignee is recorded upfront in the statement of profit and loss.

Derivatives and hedging activities

The Group enters into a variety of derivative financial instruments to manage its exposure to interest rate risk and foreign exchange rate risk, including cross currency interest rate swaps and cross currency swaps. Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting date. The resulting gain or loss is recognised in statement of profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of recognition in profit or loss depends on the nature of the hedging relationship and nature of the hedge item.

Embedded derivatives

Derivatives embedded in a host contract that is an asset within the scope of Ind AS 109 are not separated. Financial assets and financial liabilities with embedded derivatives are considered in their entirety when determining whether their cash flavvs are solely payment of principal and interest.

Derivatives embedded in all other host contract are separated only if the economic characteristics and risks of the embedded derivatives are not closely related to the economic characteristics and risks of the host and accordingly, are measured at fair value through profit or loss. Embedded derivatives closely related to the host contracts are not separated.

Hedge accounting

The Group designates foreign currency forward derivative contracts as hedges of foreign exchange risk associated with the cash flows of foreign currency risks associated with the borrowings denominated in foreign currency (referred to as 'cash flow hedges'). The Group documents at the inception of the hedging transaction the economic relationship between the hedging instruments and hedge items including whether the hedging instrument is expected to offset changes in the cash flows of hedge items. The Group documents its risk management objective and strategy for undertaking various hedge transactions at the inception of the hedging relationship.

j) Impairment on financial assets

Overview of principles for measuring expected credit loss ('ECL')

In accordance with Ind AS 109, the Group is required to measure expected credit losses on its financial instruments designated at amortized cost and fair value

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through other comprehensive income. Accordingly, the Group is required to determine lifetime losses on financial instruments where credit risk has increased significantly since its origination. For other instruments, the Group is required to recognize credit losses over next 12-month period. The Group has an option to determine such losses on individual basis or collectively depending upon the nature of underlying portfolio. The Group has a process to assess credit risk of all exposures at each year end as follows:

Stage I

These represent exposures where there has not been a significant increase in credit risk since initial recognition or that has low credit risk at the reporting date. The Group has assessed that all standard exposures (i.e., exposures with no overdues) and exposure upto 30day overdues fall under this category. In accordance with Ind AS 109, the Group measures ECL on such assets over next 12 months.

Stage II

Financial instruments that have had a significant increase in credit risk since initial recognition are classified under this stage. Based on empirical evidence, significant increase in credit risk is witnessed after the overdues on an exposure exceed for a period more than 30 days. Accordingly, the Group classifies all exposures with overdues exceeding 30 days at each reporting date under this Stage. The Group measures lifetime ECL on stage II loans.

Stage III

All exposures having overdue balances for a period exceeding 90 days are considered to be defaults and are classified under this stage. Accordingly, the Group measures lifetime losses on such exposure. Interest revenue on such contracts is calculated by applying the effective interest rate to the amortized cost (net of impairment allowance) instead of the gross carrying amount.

Methodology for calculating ECL

The Group determines ECL based on a probability weighted outcome of factors indicated below to measure the shortfalls in collecting contractual cash flows.

The Group does not discount such shortfalls considering relatively shorter tenure of loan contracts.

Key factors applied to determine ECL are outlined as follows:

Probability of default (PD) - The probability of default is an estimate of the likelihood of default over a given time horizon (12-month or lifetime, depending upon the stage of the asset).

Exposure at default (EAD) – It represents an estimate of the exposure of the Group at a future date after considering repayments by the counterparty before the default event occurs.

Loss given default (LGD) – It represents an estimate of the loss expected to be incurred when the event of default occurs.

Forward looking information

While estimating the expected credit losses, the Group reviews macro-economic developments occurring in the economy and market it operates in. On a periodic basis, the Group analyses if there is any relationship between key economic trends like GDP, Unemployment rates, Benchmark rates set by the Reserve Bank of India, inflation etc. with the estimate of PD, LGD determined by the Group based on its internal data. While the internal estimates of PD, LGD rates by the Group may not be always reflective of such relationships, temporary overlays are embedded in the methodology to reflect such macro-economic trends reasonably.

Write-offs

Loans are written off (either partially or in full) when there is no realistic prospect of recovery. This is generally the case when the Group determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subjected to write-offs. All such write-offs are charged to the statement of profit and loss. Any subsequent recoveries against such loans are credited to the statement of profit and loss.

k) Leases

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

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received. The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

At the commencement date of the lease, the Group recognizes lease liabilities measured at the present

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value of lease payments to be made over the lease term. The lease payments include fixed

payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual

value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily

determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g.,changes to future payments resulting from a change in rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

Short term lease

The Group applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). Lease payments on short term leases are recognized as and when due.

l) Business combination and Goodwill

Goodwill is initially recognized at cost and is subsequently measured at cost less any accumulated impairment losses.

For the purpose of impairment testing, goodwill is allocated to group's single cash generating unit i.e., investment in Criss Financial Limited that is expected to benefit from the synergies of the combination. Cash generating unit to which goodwill has been allocated is tested for impairment annually or more frequently when there is an indication that unit's value may be impaired. If the recoverable amount of the cash generating unit is less than the carrying value of the unit, the impairment loss is allocated first to reduce the carrying value of any goodwill allocated to the unit and then to the other assets of the unit in proportion to carrying value of each asset in the unit.

An impairment loss recognized for goodwill is not reversed in subsequent period. On disposal of the subsidiary, the attributable amount of goodwill is included in the determination of profit or loss on disposal.

m) Impairment of non-financial assets

The carrying amount of assets is reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the assets, net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset. In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

n) Provisions

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of 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 Group 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 recognized within finance costs.

Provisions are reviewed at each reporting date and are adjusted to reflect the current best estimate" for accounting policy of provisions.

o) Contingent liabilities and assets

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Group does not recognize a contingent liability but discloses its existence in the financial statements.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity. The Group does not have any contingent assets in the financial statements.

Notes to the Consolidated Financial Statement

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p) Earnings per equity share (EPS)

The Group reports basic and diluted earnings per share in accordance with Ind AS33 on Earnings per share. Basic EPS is calculated by dividing the net profit or loss for the year attributable to equity shareholders (after deducting preference dividend and attributable taxes) by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless they have been issued at a later date. In computing the dilutive earnings per share, only potential equity shares that are dilutive and that either reduces the earnings per share or increases loss per share are included.

q) Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

r) Statement of cash flows

The consolidated statement of cash flows from operating activities is prepared in accordance with the indirect method as per Ind AS 7. Consolidated statement of cash flows presents the cash flows by operating, financing and investing activities of the Group. Operating cash flows are arrived by adjusting profit or loss before tax for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments, and items of income or expense associated with investing or financing cash flows.

s) Offsetting financial instruments

Financial assets and financial liabilities are offset when it currently has a legally enforceable right (not contingent on future events) to off-set the recognised amounts and the Group intends either to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

t) Proposed dividend

As per Ind AS –10, 'Events after the Reporting period', the Group disclose the dividend proposed by board of directors after the balance sheet date in the notes to these consolidated financial statements. The liability to pay dividend is recognized when the declaration of dividend is approved by the shareholders.

u) Recent Accounting pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time.

In May 2025, MCA notified amendments to Ind AS 21 - The Effects of Changes in Foreign Exchange Rates, applicable w.e.f. April 1, 2025. The Company has reviewed the amendment and based on its evaluation has determined that it does not have any significant impact on its consolidated financial statements.

In August 2025, MCA notified the following amendments to:

Ind AS 1, Presentation of Financial Statements, applicable w.e.f. April 1, 2025 – The amendment relates to classification of liabilities as current or non-current and non-current liabilities with covenants. In the context of classifying a liability as current, it removes the requirement of existence of a right to defer settlement for at least 12 months after the reporting date and instead requires that the said right should exist on the reporting date and have substance. The amendment also introduces guidance on classification of liabilities with covenants. The Company has no impact on these amendments in its classification criteria of current and non-current liabilities.

Ind AS 7, Statement of Cash Flows and Ind AS 107, Financial Instruments: Disclosures, applicable w.e.f. April 1, 2025 – The amendment in Ind AS 7 requires informing users of financial statements of the existence of supplier finance arrangements and explain the nature of the arrangements, the carrying amount of liabilities and the range of payment due dates. Ind AS 107 has been amended to add supplier finance arrangements as a factor that may cause concentration of liquidity risk. The Company has reviewed the amendment and based on its evaluation has determined that it does not have any impact on its consolidated financial statements.

Ind AS 12, International Tax Reform – Pillar Two Model Rules applicable immediately - The amendments provide a temporary mandatory relief from deferred tax accounting for top-up tax and disclose that they have applied the relief. The Company has reviewed the amendment and based on its evaluation has determined that it does not have any impact on its consolidated financial statements.

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4: Cash and cash equivalents

	As at March 31, 2026	As at March 31, 2025
Cash on hand	2.31	6.61
Balances with banks in current accounts	600.89	1,203.47
Bank deposits with original maturity of three months or less	166.29	25.89
	769.49	**1,235.97**

5: Bank balance other than cash and cash equivalents

	As at March 31, 2026	As at March 31, 2025
Bank deposits with original maturity of more than three months	23.51	85.66
Restricted bank balance	0.03	0.00
Balances with banks to the extent held as margin money or security against the borrowings	481.67	522.15
	505.21	**607.81**

6: Derivative financial instruments

	As at March 31, 2026		As at 31 March 2025	
	Notional amounts*	Fair Value Assets	Notional amounts*	Fair Value Assets
Part I				
(i) Interest rate derivatives:				
Cross Currency Interest Rate swaps	92.27	7.49	164.60	2.47
	92.27	**7.49**	**164.60**	**2.47**
Part II				
Included in above (Part I) are derivatives held for hedging and risk management purposes as follows:				
(i) Cash flow hedging:				
- Currency derivatives	92.27	7.49	164.60	2.47
	92.27	**7.49**	**164.60**	**2.47**

* The notional amounts are not indicative of either the market risk or credit risk.

Hedging activities and derivatives

The Holding Company is exposed to currency risk on its outstanding foreign currency borrowing amounting to ₹92.27 crores as of March 31, 2026 (March 31, 2025: ₹164.60 crores) which is primarily mitigated using derivative financial instruments.

Impact of hedging activities

Disclosure of effects of hedge accounting on financial performance:

	Change in the value of hedging instrument recognised in Other comprehensive income		Hedge ineffectiveness recognised in the statement of profit and loss		Amount reclassified from cash flow hedging reserve to the statement of profit and loss	
	As at March 31, 2026	As at March 31, 2025	As at March 31, 2026	As at March 31, 2025	As at March 31, 2026	As at March 31, 2025
Cash flow hedge						
Foreign currency & interest rate risk						
a. Cross currency interest rate swap	4.47	(4.09)	-	-	2.06	-
	4.47	**(4.09)**	**-**	**-**	**2.06**	**-**

Notes to the Consolidated Financial Statements

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7: Loans

	As at March 31, 2026	As at March 31, 2025
(a) Term Loans (at fair value through OCI)	3,449.58	5,554.45
(b) Term Loans (at amortized cost)	588.47	806.61
Total - Gross	**4,038.05**	**6,361.06**
Less: Impairment loss allowance	(177.55)	(652.66)
Total - Net	**3,860.50**	**5,708.40**
Break-up of loans		
(a) Secured by tangible assets	326.16	195.19
(b) Unsecured	3,711.89	6,165.87
Total - Gross	**4,038.05**	**6,361.06**
Less: Impairment loss allowance	(177.55)	(652.66)
Total - Net	**3,860.50**	**5,708.40**
(a) Public sector	-	-
(b) Others	4,038.05	6,361.06
Total - Gross	**4,038.05**	**6,361.06**
Less: Impairment loss allowance	(177.55)	(652.66)
Total - Net	**3,860.50**	**5,708.40**
(a) Within India	4,038.05	6,361.06
(b) Outside India	-	-
Total - Gross	**4,038.05**	**6,361.06**
Less: Impairment loss allowance	(177.55)	(652.66)
Total - Net	**3,860.50**	**5,708.40**

Note (i): The Group has not granted any loans or advances in the nature of loans to promoters, directors, KMPs and the related parties (as defined under the Act), either severally or jointly that are (a) repayable on demand or (b) without specifying any terms or period of repayment.

Note (ii): The table below discloses the credit quality of Group exposures on loan portfolio (excluding inter-corporate advances) as at the reporting date:

Gross loan portfolio movement for the period ended March 31, 2026

Particulars	Stage I	Stage II	Stage III	Total
Gross carrying amount at the beginning of the year	5,365.42	604.11	391.53	6,361.06
New assets originated or purchased	3,940.31	-	-	3,940.31
Asset derecognised or repaid (excluding write offs) #	(4,778.31)	(90.99)	(49.03)	(4,918.33)
Assets written off during the year	-	-	(1,334.88)	(1,334.88)
Inter-stage movements	-	-	-	-
Stage I	1.12	(1.09)	(0.03)	-
Stage II	(39.39)	39.40	(0.01)	-
Stage III	(647.33)	(515.69)	1,163.02	-
Fair Value on loans	(14.42)	4.31	-	(10.11)
Gross carrying amount at the end of the year	**3,827.40**	**40.05**	**170.60**	**4,038.05**

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7: Loans (Contd.)

Gross loan portfolio movement for the year ended March 31, 2025

Particulars	Stage I	Stage II	Stage III	Total
Gross carrying amount at the beginning of the year	10,977.65	183.60	190.46	11,351.71
New assets originated or purchased	5,604.69	-	-	5,604.69
Asset derecognised or repaid (excluding write offs) #	(8,888.53)	(56.03)	(42.04)	(8,986.61)
Assets written off during the year	-	-	(1,617.61)	(1,617.61)
Inter-stage movements	-	-	-	-
Stage I	0.47	(0.40)	(0.07)	-
Stage II	(611.29)	611.31	(0.02)	-
Stage III	(1,730.01)	(130.80)	1,860.81	-
Fair Value on loans	12.44	(3.57)	-	8.87
Gross carrying amount at the end of the year	**5,365.42**	**604.11**	**391.53**	**6,361.06**

Movement of impairment allowance (ECL) for the period ended March 31, 2026

Particulars	Stage I	Stage II	Stage III	Total
Balances as at the beginning of the year	67.14	276.70	308.83	652.66
Provision made/ (reversed) during the year #	(46.38)	36.19	869.97	859.78
Inter-stage movements				
Stage I	0.63	(0.61)	(0.02)	-
Stage II	(0.20)	0.22	(0.01)	-
Stage III	(3.01)	(290.64)	293.65	-
Write off	-	-	(1,334.89)	(1,334.89)
Balances as at the end of the year	**18.17**	**21.85**	**137.54**	**177.55**

Movement of impairment allowance (ECL) during the year ended March 31, 2025

Particulars	Stage I	Stage II	Stage III	Total
Balances as at the beginning of the year	96.59	88.87	151.94	337.41
Provision made/ (reversed) during the year #	(3.76)	244.22	1,692.40	1,932.86
Inter-stage movements				-
Stage I	0.24	(0.19)	(0.05)	-
Stage II	(6.67)	6.69	(0.02)	-
Stage III	(19.27)	(62.88)	82.15	-
Write off	-	-	(1,617.61)	(1,617.61)
Balances as at the end of the year	**67.13**	**276.71**	**308.81**	**652.66**

Represents balancing figure

8: Investments

	As at March 31, 2026	As at March 31, 2025
Mandatorily measured at amortized cost		
Government Securities	99.69	30.82
Mandatorily measured at fair value through profit and loss		
Mutual Fund*	13.82	62.81
Security Receipts	137.40	141.78
Less: Impairment loss allowance - Security Receipts	(137.40)	(125.76)
Equity instruments at cost (unquoted)		
	-	0.10
100,000 (March 31, 2025: 100,000) equity shares of ₹ 10 each fully paid up in Alpha Micro Finance Consultants Private Limited	**113.51**	**109.75**

Note: All investments are held within India.

*held as security against borrowings

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9: Other financial assets

	As at March 31, 2026	As at March 31, 2025
Unsecured, considered good		
Security deposits	7.50	7.85
Deposits with other Financial institutions^	49.47	93.03
Retained interest on direct assignment	21.57	28.55
Less: Impairment loss allowance - Retained interest on direct assignment	(0.08)	(2.25)
Receivable from advertisement income	8.47	4.35
Receivable from insurance company	1.56	5.31
Other receivables *	1.22	0.77
	89.71	**137.61**
Unsecured, considered doubtful		
Receivable from insurance company	0.02	0.25
Provision for doubtful debts - claims	(0.02)	(0.25)
	89.71	**137.61**

*Comprises of float amount with insurance company and receivable from Asset reconstruction Company

^Balances with other Financial institutions are held as margin money or security against the borrowings

10: Current Tax Assets (net)

	As at March 31, 2026	As at March 31, 2025
Advance income tax (net of provision)	118.87	117.88
	118.87	**117.88**

11: Deferred Tax Assets (net)

	As at March 31, 2026	As at March 31, 2025
Effects of deferred tax assets / (liabilities):		
Impairment loss allowance and other provision	86.43	204.75
Tax losses carried forward	579.41	232.20
Property, plant and equipment	7.77	7.64
Share options outstanding account (ESOP)	14.16	19.43
Financial assets at fair value through OCI	15.27	12.73
Net gain on derecognition of financial instruments measured at fair value through other comprehensive income	(5.43)	(7.19)
Provision for employee benefits	5.06	4.43
Effective portion of cashflow hedges	(0.09)	1.03
	702.58	**475.03**

Refer note 49 (e) for assessment on recognition of deferred tax assets.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2026

(₹ in crores unless otherwise stated)

11. 1: Deferred tax assets (net)

Movement in deferred tax balances for the period ended March 31, 2026

Particulars	Net Balance April 1, 2025	(Charge) / credit in the statement of profit and loss	Recognised in OCI	Net Balance March 31, 2026
Deferred tax assets / (liabilities)				
Impairment loss allowance and other provision	204.75	(118.32)	-	86.43
Tax losses carried forward	232.20	347.21	-	579.41
Property, plant and equipment	7.64	0.13	-	7.77
Share options outstanding account (ESOP)	19.43	(5.28)	-	14.16
Financial assets at fair value through OCI	12.73	-	2.54	15.27
Net gain on derecognition of financial instruments measured at fair value through other comprehensive income	(7.19)	1.76	-	(5.43)
Provision for employee benefits	4.43	0.83	(0.20)	5.06
Effective portion of cashflow hedges	1.03	-	(1.12)	(0.09)
Net Deferred tax assets / (liabilities)	**475.03**	**226.33**	**1.22**	**702.58**

Movement in deferred tax balances for the year ended March 31, 2025

Particulars	Net Balance April 1, 2024	(Charge) / credit in the statement of profit and loss	Recognised in OCI	Net Balance March 31, 2025
Deferred tax assets / (liabilities)				
Impairment loss allowance and other provision	104.41	100.33	-	204.75
Tax losses carried forward	-	232.20	-	232.20
Property, plant and equipment	6.05	1.58	-	7.64
Share options outstanding account (ESOP)	15.64	3.79	-	19.43
Financial assets at fair value through OCI	14.96	-	(2.23)	12.73
Net gain on derecognition of financial instruments measured at fair value through other comprehensive income	(12.66)	5.47	-	(7.19)
Provision for employee benefits	4.25	0.32	(0.14)	4.43
Effective portion of cashflow hedges	-		1.03	1.03
Fair value impact for Market linked debentures	0.06	(0.05)	-	-
Net Deferred tax assets / (liabilities)	**132.72**	**343.64**	**(1.34)**	**475.03**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2026

(₹ in crores unless otherwise stated)

12: Property, plant and equipment

	Building *	Leasehold Improvements	Furniture and Fixtures	Office Equipment	Vehicles	Computers	Right of use asset	Total
Gross carrying amount								
At April 1, 2024	**0.20**	**8.20**	**15.51**	**11.88**	**5.46**	**29.33**	**14.36**	**84.94**
Addition	-	0.21	3.02	3.82	-	10.48	4.75	22.28
Disposals	-	-	(0.02)	(0.04)	(0.75)	(6.23)	-	(7.04)
At March 31, 2025	**0.20**	**8.41**	**18.51**	**15.65**	**4.71**	**33.58**	**19.11**	**100.17**
Addition	-	0.05	0.51	0.66	-	0.69	0.49	2.40
Disposals	-	-	(1.15)	(1.79)	(3.11)	(2.65)	-	(8.70)
As at March 31, 2026	**0.20**	**8.46**	**17.87**	**14.52**	**1.60**	**31.62**	**19.60**	**93.87**
Accumulated depreciation								
At April 1, 2024	**0.06**	**6.00**	**12.66**	**7.43**	**3.11**	**21.03**	**4.66**	**54.95**
Charge for the year	0.01	1.45	2.88	3.05	0.72	9.14	3.43	20.68
Disposals	-	-	(0.02)	(0.03)	(0.65)	(5.99)	-	(6.69)
At March 31, 2025	**0.07**	**7.45**	**15.53**	**10.46**	**3.18**	**24.18**	**8.09**	**68.94**
Charge for the year	0.01	0.50	1.43	2.58	0.31	5.77	3.85	14.44
Disposals	-	-	(1.15)	(1.76)	(2.32)	(2.55)	-	(7.78)
As at March 31, 2026	**0.08**	**7.95**	**15.81**	**11.28**	**1.17**	**27.40**	**11.94**	**75.60**
Net carrying amount								
At March 31, 2025	0.13	0.96	2.98	5.19	1.53	9.40	11.03	31.24
As at March 31, 2026	**0.12**	**0.51**	**2.06**	**3.24**	**0.43**	**4.22**	**7.66**	**18.28**

* The title deeds of all the immovable properties held by the Group (other than properties where the Group is the lessee and the lease agreements are duly executed in favour of the lessee), are held in the name of the Group.

12A: Other Intangible assets

Particulars	Computer software	Total
Gross carrying amount		
At April 1, 2024	**11.03**	**11.03**
Addition	-	-
Disposal	-	-
At March 31, 2025	**11.03**	**11.03**
Addition	2.11	2.11
Disposal	-	-
As at March 31, 2026	**13.14**	**13.14**
Accumulated amortization		
At April 1, 2024	**6.03**	**6.03**
Charge for the year	2.02	2.02
Disposal	-	-
At March 31, 2025	**8.05**	**8.05**
Charge for the year	1.76	1.76
Disposal	-	-
As at March 31, 2026	**9.81**	**9.81**
Net carrying amount		
At March 31, 2025	2.98	2.98
As at March 31, 2026	**3.33**	**3.33**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2026

(₹ in crores unless otherwise stated)

13: Other non-financial assets

	As at March 31, 2026	As at March 31, 2025
Unsecured, considered good		
Prepaid expenses	29.45	40.26
Capital advances	0.32	0.81
Other advances *	10.24	5.93
	40.01	**47.00**
Unsecured, considered doubtful		
Amounts deposited with courts	0.44	0.56
Less: Impairment loss allowance	(0.44)	(0.56)
	-	-
	40.01	**47.00**

*Comprises of input GST, excess CSR expenses

14: Payables

	As at March 31, 2026	As at March 31, 2025
Trade payables		
(a) total outstanding dues of micro enterprises and small enterprises	0.95	-
(b) total outstanding dues of creditors other than micro enterprises and small enterprises	10.17	8.97
	11.12	**8.97**

Trade payables ageing schedule as at March 31, 2026

Particulars	Outstanding for following periods from due dates of transaction						Total
	Not due	Unbilled	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	-	0.88	0.07	-	-	-	0.95
(II) Others	-	8.69	1.37	0.10	-	-	10.17
(iii) Disputed dues- MSME	-	-	-	-	-	-	-
(iv) Disputed dues- others	-	-	-	-	-	-	-

Trade payables ageing schedule as at March 31, 2025

Particulars	Outstanding for following periods from due dates of transaction						Total
	Not due	Unbilled	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	-	-	-	-	-	-	-
(II) Others	-	8.97	-	-	-	-	8.97
(iii) Disputed dues- MSME	-	-	-	-	-	-	-
(iv) Disputed dues- others	-	-	-	-	-	-	-

Note 14.1: Dues to the micro enterprises and small enterprises:

Particulars	As at March 31, 2026	As at March 31, 2025
(a) the principal amount and the interest due thereon (to be shown separately) remaining unpaid to any supplier at the end of each accounting year;^	0.95	-
(b) the amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year	-	-

Notes to the Consolidated Financial Statements

for the year ended March 31, 2026

(₹ in crores unless otherwise stated)

Note 14.1: Dues to the micro enterprises and small enterprises (contd.):

Particulars	As at March 31, 2026	As at March 31, 2025
(c) the amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006;	-	-
(d) the amount of interest accrued and remaining unpaid at the end of each accounting year; and	-	-
(e) the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	-	-
	0.95	**-**

^Including unbilled amount of ₹0.88 crs

15: (a) Debt Securities (at amortised cost)

	No. of debentures oustanding		Face Value (₹ in Crs)	As at March 31, 2026	As at March 31, 2025
	As at March 31, 2026	As at March 31, 2025			
(i) Debentures (Secured)					
11.10% Secured, Senior, Redeemable, Listed, Rated, Non-convertible Debentures, redeemable at par at the end of Twenty Four months from the date of allotment i.e. April 24, 2023 in 8 quarterly installments	-	8,128	0.01	-	10.18
11.35% Secured, Senior, Redeemable, rated, Liated, Non-convertible Debentures, redeemable at par at the end of Twenty eight months from the date of allotment i.e. December 30, 2022 in 5 installments	-	403	0.10	-	8.06
10.00% Secured, senior, redeemable, transferable, listed, rated, Non-convertible Debentures, redeemable at par at the end of Twenty Four months from the date of allotment i.e. June 12, 2023 in 8 quarterly installments	-	7,500	0.01	-	9.38
10.75% Secured,Senior, redeemable, transferable, Listed, rated, Non convertible debentures at par at the end of Eighteen months from the date of allotment i.e. February 13, 2024 in last 4 quarterly installments	-	10,000	0.01	-	50.54
10.75% Secured, Senior, Redeemable, listed, rated, trasnferable, Non-convertible Debentures, redeemable at par at the end of Twenty Four months from the date of allotment i.e. October 06, 2023 in last 4 quarterly installments	-	5,000	0.01	-	37.68
10.11% Secured, senior, Redeemable, trasnferable, listed, rated, Non-convertible Debentures, redeemable at par at the end of Twenty Four months from the date of allotment i.e. December 18, 2023 in 1 Bullet repayment	-	20,000	0.01	-	198.53
11.35% Secured, senior, redeemable, listed, rated, Non-convertible Debentures, redeemable at par at the end of Thirty Six months from the date of allotment i.e. December 30, 2022 in 5 half yearly installments	-	829	0.10	-	32.97
9.81% Secured, Senior, Redeemable, Transferable,Listed, Rated, Non-convertible Debentures, redeemable at par at the end of Twenty Four months from the date of allotment i.e. March 28, 2024 in 1 bullet repayment	10,000	10,000	0.01	100.86	98.56

Notes to the Consolidated Financial Statements

for the year ended March 31, 2026

(₹ in crores unless otherwise stated)

15: (a) Debt Securities (at amortised cost) (Cont.)

	No. of debentures outstanding		Face Value (₹ in Crs)	As at March 31, 2026	As at March 31, 2025
	As at March 31, 2026	As at March 31, 2025			
10.75% Secured, Listed,Redeemable, Transferable, Unsubordinated, rated, Non-convertible Debentures, redeemable at par at the end of Twenty five from the date of allotment i.e. March 07, 2024 in 4 half yearly installments	7,000	7,000	0.01	17.95	53.62
11.10% Secured, senior, redeemable, listed, rated, Non-convertible Debentures, redeemable at par at the end of Thirty Six months from the date of allotment i.e.April 24, 2023 in 7 Quarterly Installments	734	844	0.01	1.05	5.94
9.84% Secured,Senoir, Redeemable, Transferable, Rated, Listed, Non-convertible Debentures, redeemable at par at the end of Twenty Four months from the date of allotment i.e. June 28, 2024 in 1 Bullet repayment	32,500	32,500	0.01	324.44	320.54
10.75% Secured, Senior,rated, Listed ,Redeemable, Taxable, Transferable , Non-convertible Debentures, redeemable at par at the end of Twenty Four months from the date of allotment i.e. July 10, 2024 in 1 Bullet repayment	3,200	5,500	0.01	32.14	54.89
10.75% Secured, Senior, Listed, Rated, transferable, redeemable Non-convertible Debentures, redeemable at par at the end of Thirty Six months from the date of allotment i.e. September 04, 2023 in 1 Bullet repayment	15,000	15,000	0.01	158.70	157.44
10.75% Secured, Senior,redeemable, transferable, rated, Listed, Non convertible debentures at par at the end of Thirty Three months from the date of allotment i.e. March 21,2024 in 1 bullet repayment	-	5,000	0.01	-	49.41
10.50% Secured, Senior, Redeemable, Transferable, Listed, Rated, Non-convertible Debentures, redeemable at par at the end of Thitry two months from the date of allotment i.e. August 14, 2024 in 1 Bullet repayment	-	10,000	0.01	-	99.21
10.75% Secured, Listed, Rated, Unsubordinated, Redeemable, Transferable, Non-convertible Debentures, redeemable at par at the end of Thirty one months from the date of allotment i.e. September 05, 2024 in 11 Quarterly repayment	5,000	5,000	0.01	27.77	46.27
12.29% Secured,Rated, Listed, Redeemable, Transferable Non-convertible Debentures, redeemable at par at the end of Seventy two months from the date of allotment i.e. August 01, 2022 in 1 Bullet repayment	-	230	0.10	-	23.44
11.25% Listed, Rated, Senior, Secured, Redeemable, Non-convertible Debentures, redeemable at par at the end of Twenty four months from the date of allotment i.e. December 17, 2025 in 8 quarterly installments	8,500	-	0.01	73.11	-
11.00% Listed, Rated, Senior, Secured, Redeemable, Non-convertible Debentures, redeemable at par at the end of Twent Seven months from the date of allotment i.e. December 23, 2025 in 1 Bullet repayment	7,500	-	0.01	72.74	-
11.00% Listed, Rated, Senior, Secured, Redeemable, Non-convertible Debentures, redeemable at par at the end of Thity months from the date of allotment i.e. October 24, 2025 in 10 quarterly installments	25,000	-	0.01	231.11	-

Notes to the Consolidated Financial Statements

for the year ended March 31, 2026

(₹ in crores unless otherwise stated)

15: (a) Debt Securities (at amortised cost) (Contd.)

	No. of debentures outstanding		Face Value (₹ in Crs)	As at March 31, 2026	As at March 31, 2025
	As at March 31, 2026	As at March 31, 2025			
11.50% Rated, Listed, Senior, Secured, Redeemable, Taxable, Non-convertible Debentures, redeemable at par at the end of Thity months from the date of allotment i.e. December 23, 2025 in 9 quarterly installments	14,000	-	0.01	135.18	-
11.50% Rated, Listed, Senior, Secured, Redeemable, Taxable, Non-convertible Debentures, redeemable at par at the end of Thity months from the date of allotment i.e. December 23, 2025 in 9 quarterly installments	20,000	-	0.01	192.49	-
12.97% Secured rated unlisted Non-convertible Debentures each redeemable at par at the end of thirty Six months from the date of allotment i.e. September 26, 2023.	-	5,000	0.01	-	73.39
10.50% Secured rated listed Non-convertible Debentures each redeemable at par at the end of twenty four months from the date of allotment i.e. August 29, 2024	-	7,500	0.01	-	50.02
Sub - Total				**1,367.54**	**1,380.06**
(ii) Borrowing under securitisation arrangement (secured)					
From Banks				670.01	488.52
From non-banking financial companies				137.74	395.91
Sub - Total				**807.75**	**884.43**
Total Debt Securities				**2,175.29**	**2,264.49**

Nature of security

The above debt securities are secured by the way of first and exclusive charge over eligible specified book debts and margin money deposits

	As at March 31, 2026	As at March 31, 2025
Out of the above debt securities		
Debt securities in India	2,175.29	2,264.49
Debt securities outside India	-	-
Total	**2,175.29**	**2,264.49**

(b) Borrowings (Other than Debt Securities)

	As at March 31, 2026	As at March 31, 2025
(i) Secured, measured at amortised cost		
Term loan from banks	888.21	2,066.01
Term loan from other parties	879.23	1,325.13
Total	**1,767.44**	**3,391.14**
Out of the above		
Borrowings in India	1,667.97	3,220.01
Borrowings outside India	99.47	171.13
Total	**1,767.44**	**3,391.14**

Nature of security

Borrowings (other than debt securities) are secured by the way of hypothecation of book debts and margin money deposits.

Refer Note 15A for terms of prinicipal repayment and the applicable interest rate on the borrowings (other than debt securities) and borrowing under securitisation arrangement (secured)

Notes to the Consolidated Financial Statements

for the year ended March 31, 2026

(₹ in crores unless otherwise stated)

15A: Terms of principal repayment of borrowings and applicable interest rate on borrowings (other than Debentures, secured) and borrowing under securitisation arrangement (secured)

(i) As at March 31, 2026

Original maturity of loan	Frequency of repayment	Interest rate	Due within 1 year		Due between 1 to 2 Years		Due between 2 to 3 Years		Due > 3 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)											
1-3 years	Monthly	8.50%-10.00%	123	373.60	45	41.20	24	23.63	8	6.67	445.10
		10.01%-12.00%	368	887.88	136	346.22	5	4.06	-	-	1,238.16
		12.01%-13.50%	165	428.07	72	106.55	12	10.56	-	-	545.18
	Quarterly	9.75%-12.00%	62	193.69	16	36.31	-	-	-	-	230.00
		12.01%-12.75%	25	30.00	18	18.75	-	-	-	-	48.75
	Half Yearly	9.00%-12.00%	79	65.46	-	-	-	-	-	-	65.46
Total				**1,978.70**		**549.03**		**38.25**		**6.67**	**2,572.65**
Impact of EIR											(5.26)
Interest accured on borrowings											7.81
Total											**2,575.19**

(ii) As at March 31, 2025

Original maturity of loan	Frequency of repayment	Interest rate	Due within 1 year		Due between 1 to 2 Years		Due between 2 to 3 Years		Total
			No. of install-ments	Amount	No. of install-ments	Amount	No. of install-ments	Amount	
Borrowings (Other than Debt Securities)									
1-3 years	Monthly	6.50%-10.00%	211	828.39	13	13.00	-	-	841.39
		10.01%-12.00%	775	1,750.52	196	434.58	6	5.55	2,190.66
		12.01%-13.50%	215	166.71	32	16.67	-	-	183.38
		13.01%-14.00%	18	8.87	-	-	-	-	8.87
		14.00% - 15.45%	-	-	-	-	-	-	-
	Quarterly	10.00%-12.00%	170	477.74	62	177.02	15	31.83	686.60
		12.01%-13.00%	-	-	-	-	-	-	-
		13.00% to 13.50%	12	20.00	1	5.00	-	-	25.00
	Half Yearly	10.50%-13.30%	236	109.53	79	65.46	-	-	174.99
	Bullet payment	13.30%	2	164.60	-	-	-	-	164.60
Total				**3,526.38**		**711.73**		**37.39**	**4,275.49**
Impact of EIR									(11.86)
Interest accured on borrowings									11.94
Total									**4,275.57**

15 (B) (i) Instances of breach of covenant of loan availed or debt securities issued by the Holding Company during year ended March 31, 2026 - Refer Note 49 (a)

15C. Changes in liabilities arising from financing activities

Particulars	As at March 31, 2025	Net Cash flows	Others *	As at March 31, 2026
Debt securities	2,264.49	(72.97)	(16.22)	2,175.29
Borrowings (other than debt securities)	3,391.14	(1,641.60)	17.92	1,767.44
	5,655.63	**(1,714.57)**	**1.70**	**3,942.73**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2026

(₹ in crores unless otherwise stated)

15C. Changes in liabilities arising from financing activities (Contd.)

Particulars	As at March 31, 2024	Net cash flows	Others *	As at March 31, 2025
Debt securities	4,064.21	(1,735.12)	(64.58)	2,264.49
Borrowings (other than debt securities)	5,340.40	(1,956.05)	6.77	3,391.14
Subordinated liabilities	20.00	(20.00)	0.00	-
	9,424.61	**(3,711.17)**	**(57.81)**	**5,655.63**

* Represents change in liabilites due to amortization of finance cost and interest accruals

16: Other financial liabilities

	As at March 31, 2026	As at March 31, 2025
Employee benefits payable	33.94	31.16
Lease liability	9.39	12.76
Refund of excess interest collected (Refer Note 48 (A))	23.10	23.13
Assignment and other payables	38.52	70.38
	104.95	**137.43**

17: Current tax liabilities (net)

	As at March 31, 2026	As at March 31, 2025
Provision for tax (net of advance tax)	11.06	5.35
	11.06	**5.35**

18: Provisions

	As at March 31, 2026	As at March 31, 2025
Provision for employee benefits		
Gratuity, net of contribution (Refer Note 39)	9.97	13.73
Leave encashment	15.53	12.94
	25.50	**26.67**

19: Other Non-Financial liabilities

	As at March 31, 2026	As at March 31, 2025
Service tax liability [net of amount paid under protest ₹ 0.39 crores]	3.77	6.53
Statutory dues payable	12.02	13.77
Other payables	5.65	5.89
	21.44	**26.19**

20: Equity share capital

	As at March 31, 2026	As at March 31, 2025
Authorized		
900,000,000 (March 31, 2025: 900,000,000) equity shares of ₹ 10 each	900.00	900.00
1,250,000,000 (March 31, 2025: 1,250,000,000) preference shares of ₹ 10 each	1,250.00	1,250.00
	2,150.00	**2,150.00**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2026

(₹ in crores unless otherwise stated)

20: Equity share capital (Contd.)

	As at March 31, 2026	As at March 31, 2025
Issued, subscribed and paid-up		
88,639,506 (March 31, 2025: 71,305,144) equity shares of ₹ 10 each (7,13,05,144 ₹10 fully paid up equity shares and 1,73,34,362 ₹10 partly paid-up equity shares) [refer Note b(ii)]	79.97	71.31
	79.97	**71.31**

(a) Terms / rights attached to equity shares

"The Holding Company has only one class of equity shares of par value of ₹10 per share. Each holder of equity shares is entitled to one vote per share. Any dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. The Holding Company declares and pays dividends in Indian rupees. During the current financial year no dividend has been proposed by the Holding Company.

In the event of liquidation of the Holding Company, the holders of equity shares will be entitled to receive remaining assets of the Group, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(b) Reconciliation of the number of equity shares outstanding at the beginning and at the end of the year:

Particulars	As at March 31, 2026		As at March 31, 2025	
	No. of shares	Amount	No. of shares	Amount
Outstanding at the beginning of the year	7,13,05,144	71.31	7,12,97,444	71.30
Issued during the year - Exercise of employee stock options	-	-	7,700	0.01
Issued during the year - Right issue (₹10 partly paid-up equity shares)	1,73,34,362	17.33	-	-
Outstanding at the end of the year	**8,86,39,506**	**88.64**	**7,13,05,144**	**71.31**

Note:

(i) During FY25-26, the Holding Company had allotted nil equity shares (FY24-25: 7,700 equity shares) to eligible employees under Employee stock option plan.

(ii) The Board of Directors of the Holding Company, at its meeting held on July 15, 2025, approved a Rights Issue of partly paid-up equity shares aggregating up to ₹400 crore. Subsequently, at its meeting on July 18, 2025, the Board finalized the terms of the Rights Issue, fixing the price at ₹230 per equity share (including a premium of ₹220), with ₹115 payable on application. Further, pursuant to its meeting held on August 12, 2025, the Capital raising committee approved the allotment of 1,73,34,362 partly paid-up equity shares at ₹230 per share, in accordance with the terms of the Rights Issue.

(c) Details of shareholders holding more than 5% in the Company:

As per the records maintained, including register of shareholders/members and other declaration received from shareholders regarding beneficial interest, the shareholding given below represents both legal and beneficial ownership of shares.

Name of the shareholder	As at March 31, 2026		As at March 31, 2025	
	No. of shares	% of holding	No. of shares	% of holding
Equity shares of ₹ 10 each				
Kangchenjunga Limited (comprising 2,93,03,172 ₹10 fully paid up equity shares and 71,47,115 ₹10 partly paid-up equity shares)	3,64,50,287	41.12%	2,93,03,172	41.10%
Kedaara Capital Fund III LLP (comprising 50,13,295 ₹10 fully paid up equity shares and 12,22,754 ₹10 partly paid-up equity shares)	62,36,049	7.04%	50,13,295	7.03%

Notes to the Consolidated Financial Statements

for the year ended March 31, 2026

(₹ in crores unless otherwise stated)

20: Equity share capital (Contd.)

(d) Shareholding of Promoters as defined in the Companies Act, 2013 as below:

Promoter name	As at March 31, 2026		As at March 31, 2025		% Change during the year
	No. of Shares	%	No. of Shares	%	
Kangchenjunga Limited	3,64,50,287	41.12%	2,93,03,172	41.10%	0.03%
Kedaara Capital Fund III LLP	62,36,049	7.04%	50,13,295	7.03%	0.00%

Promoter name	As at March 31, 2025		As at March 31, 2024		% Change during the year
	No. of Shares	%	No. of Shares	%	
Padmaja Gangireddy	-	0.00%	81,73,938	11.46%	-11.46%
Vijaya Sivarami Reddy Vendidand	-	0.00%	1,09,151	0.15%	-0.15%
Kangchenjunga Limited	2,93,03,172	41.10%	2,93,03,172	41.10%	0.00%
Kedaara Capital Fund III LLP	50,13,295	7.03%	50,13,295	7.03%	0.00%

(e) For details of shares reserved for issue under the employee stock option (ESOP) plan of the Holding Company refer Note 44.

(f) Issue of bonus shares or buyback of shares

The Company has not issued/ allotted any shares pursuant to contracts without payment being received in cash, nor issued any bonus shares nor there has been any buyback of shares during five years immediately preceding March 31, 2026.

(g) Dividend

The Company has not paid any dividend during the financial year ended March 31, 2026 and March 31, 2025.

21: Other Equity

	As at March 31, 2026	As at March 31, 2025
Securities premium	2,427.67	2,241.08
General reserve	40.50	15.71
Capital redemption reserve	152.69	152.69
Share options outstanding account	56.25	77.22
Statutory reserve [as required by Section 45-IC of Reserve Bank of India Act, 1934]	470.13	470.13
Retained earnings	(1,045.95)	(347.44)
Fair valuation on loans through other comprehensive income	(52.15)	(44.58)
Effective portion of cashflow hedges	0.28	(3.06)
Total other equity	**2,049.42**	**2,561.74**

For detailed movement of reserves refer statement of changes in equity for the year ended March 31, 2026.

Nature and purpose of other equity

Securities premium

Securities premium is used to record the premium on issue of shares. The reserve can be utilised only for limited purposes in accordance with the provisions of the Companies Act, 2013.

General reserve

Amount set aside from retained profits as a general reserve to be utilised in accordance with provisions of the Companies Act, 2013.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2026

(₹ in crores unless otherwise stated)

21: Other Equity (Contd.)

Capital redemption reserve

In accordance with section 55 of the Companies Act, 2013, the Company had transferred an amount equivalent of the nominal value of Optionally convertible cumulative redeemable preference shares redeemed during previous years, to the Capital Redemption Reserve. The reserve can be utilised only for limited purposes in accordance with the provisions of the Companies Act, 2013.

Share options outstanding account

The share option outstanding account is used to recognise the grant date fair value of option issued to employees under employee stock option scheme.

Statutory reserve (As required by Section 45-IC of Reserve Bank of India Act, 1934

Statutory reserve represents the accumulation of amount transferred from surplus year on year based on the fixed percentage of profit for the year, as per section 45-IC of Reserve Bank of India Act 1934.

Retained earnings

Retained earnings are the profits that the Group has earned till date, less any transfers to statutory reserve, general reserve or any other such other appropriations to specific reserves.

Fair valuation on loans through other comprehensive income

The Holding Company has elected to recognize changes in the fair value of loans in other comprehensive income. These changes are accumulated as reserve within equity. The Holding Company transfers amount from this reserve to retained earnings when the relevant loans are derecognized.

Effective portion of cashflow hedges

For designated and qualifying cash flow hedges, the effective portion of the cumulative gain or loss on the hedging instrument is initially recognised directly in OCI within equity (cash flow hedge reserve). When the hedged cash flow affects the statement of profit and loss, the effective portion of the gain or loss on the hedging instrument is recorded in the corresponding income or expense line of the statement of profit and loss.

22: Interest Income

	For year ended March 31, 2026	For year ended March 31, 2025
Measured at fair value through OCI		
Interest on loans	773.58	1,976.88
Measured at amortised cost		
Interest on loans	142.67	183.23
Interest from Government Securities	0.68	-
Interest on deposits with banks	44.37	30.88
Other interest income	4.02	3.33
	965.32	**2,194.32**

23: Net gain on fair value changes

	For year ended March 31, 2026	For year ended March 31, 2025
On trading portfolio	30.70	77.51
	30.70	**77.51**
Fair value changes		
- Realised	29.81	77.51
- Unrealised	0.89	-
	30.70	**77.51**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2026

(₹ in crores unless otherwise stated)

24: Net gain on derecognition of financial instruments measured at FVTOCI

	For year ended March 31, 2026	For year ended March 31, 2025
Gain on derecognition of loans designated at FVTOCI	27.94	83.33
	27.94	**83.33**

25: Other income

	For year ended March 31, 2026	For year ended March 31, 2025
Advertisement income	33.95	57.13
Profit on sale of property, plant and equipment	0.50	-
Miscellaneous income	7.92	11.80
	42.37	**68.93**

26: Finance costs

	For year ended March 31, 2026	For year ended March 31, 2025
On financial liabilities measured at amortised cost		
Interest on debt securities	209.78	375.87
Interest on borrowings (other than Debt Securities)	271.15	534.00
Interest on subordinated liabilities	-	0.56
Interest on lease liabilities	1.21	1.34
Other finance cost	26.24	20.49
	508.38	**932.26**

27: Impairment on financial instruments

	For year ended March 31, 2026	For year ended March 31, 2025
a) Measured at fair value through OCI		
Impairment allowance^	(396.06)	236.61
Technical write-offs (Refer Note 49)	1,159.85	1,555.39
Impairment allowance - Retained interest on direct assignment	(2.16)	2.25
Recovery of loans written-off	(141.57)	(24.59)
b) Measured at fair value through profit or loss		
Impairment allowance (Security Receipts)	11.63	91.74
c) Measured at amortized cost		
Impairment allowance ^	(63.21)	65.99
Technical write-offs [Refer Note 51 (b)]	175.04	62.22
Recovery of loans written-off	(22.81)	(3.28)
	720.71	**1,986.33**

^ Impairment allowance on loans excludes impairment reversal of ₹15.85 crores (March 31, 2025: ₹12.66 crores) relating to interest on credit impaired assets, which is netted off from interest income in accordance with Ind AS 109 of Financial Instrument.

28: Employee benefits expense

	For year ended March 31, 2026	For year ended March 31, 2025
Salaries, wages and bonus	464.50	542.83
Contribution to provident and other funds	37.03	43.56
Gratuity benefits (Refer Note 39 & 52)	7.94	4.07
Leave benefits (Refer Note 52)	9.61	8.17
Share based payments to employees (refer note 44)	3.82	19.12
Staff welfare expenses	9.81	14.02
	532.71	**631.77**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2026

(₹ in crores unless otherwise stated)

29: Depreciation and amortization

	For year ended March 31, 2026	For year ended March 31, 2025
On property, plant and equipment	10.59	17.25
On right of use assets	3.85	3.43
On intangible assets	1.76	2.02
	16.20	**22.70**

30: Other expenses

	For year ended March 31, 2026	For year ended March 31, 2025
Rent	34.71	34.27
Rates and taxes	1.51	2.08
Bank charges	2.70	3.96
Insurance	12.68	10.36
Office maintenance	10.68	12.22
Computers and network maintenance	33.40	26.29
Electricity charges	4.09	3.72
Travelling Expenses	62.93	73.54
Communication expenses	8.13	3.20
Printing and stationery	3.32	5.94
Legal and professional charges	18.93	15.55
Directors Remuneration	2.40	2.29
Auditors' remuneration (refer note 30.1 below)	2.22	1.75
Recruitment and training	0.06	0.13
Losses on account of fraud / rejected claim	17.12	39.74
Provision reversal on indirect tax matter	(2.76)	(12.32)
Loss on sale of property, plant and equipment	-	0.01
Corporate social responsibility expenditure (CSR) [refer note 30.2 below]	0.59	5.25
Miscellaneous expenses	1.10	1.85
	213.81	**229.83**

30. 1 Details of payments to auditors:

	For year ended March 31, 2026	For year ended March 31, 2025
Audit fees	1.94	1.56
Certification fees	0.10	0.02
Taxation matters	0.01	0.01
Out of pocket expenses	0.17	0.16
	2.22	**1.74**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2026

(₹ in crores unless otherwise stated)

30. 2 Details of CSR expenditure:

	For year ended March 31, 2026	For year ended March 31, 2025
Amount required to be spent during the year	-	5.25
Amount approved by the Board to be spent during the year	0.59	5.54
Amount spent during the year		
(i) Construction/ acquisition of asset	-	-
(ii) On purposes other than (i) above	0.59	5.54
Shortfall / (excess) at the end of the year	(0.10)	(0.29)
Total of previous years shortfall	-	-
Reason for shortfall	NA	NA
Nature of CSR activities	1. Skill development and Livelihoods 2. Health 3.Education 4.Water 5. Digital and Financial Literacy and 6. Promotion of Clean energy	
Details of related party transactions	Nil	Nil
Provision made during the year	-	-

Disclosure under section 135 (5) of the Companies Act, 2013

Particulars	For year ended March 31, 2026	For year ended March 31, 2025
Opening balance	(0.29)	(0.74)
Amount required to be spent during the year	-	5.25
Amount spent during the year	0.59	5.54
Closing balance	(0.29)	(0.29)

The Group has spent Nil ((March 31, 2025 ₹0.29 crores) in excess of requirement provided under sub-section (5) of section 135 and such excess amount is recognized as an asset to set off against the CSR obligation of the succeeding financial year.

31: Tax expense

	For year ended March 31, 2026	For year ended March 31, 2025
Current tax	-	-
Deferred tax (attributable to origination and reversal of temporary differences)	(226.33)	(343.64)
Total tax Charge	**(226.33)**	**(343.64)**

Reconciliation of tax expense and the accounting (loss) / profit multiplied by India's tax rate

	For year ended March 31, 2026	For year ended March 31, 2025
Accounting profit before tax	(925.48)	(1,378.80)
Expected tax expense at the Indian tax rate 25.168%	(232.92)	(347.51)
Tax effect of amounts which are not deductible/taxable in calculating taxable income:		
Effect of expenses not deductible under the Income tax Act, 1961	6.59	3.87
Tax expense reported in the statement of profit and loss	**(226.33)**	**(343.64)**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2026

(₹ in crores unless otherwise stated)

32: Earning per share

	For year ended March 31, 2026	For year ended March 31, 2025
Net profit after tax as per Statement of Profit and Loss	(699.09)	(1,035.10)
Net profit as above for calculation of basic EPS and diluted EPS	(699.09)	(1,035.10)
Weighted average number of equity shares in calculating basic EPS	7,68,14,147	7,13,04,406
Stock options granted under ESOP	-	-
Weighted average number of equity shares for diluted EPS	7,68,14,147	7,13,04,406
Basic earnings per share (₹)	(91.01)	(145.17)
Diluted earnings per share (₹)	(91.01)	(145.17)

Note: Employee stock options granted under ESOP were excluded from the calculation of diluted weighted average number of equity shares as their effect would have been anti-dilutive.

33: Operating segment

The Group operates in a single business segment i.e. financing, as the nature of the loans are exposed to similar risk and return profiles hence they are collectively operating under a single segment as per Ind AS 108 on 'Operating Segments'. The Group operates in a single geographical segment i.e. domestic, and hence there is no external revenue or assets which require disclosure. No revenue from transactions with a single external customer aggregates to 10% or more of the Group's total revenue during the year ended March 31, 2026 or March 31, 2025.

34: Related party disclosures (As per Ind AS 24)

(a) Name of related parties and nature of relationship

I. Key Management Personnel ("KMP")

a) Mr. Venkatesh Krishnan - Managing Director and Chief Executive Officer (w.e.f November 27, 2025)

b) Mr. Ashish Damani - President and Chief Financial Officer (Interim CEO w.e.f.April 23, 2025 till November 27, 2025)

c) Mr. Vinay Prakash Tripathi - Company Secretary (w.e.f. January 23, 2024)

d) Mr. Shalabh Saxena - Managing Director and Chief Executive Officer (resigned w.e.f April 23, 2025)

II. Directors

a) Ms. Abanti Mitra - Non-Executive Chairperson and Independent Director

b) Mr. Deepak Vaidya - Independent Director

c) Mr. Animesh Chauhan - Independent Director

d) Mrs. Dipali Sheth - Independent Director

e) Mr. Vinayak Prasad - Independent Director

f) Mr. Sunish Sharma - Nominee Director

g) Ms. Saakshi Gera - Nominee Director (w.e.f May 22, 2024)

h) Mr. Ramachandra Kasargod Kamath - Nominee Director

i) Mr. Neeraj Swaroop - Nominee Director

j) Mr. Kartikeya Dhruv Kaji - Nominee Director (upto May 21, 2024)

III. Entity having significant influence

a) Kangchenjunga Limited

b) Kedaara Capital Fund III LLP

Notes to the Consolidated Financial Statements

for the year ended March 31, 2026

(₹ in crores unless otherwise stated)

34: Related party disclosures (As per Ind AS 24) (Contd.)

(b) Transactions with related parties

(i) Key Management Personnel

	For year ended March 31, 2026		
	(a) short-term employee benefits	(b) other long -term benefits	(c) share-based payment ^
Mr.Venkatesh Krishnan	1.48	0.02	1.68
Mr. Ashish Damani	4.35	0.10	2.02
Mr. Vinay Prakash Tripathi	0.65	0.01	0.33
Mr. Shalabh Saxena*	0.35	-	(4.50)

	For year ended March 31, 2025		
	(a) short-term employee benefits	(b) other long-term benefits	(c) share-based payment ^
Mr. Shalabh Saxena	6.05	0.28	4.08
Mr. Ashish Damani	4.58	0.25	2.05
Mr. Vinay Prakash Tripathi	0.65	0.02	0.32

^ Represents remuneration in the form of share-based payments towards employee stock options, whereby employees render services as consideration for equity instruments (equity-settled transactions). The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using the Black Scholes valuation model and amortized over vesting schedule.

* The total cost reversed in respect of share-based payments relating to employee stock options amounted to ₹18.91 crore, including a reversal of ₹4.50 crore pertaining to unvested options, which has been recognised through the Statement of Profit and Loss.

(ii) Transactions with Non-Executive Directors (Annual fees) ^

	For year ended March 31, 2026	For year ended March 31, 2025
Mr. Deepak Vaidya	0.30	0.30
Mr. K R Kamath	0.30	0.30
Ms. Abanti Mitra	0.40	0.30
Mr. Animesh Chauhan	0.30	0.30
Mr. Neeraj Swaroop	0.30	0.30
Mrs. Dipali Sheth	0.30	0.30
Mr. Vinayak Prasad	0.30	0.30

^The above amounts are exclusive of GST

c) Balance receivable / (payable)

	As at March 31, 2026	As at March 31, 2025
Other non-financial assets		
Mr.Venkatesh Krishnan	2.49	-

Notes:

(a) All above transactions are in the ordinary course of business and on arms length basis. All outstanding balances are to be settled in cash and are unsecured.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2026

(₹ in crores unless otherwise stated)

35: Contingent liabilities and commitments

a. Claims against the Company not acknowledged as debt:

Particulars	March 31, 2026	March 31, 2025
Service tax	0.40	0.56
Goods and service tax	22.26	23.33
Income tax	33.42	30.65
Total	**56.08**	**54.55**

The Group's pending litigations primarily relate to matters under direct Tax and indirect tax. These have been reviewed in detail, and appropriate provisions have been made wherever required. Contingent liabilities have been disclosed, wherever applicable, in accordance with accounting standards. The amounts involved are based on management's best estimates, and no material liability is expected to arise from these matters. The Group does not expect the outcome of these proceedings to have a materially adverse effect on its financial performance and financial position regarding the amounts disclosed above, it is not practicable to disclose information on the possibility of any reimbursements as it is determinable only on the occurrence of uncertain future events.

b. Guarantee excluding financial guarantee

Particulars	March 31, 2026	March 31, 2025
Corporate Guarantee for the term loans availed by Criss Financial Limited	-	75.15
Total	**-**	**75.15**

Corporate Guarantee provided by the Holding Company for the term loans availed by Criss Financial Limited (""CFL"") was used to assist CFL for its working capital requirement and day-to-day business activities.

c. Capital commitment

Particulars	March 31, 2026	March 31, 2025
Capital commitment	25.79	-
Total	**25.79**	**-**

36: Fair Value

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e., an exit price), regardless of whether that price is directly observable or estimated using a valuation technique. In order to show how fair values have been derived, financial instruments are classified based on a hierarchy of valuation techniques. This note describes the fair value measurement.

Valuation framework

The Group will assess the fair values for assets qualifying for fair valuation. The Group's valuation framework includes:

1. Benchmarking prices against observable market prices or other independent sources;
2. Development and validation of fair valuation models using model logic, inputs and adjustments.

   These valuation models are subject to a process of due diligence and validation before they become operational and are continuously calibrated. These models are subject to approvals by various functions.

   Fair values of financial assets, other than those which are subsequently measured at amortised cost, have been arrived at as under:

1. Fair values of investments held under FVTPL have been determined under level 1 using quoted Net Asset Value of the underlying instruments;
2. Fair value of loans held under a business model that is achieved by both collecting contractual cash flows and selling the loans are measured at FVOCI. The fair value of these loans has been determined under level 2.

Notes to the Consolidated Financial Statement

for the year ended March 31, 2026

(₹ in crores unless otherwise stated)

37: Fair Value Hierarchy of assets and liabilities

Fair value measurement

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

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

Level 2 - The fair value of financial instruments that are not traded in an active market are determined using valuation techniques which maximise the use of observable market data (either directly as prices or indirectly derived from prices) and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2. The financial instruments included in Level 2 of fair value hierarchy have been valued using quotes available for similar assets and liabilities in the active market.

Level 3 - If one or more of the significant inputs is not based on observable market data (unobservable), the instrument is included in level 3.

I. The following table shows an analysis of financial instruments recorded at fair value by level of the fair value hierarchy

	Fair value measurement using		
	Level -1	Level -2	Level -3
Financial assets measured at fair value as at March 31, 2026			
Derivative financial instruments	-	7.49	-
Term Loans (at fair value through OCI)	-	3,317.57	-
Investments in mutual funds (measured at FVTPL)	13.82	-	-
Investments in security receipts (measured at FVTPL)	-	-	-
Retained interest on direct assignment	-	21.48	-
	13.82	**3,346.54**	**-**
Financial assets measured at fair value as at March 31, 2025			
Derivative financial instruments	-	2.47	-
Term Loans (at fair value through OCI)	-	5,013.65	-
Investments in mutual funds (measured at FVTPL)	62.81	-	-
Investments in security receipts (measured at FVTPL)	-	-	16.02
Retained interest on direct assignment	-	26.30	-
	62.81	**5,042.42**	**16.02**

II. The following table shows an analysis of financial assets that are not carried at fair value

	Amortized cost	Fair value measurement using		
		Level -1	Level -2	Level -3
Financial assets measured at fair value as at March 31, 2026				
Investments in Government Securities (measured at amortized cost)	99.69	99.69	-	-
Term Loans (at amortized cost)	542.93	-	584.35	-
	642.62	**99.69**	**584.35**	**-**
Financial assets measured at fair value as at March 31, 2025				
Investments in Government Securities (measured at amortized cost)	30.82	30.82	-	-
Investments in equity shares (measured at cost)	0.10	-		0.10
Term Loans (at amortized cost)	694.75	-	800.09	-
	725.67	**30.82**	**800.09**	**0.10**

Notes to the Consolidated Financial Statement

for the year ended March 31, 2026

(₹ in crores unless otherwise stated)

37: Fair Value Hierarchy of assets and liabilities (Contd.)

III. The following table shows an analysis of financial liabilities that are not carried at fair value

	Amortized cost	Fair value measurement using		
		Level -1	Level -2	Level -3
Liabilities measured at fair value as at March 31, 2026				
Debt securities	2,175.29	-	2,209.22	-
Borrowings (other than Debt Securities)	1,767.44	-	2,083.56	-
Lease Liabilities	9.39		9.39	
	3,952.12	**-**	**4,302.17**	**-**
Liabilities measured at fair value as at March 31, 2025				
Debt securities	2,264.49	-	2,280.24	-
Borrowings (other than Debt Securities)	3,391.14	-	3,411.62	-
Lease Liabilities	12.76	-	12.76	-
	5,668.39	**-**	**5,704.62**	**-**

Note:

The carrying amounts of cash and cash equivalents, bank balances other than cash and cash equivalents, other financial assets, other financial liabilities and trade payables approximate the fair value because of their short-term nature.

Valuation technique used

For Term loans

The scheduled future cash flows (including principal and interest) are discounted using the lending rate prevailing as at the balance sheet date. The discounting factor is applied assuming the cash flows will be evenly received in a month. Further the overdue cash flows upto 90 Days (upto stage II) are discounted assuming they will be received in the third month. Fairvalue of cash flows for stage III loans are assumed as carrying value less provision for impairment loss allowance.

For investment in Mutual funds

For investments, the Company has assessed the fair value on the basis of the NAV (Net Asset Value) declared by the mutual fund houses.

For investment in security receipts

The expected recoveries are discounted at yield to arrive at the present value of the recoveries. Fair value of cash flows are assumed as carrying value less provision for impairment loss allowance.

Financial liabilities measured at amortised cost

For Borrowings

The fair value of fixed rate borrowings is determined by discounting expected future contractual cash flows using current market interest rate being charged for new borrowings. The fair value of floating rate borrowing is deemed to equal its carrying value.

There have been no transfer between Level 1, 2 and 3 during the year ended March 31, 2026 and March 31, 2025.

Notes to the Consolidated Financial Statement

for the year ended March 31, 2026

(₹ in crores unless otherwise stated)

38: Capital Management (Refer Note 51)

The Group's objective for capital management is to maximize shareholders' value, safeguard business continuity, meet the regulatory requirement and support the growth of the Company. The Group determines the capital requirement based on annual operating plans and long-term and other strategic investment plans. The funding requirements are met through borrowings, retained earnings and operating cash flows generated.

As an NBFC, the RBI requires us to maintain a minimum capital to risk weighted assets ratio ("CRAR") consisting of Tier I and Tier II capital of 15% of our aggregate risk weighted assets. Further, the total of our Tier II capital cannot exceed 100% of our Tier I capital at any point of time. The capital management process of the Holding Company ensures to maintain a healthy CRAR at all the times.

The Group has a board approved policy on resource planning which states that the resource planning of the Group shall be based on its Asset Liability Management (ALM) requirement. The policy of the Group on resource planning will also cover the objectives of the regulatory requirement. The policy prescribes the sources of funds, threshold for mix from various sources, tenure, manner of raising the funds etc.

Regulatory Capital

Spandana Sphoorty Financial Limited. (Parent Company) - Refer Note 49

Particulars	March 31, 2026	March 31, 2025
Tier I Capital	842.43	1,672.74
Tier II Capital	-	-
Total Capital	**842.43**	**1,672.74**
Risk weighted assets	2,830.75	4,607.30
Tier I CRAR	29.76%	36.31%
Tier II CRAR	0.00%	0.00%
Total CRAR	**29.76%**	**36.31%**

Criss Financial Holdings Limited. (Subsidiary Company)

Particulars	March 31, 2026	March 31, 2025
Tier I Capital	138.35	206.54
Tier II Capital	-	-
Total Capital	**138.35**	**206.54**
Risk weighted assets	480.14	539.18
Tier I CRAR	28.81%	38.31%
Tier II CRAR	0.00%	0.00%
Total CRAR	**28.81%**	**38.31%**

39: Defined Benefit Gratuity Plan

The Group has a defined benefit gratuity plan. Every employee who has completed five years or more of service is eligible for gratuity, on cessation of employment and it is computed at 15 days salary (last drawn salary) for each completed year of service subject to limit of ₹ 0.2 crores per the Code on Social Security, 2020. The scheme is funded with an insurance Company in the form of a qualifying insurance policy.

The following tables summarized the components of net benefit expense recognized in the statement of profit and loss and the funded status and amounts recognized in the Balance Sheet for the gratuity plan.

Investment risk

The plan liabilities are calculated using a discount rate set with references to government bond yields; if plan assets underperform compared to this yield, this will create or increase a deficit. Currently, for the plan in India, it has a relatively balanced mix of investments in government securities, and other debt instruments.

Interest rate risk

A decrease in government bond yields will increase plan liabilities, although this is expected to be partially offset by an increase in the value of the plan's investment in debt instruments.

Variability in withdrawal rates

If actual withdrawal rates are higher than assumed withdrawal rate assumption, then the gratuity benefits will be paid earlier than expected. The impact of this will depend on whether the benefits are vested as at the resignation date.

Notes to the Consolidated Financial Statement

for the year ended March 31, 2026

(₹ in crores unless otherwise stated)

39: Defined Benefit Gratuity Plan (Contd.)

Regulatory Risk

Gratuity Benefit must comply with the requirements of the Code on Social Security, 2020 (as amended up-to-date). There is a risk of change in the regulations requiring higher gratuity payments (e.g. raising the present ceiling of ₹ 20,00,000, raising accrual rate from 15/26 etc.).

Inflation Risk

The present value of some of the defined benefit plan obligations are calculated with reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

Salary Risk

The present value of the defined benefit plan liability is calculated by reference to the future salaries of members. As such, an increase in the salary of the members more than assumed level will increase the plan's liability.

Asset Liability Matching Risk

The plan faces the ALM risk as to the matching cash flow. Since the plan is invested in lines of Rule 101 of Income Tax Rules, 1062, this generally reduces ALM risk.

Concentration Risk

Plan is having a concentration risk as all the assets are invested with the insurance company and a default will wipe out all the assets. Although probability of this is very low.

Life expectancy

The present value of defined benefit plan obligation is calculated by reference to the best estimate of the mortality of plan participants, both during and after the employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

If actual mortality rates are higher than assumed mortality rate assumption than the gratuity benefits will be paid earlier than expected. Since there is no condition of vesting on the death benefit, the acceleration of cashflow will lead to an actuarial loss or gain depending on the relative values of the assumed salary growth and discount rate.

Movement in defined benefit obligations

Particulars	March 31, 2026	March 31, 2025
Defined benefit obligation as at the beginning of the year	14.06	12.06
Current service cost	7.04	3.32
Interest on defined benefit obligation	0.92	0.87
Remeasurements- Actuarial (gain) / loss	(0.68)	(0.58)
Benefits paid	(2.94)	(1.60)
Defined benefit obligation as at the end of the year	**18.39**	**14.06**

Movement in plan assets

Particulars	March 31, 2026	March 31, 2025
Fair value of plan assets as at the beginning of the year	0.33	1.70
Actual return on plan assets	0.02	0.10
Employer contributions	11.01	0.12
Benefits paid	(2.94)	(1.60)
Fair value of plan assets as at the end of the year	**8.42**	**0.33**

The Group expects to contribute ₹ 5.41 crores (March 31, 2025 ₹ 4.62 crores) to gratuity in the next financial year.

Reconciliation of net liability/ asset

Particulars	March 31, 2026	March 31, 2025
Net defined benefit liability as at the beginning of the year	13.73	10.36
Expense charged to statement of profit and loss	7.94	4.07
Amount recognised in other comprehensive income	(0.69)	(0.56)
Employer contributions	(11.01)	(0.13)
Net defined benefit liability as at the end of the year	**9.97**	**13.73**

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(₹ in crores unless otherwise stated)

39: Defined Benefit Gratuity Plan (Contd.)

Expenses charged to the statement of profit and loss

Particulars	March 31, 2026	March 31, 2025
Current service cost	7.04	3.32
Interest cost	0.90	0.74
Total	**7.94**	**4.07**

Remeasurement gains/(losses) in the other comprehensive income

Particulars	March 31, 2026	March 31, 2025
Actuarial Gain / (Loss) on Liabilities		
-due to change in financial assumptions	0.10	(0.32)
-due to change in demographic assumptions	1.06	2.98
-due to experience variance	(0.38)	(2.07)
Total -A	**0.78**	**0.59**
Actuarial Gain / (Loss) on assets		
-Expected Interest Income	0.02	0.12
-Actual Income on Plan Asset	0.02	0.10
Total -B	**-**	**(0.02)**
Amount recognised under OCI (A+B)	**0.78**	**0.57**

The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:

Category of Assets	March 31, 2026	March 31, 2025
Fund managed by Insurer	100%	100%
Total	**100%**	**100%**

Summary of Actuarial Assumptions - Holding Company

Particulars	March 31, 2026	March 31, 2025
Discount rate	6.80%	6.55%
Return on plan assets	6.55%	7.18%
Rate of Increase in compensation levels	7.50%-12.50%	7.50%-12.50%
Retirement age (years)	58	58
Withdrawal rate / Attrition rate	40%	40%
Mortality rate	100% of IALM 2012-14	

Summary of Actuarial Assumptions - Criss Financial Limited

Particulars	March 31, 2026	March 31, 2025
Discount rate	6.80%	6.71%
Return on plan assets	0.00%	0.00%
Rate of Increase in compensation levels	5.00%	5.00%
Retirement age (years)	58	58
Withdrawal rate / Attrition rate	50%	20%
Mortality rate	100% of IALM 2012-14	

Discount rate: The discount rate is based on the 5 years government bond yields as at the balance sheet date for the estimated term of the obligations.

Return on plan assets: This is based on the expectation of the average long term rate of return expected on investments of the fund during the estimated term of the obligations.

Salary escalation rate: The estimates of future salary increases considered taking into account the inflation, seniority, promotion and other relevant factors.

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39: Defined Benefit Gratuity Plan (Contd.)

A quantitative sensitivity analysis for significant assumptions as at the balance sheet date are as shown below:

Particulars	March 31, 2026	March 31, 2025
Discount rate (+0.5%)	(0.18)	(0.16)
Discount rate (-0.5%)	0.18	0.16
Salary Inflation (+1%)	0.35	0.31
Salary Inflation (-1%)	(0.34)	(0.30)
Withdrawal Rate (+5%)	(0.92)	(0.82)
Withdrawal Rate (-5%)	1.05	0.95

Projected plan cash flow

Particulars	March 31, 2026	March 31, 2025
Year 1	5.13	3.64
Year 2	4.09	3.10
Year 3	3.56	2.52
Year 4	2.94	2.06
Year 5	2.04	1.70
After year 5	3.60	3.66

The weighted average duration of the defined benefit obligation of Company is ~ 5 years.

40: Leases

Group as a lessee

The Group's significant leasing arrangements are in respect of operating leases of office premises (Head office and branch offices). The branch office premises are generally rented on cancellable term of eleven months with or without escalation clause, however none of the branch lease agreements carries non-cancellable lease periods. The Group has applied short term lease exemption for leasing arrangements where the period of lease is less than 12 months. The head office premises have been obtained on a lease term of five years with an annual escalation clause of five percent.

Amounts recognised in the statement of profit and loss:

Particulars	March 31, 2026	March 31, 2025
Depreciation expense of right-of-use assets	3.85	3.43
Interest expense on lease liabilities	1.21	1.34
Expense relating to short-term leases	34.71	34.27
Total amount recognised in the statement of profit and loss	**39.76**	**39.04**

Particulars	March 31, 2026	March 31, 2025
Total commitments for short term leases	13.31	16.18

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the year:

Particulars	March 31, 2026	March 31, 2025
Balances as at the beginning of the year	11.03	9.71
Addition	0.49	4.75
Deletion	-	-
Depreciation	(3.85)	(3.43)
Balances as at the end of the year	**7.66**	**11.03**

Notes to the Consolidated Financial Statement

for the year ended March 31, 2026

(₹ in crores unless otherwise stated)

40: Leases (Contd.)

Set out below are the carrying amounts of lease liabilities recognised and the movements during the year:

Particulars	March 31, 2026	March 31, 2025
Balances as at the beginning of the year	12.76	11.00
Addition	0.49	4.75
Accretion of interest	1.21	1.34
Deletion	-	-
Payments	(5.06)	(4.34)
Balances as at the end of the year	**9.39**	**12.76**

The details of the contractual maturities of lease liabilities on an undiscounted basis is as follows:

Particulars	March 31, 2026	March 31, 2025
Less than one year	5.09	4.63
One to five years	4.92	9.12
More than five years	-	0.36
Total	**10.02**	**14.11**

The total cash outflow for leases is ₹40.11 crores (March 31, 2025: ₹39.15 crores), including cash outflow for short term leases

41: Amount payable to micro small and medium enterprises

Based on information available with the Group, as at the reporting period, there are no dues payable to suppliers who are registered as micro and small enterprises under the provisions of the Micro, Small and Medium Enterprises Development Act, 2006.

Particulars	March 31, 2026	March 31, 2025
1. the principal amount and the interest due thereon (to be shown separately) remaining unpaid to any supplier at the end or each accounting year;^	0.95	-
2. the amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year	-	-
3. the amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006;	-	-
4. the amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006;	-	-
5. the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance or a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	-	-

^Including unbilled amount of ₹0.88 crs

42: Risk Management and financial objectives

Risk is an integral part of the Group business and sound risk management is critical to the success. As a financial intermediary, the Group is exposed to risks that are particular to its lending and the environment within which it operates and primarily includes credit, liquidity and market risks. The Group has a risk management policy which covers risks associated with the financial assets and liabilities. The risk management policy is approved by the Board of Directors.

The Group has identified and implemented comprehensive policies and procedures to assess, monitor and manage

Notes to the Consolidated Financial Statement

for the year ended March 31, 2026

(₹ in crores unless otherwise stated)

42: Risk Management and financial objectives (Contd.)

risk throughout the Group. The risk management process is continuously reviewed, improved and adapted in the context of changing risk scenario and the agility of the risk management process is monitored and reviewed for its appropriateness in the changing risk landscape. The process of continuous evaluation of risks includes taking stock of the risk landscape on an event-driven basis.

The Group has an elaborate process for risk management. Major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continuing basis.

42.1 Credit Risk

Credit risk is the risk that the counterparty shall not meet its obligations under a financial instrument or customer contract, leading to a financial loss. Credit risk encompasses of both, the direct risk of default and the risk of deterioration of the creditworthiness as well as concentration of risks. Credit risk arises primarily from financial assets such as loan receivables, investment in equity shares, balances with banks and other receivables.

Financial instruments that are subject to concentration of credit risk principally consist of investments, cash and cash equivalents, bank deposits and other financial assets. None of the financial instruments of the Company result in material concentration of credit risk.

Financial assets that are neither past due nor impaired

None of the Company's cash equivalents, including fixed deposits, were either past due or impaired as at March 31, 2025 and March 31, 2024. The Group has diversified its portfolio of investment in cash and cash equivalents and term deposits with various banks with sound credit ratings, hence the risk is reduced.

Loans

Credit risk is the risk of loss that may occur from defaults by our Borrowers under our loan agreements. In order to address credit risk, we have stringent credit assessment policies for client selection. Measures such as verifying client details, online documentation and the usage of credit bureau data to get information on past credit behaviour also supplement the efforts for containing credit risk. We also follow a systematic methodology in the opening of new branches, which takes into account factors such as the demand for credit in the area; income and market potential; and socio-economic and law and order risks in the proposed area. Further, our client due diligence procedures encompass various layers of checks, designed to assess the quality of the proposed group and to confirm that they meet our criteria.

The Holding Company is a rural focused NBFC-MFI with a geographically diversified presence in India and offer income generation loans under the joint liability group model, predominantly to women from low-income households in Rural Areas. Further, as we focus on providing micro-loans in rural areas, our results of operations are affected by the performance and the future growth potential of microfinance in rural India. Our clients typically have limited sources of income, savings and credit histories and our loans are typically provided free of collateral. Such clients generally do not have a high level of financial resilience, and, as a result, they can be adversely affected by declining economic conditions and natural calamities. In addition, we rely on non-traditional guarantee mechanisms rather than tangible assets as collateral, which may not be effective in recovering the value of our loans.

In order to mitigate the impact of credit risk in the future profitability, the Group creates impairment loss allowance basis the expected credit loss (ECL) model for the outstanding loans as at balance sheet date.

The criteria of default, significant increase in credit risk and stage assessment is mentioned in note 3(k) of the material accounting policies. The below discussion describes the Group approach for assessing impairment.

A) Probability of default (PD)

The group compute PD at enterprise level considering the borrower profile and loan product offered to them are homogeneous. The product features like loan tenure, interest rate, ticket size, customer selection are uniform across the branches and thus carry similar uncertainties. The geographical related political and natural calamity risk is more rationalised when looked at the enterprise level.

Accordingly, the group determines PD for each stage depending upon the underlying classification of asset (i.e., Stage I or Stage II). The PD rates for Stage I and II have been further bifurcated based on the days-past-due (DPD) status of the loans (i.e., current to 30 DPD, 31-60 DPD and 61-90 DPD) to incorporate adequate granularity. PD rate for stage III is derived as 100% considering that the default occurs as soon as the loan becomes overdue for 90 days.

B) Exposure at default (EAD)

Exposure at default (EAD) is the sum of outstanding principal and the interest amount accrued but not received on each loan as at reporting date.

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42: Risk Management and financial objectives (Contd.)

C) Loss given default

The Group determines its expectation of lifetime loss by estimating recoveries towards its loan through analysis of historical information. The Group determines its recovery rates by analysing the recovery trends over different periods of time after a loan has defaulted. LGD is the difference between the exposure at default and its recovery rate. Similar to PDs, the LGD rates have also been reassessed for COVID-19 affected portfolio by comparing past recovery experience from less frequent / non-recurring default events. Appropriate adjustments have also been made for recoveries observed during the post-pandemic period which are considered as an appropriate representation of expected post-default recoveries.

Analysis of concentration risk:

The Group loan book consists of a large number of customers spread over diverse geographical area. The following tables show the geographical concentrations of loans:

Particulars	Holding Company		Subsidiary Company (Criss Financial Limited)	
	March 31, 2026	March 31, 2025	March 31, 2026	March 31, 2025
Madhya Pradesh	14.69%	13.35%	13.62%	5.51%
Bihar	14.01%	11.49%	0.00%	0.00%
Odisha	12.63%	12.65%	0.00%	0.00%
Andhra Pradesh	10.37%	11.00%	40.52%	56.23%
West Bengal	8.60%	6.46%	0.00%	0.00%
Maharashtra	6.79%	8.23%	0.00%	0.00%
Jharkhand	6.67%	5.42%	0.00%	0.00%
Karnataka	6.17%	10.17%	5.54%	2.93%
Uttar Pradesh	5.89%	5.49%	0.00%	0.00%
Chhattisgarh	5.04%	5.04%	0.00%	0.00%
Rajasthan	3.63%	3.55%	17.12%	11.91%
Telangana	1.97%	1.45%	12.70%	18.88%
Gujarat	1.69%	3.21%	0.00%	0.00%
Others ^	1.86%	2.49%	10.50%	4.55%
Total	100.00%	100.00%	100.00%	100.00%

^ comprises of Goa, Haryana, Himachal Pradesh, Kerala, Pondicherry, Tamilnadu and Uttarakhand

Collateral and other credit enhancement

The Group secured portfolio consists of loans against property (including land and building). Although collateral is an important mitigant credit risk, the Group practice is to lend on the basis of its assessment of the customer's ability to repay rather than placing primary reliance on collateral. Based on the nature of the product and the Group assessment of the customer's credit risk, a loan may be offered with suitable collateral.

42.2 Liquidity Risk

Liquidity risk refers to the risk that the Group may not meet its financial obligations. Liquidity risk arises due to the unavailability of adequate funds at an appropriate cost or tenure. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The Group consistently generates sufficient cash flows from operating and financing activities to meet its financial obligations as and when they fall due. Our resource mobilization team sources funds from multiple sources, including from banks, financial institutions and capital markets to maintain a healthy mix of sources. The resource mobilization team is responsible for diversifying fundraising sources, managing interest rate risks and maintaining a strong relationship with banks, financial institutions, mutual funds, insurance companies, other domestic and foreign financial institutions and rating agencies to ensure the liquidity risk is well addressed. In order to reduce dependence on a single lender, the Group has adopted a cap on borrowing from any single lender at 25%. The maturity schedule for all financial liabilities and assets are regularly reviewed and monitored. Group has a asset liability management (ALM) policy and ALM Committee to review and monitor the liquidity risk and ensure the compliance with the prescribed regulatory requirement. The ALM Policy prescribes the detailed guidelines for managing the liquidity risk.

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(₹ in crores unless otherwise stated)

42: Risk Management and financial objectives (Contd.)

Maturity pattern of financial liabilities:

Particulars	Borrowings *		Other financial liabilities	
	March 31, 2026	March 31, 2025	March 31, 2026	March 31, 2025
Upto 1 month	387.01	392.26	75.08	74.53
1 to 2 months	270.34	417.31	15.72	5.81
2 to 3 months	673.68	913.71	3.19	6.81
3 to 6 months	918.53	1,084.51	3.92	16.65
6 months to 1 year	951.40	1,730.28	2.43	2.36
1 to 3 years	1,159.26	1,573.98	2.79	31.09
3 to 5 years	20.15	10.98	3.19	1.86
Over 5 years	-	-	-	0.36
Total	**4,380.37**	**6,123.03**	**106.31**	**139.48**

*Represents debt securities, borrowings (other than debt securities) and subordinated liabilities and includes interest payable as per agreed repayment schedule

Maturity analysis of assets and liabilities

The table below shows an analysis of assets and liabilities analyzed according to when they are expected to be recovered and settled.

	March 31, 2026			March 31, 2025		
	Within 12 Months	After 12 Months	Total	Within 12 Months	After 12 Months	Total
ASSETS						
Financial assets						
Cash and cash equivalents	769.49	-	769.49	1,235.97	-	1,235.97
Bank balance other than cash and cash equivalents	424.52	80.68	505.21	564.34	43.47	607.81
Derivative financial instruments	7.49	-	7.49	2.47	-	2.47
Loans	2,222.37	1,638.13	3,860.50	4,659.37	1,049.03	5,708.40
Investments	113.51	-	113.51	107.81	1.94	109.75
Other financial assets	72.46	17.25	89.71	96.33	41.28	137.61
Total financial assets	**3,609.85**	**1,736.06**	**5,345.91**	**6,666.29**	**1,135.72**	**7,802.01**
Non-financial assets						
Current tax assets (net)	1.57	117.30	118.87	7.85	110.03	117.88
Deferred tax assets (net)	-	702.58	702.58	0.00	475.03	475.03
Property, plant and equipment	-	18.28	18.28	-	31.24	31.24
Other intangible assets	-	3.33	3.33	-	2.98	2.98
Goodwill	-	17.39	17.39	-	17.39	17.39
Other non-financial assets	1.54	38.47	40.01	1.69	45.31	47.00
Total non-financial assets	**3.11**	**897.35**	**900.46**	**9.55**	**681.97**	**691.52**
Total Assets	**3,612.96**	**2,633.41**	**6,246.37**	**6,675.84**	**1,817.69**	**8,493.53**
LIABILITIES						
Financial liabilities						
Payables	11.12	-	11.12	8.97	-	8.97
Debt securities	1,542.33	632.96	2,175.29	1,463.92	800.57	2,264.49
Borrowings (other than Debt Securities)	1,089.09	678.35	1,767.44	2,698.57	692.56	3,391.14
Other financial liabilities	99.60	5.35	104.95	105.35	32.08	137.43
Total financial liabilities	**2,742.14**	**1,316.66**	**4,058.80**	**4,276.81**	**1,525.22**	**5,802.02**

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42: Risk Management and financial objectives (Contd.)

	March 31, 2026			March 31, 2025		
	Within 12 Months	After 12 Months	Total	Within 12 Months	After 12 Months	Total
Non-financial liabilities						
Current tax liabilities (net)	-	11.06	11.06	-	5.35	5.35
Provisions	12.31	13.20	25.50	9.51	17.16	26.67
Other non-financial liabilities	17.67	3.77	21.44	19.66	6.53	26.19
Total non-financial liabilities	**29.97**	**28.03**	**58.00**	**29.17**	**29.04**	**58.21**
Total Liabilities	**2,772.11**	**1,344.69**	**4,116.80**	**4,305.98**	**1,554.26**	**5,860.23**
Net	**840.85**	**1,288.72**	**2,129.57**	**2,369.86**	**263.43**	**2,633.30**

42.3 Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market factor. Such changes in the values of financial instruments may result from changes in the interest rates, credit, liquidity and other market changes. The Group is exposed to three types of market risks as follows:

42.3a Interest rate risk

Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

We are subject to interest rate risk, principally because we lend to clients at fixed interest rates and for periods that may differ from our funding sources, while our borrowings are at both fixed and variable interest rates for different periods. We assess and manage our interest rate risk by managing our assets and liabilities. Our Asset Liability Management Committee evaluates asset liability management, and ensures that all significant mismatches, if any, are being managed appropriately.

The Group has Board Approved Asset Liability Management (ALM) policy for managing interest rate risk and policy for determining the interest rate to be charged on the loans given.

The following table demonstrates the sensitivity to a reasonably possible change in the interest rates on the portion of borrowings affected. With all other variables held constant, the profit before tax and equity is affected through the impact on floating rate borrowings, as follows:

Finance Cost	March 31, 2026	March 31, 2025
0.50 % Increase	(21.26)	(28.39)
0.50 % Decrease	21.26	28.39

42.3b Price Risk

The Group's exposure to price risk is not material and it is primarily on account of investment of temporary treasury surplus in the highly liquid debt funds for very short durations. The Group has a board approved policy of investing its surplus funds in highly rated debt mutual funds and other instruments having insignificant price risk, not being equity funds/ risk bearing instruments.

42.3c Currency Risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. Foreign currency risk arise majorly on account of foreign currency borrowings. The Company manages its foreign currency risk by entering in to cross currency interest rate swaps.

Particulars	March 31, 2026		March 31, 2025	
	Amount in USD	Amount in INR	Amount in USD	Amount in INR
Borrowings (other than debt securities)	1,05,00,000	92.27	2,00,00,000	164.60
Derivative financial instruments	1,05,00,000	7.49	2,00,00,000	2.47

The carrying amount of the Holding Company's foreign currency denominated monetary as at March 31, 2026 and March 31, 2025 is not significant and hence reasonably possible change in the exchange rates, with all other variables held constant, will not have a significant impact on the profit before tax and equity of the Holding Company.

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43: Transfer of Financial assets

a. Securitisation Transaction:

The Group has entered into securitisation arrangement with various parties. Under such arrangement, the Group has transferred a pool of loans, which does not fulfil the derecognition criteria specified under Ind AS 109 as the Group has concluded that risk and rewards with respect to these assets are not substantially transferred. Following such transfer, the Group's involvement in these assets is as follows:

- As a servicer of the transferred assets
- To the extent of credit enhancements provided to such parties

The value of Financial assets and liabilities as on :-

Particulars	March 31, 2026	March 31, 2025
Carrying amount of assets	883.35	1,173.69
Carrying amount of associated liabilities	807.75	884.43
Fair value of assets	883.62	1,206.27
Fair value of associated liabilities	813.92	885.93

The shortfall of fair value of associated liabilities over fair value of assets is ₹ Nil (March 31, 2025: ₹ Nil)

b. Assignment Transaction:

The Holding Company has sold some loans and advances measured at FVOCI as per assignment deals, as a source of finance. As per the terms of deal, since the derecognition criteria as per Ind AS 109, including transfer of substantially all the risks and rewards relating to assets to the buyer being met, the assets have been derecognised.

The table below summarises the carrying amount of the derecognised financial assets measured at fair value and the gain/(loss) on derecognition :-

Particulars	March 31, 2026	March 31, 2025
Carrying amount in respect of financial assets derecognised	354.76	528.29
Gain/(loss) from derecognition during the year	27.94	83.33

Since the Holding Company transferred the above financial asset in a transfer that qualified for derecognition in its entirety, therefore the whole of the interest spread (over the expected life of the asset) is recognised on the date of derecognition itself as interest only strip receivable and correspondingly recognised as profit on derecognition of financial asset.

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44: Employee Stock Option Plan (ESOP)

a) The Company has provided various equity settled share based payment schemes to its employees. The details are ESOP scheme are as follows.

Particulars	Grant I	Grant II	Grant IV	Grant V	Grant IX	Grant XII ESOP Plan 2018 and ESOP Scheme 2021	Grant I ESOP Plan 2021 and ESOP Scheme 2021-Series A	Grant II ESOP Plan 2021 and ESOP Scheme 2021-Series A	Grant III ESOP Plan 2021 and ESOP Scheme 2021-Series A
Date of grant	13-Aug-18	13-Aug-18	28-Jan-20	28-Jan-20	31-Aug-20	14-Aug-21	02-Nov-21	30-Mar-22	11-Jul-22
Date of Board / Compensation/ Committee Approval	13-Aug-18	13-Aug-18	28-Jan-20	28-Jan-20	31-Aug-20	14-Aug-21	02-Nov-21	30-Mar-22	11-Jul-22
Number of options granted	3,38,854	8,17,500	90,500	3,36,500	28,000	12,28,000	1,23,000	16,60,000	2,15,000
Exercise price	263.35	263.35	1077.37	1077.37	608.74	636.46	521.66	371.07	415.59
Method of settlement	Equity	Equity	Equity	Equity	Equity	Equity	Equity	Equity	Equity
Vesting period	20 % equally at the end of each year	End of year 1 – 30% End of year 2 – 30% End of year 3 – 20% End of year 4 – 20%	20 % equally at the end of each year	End of year 1 – 30% End of year 2 – 30% End of year 3 – 20% End of year 4 – 20%	20 % equally at the end of each year			25 % equally at the end of each year	
Exercise period	9 years from the grant date (or) one year from the date of separation after vesting, whichever is earlier								
Name of the plan	ESOP Plan 2018 and ESOP Scheme 2018					ESOP Plan 2021 and ESOP Scheme 2021-Series A			

Particulars	Grant IV ESOP Plan 2021 and ESOP Scheme 2021-Series A	Grant V ESOP Plan 2021 and ESOP Scheme 2021-Series A	Grant VI ESOP Plan 2021 and ESOP Scheme 2021-Series A	Grant XIII ESOP Plan 2018 and ESOP Scheme 2021	Grant XIV ESOP Plan 2018 and ESOP Scheme 2021	Grant XV ESOP Plan 2018 and ESOP Scheme 2021	Grant XVI ESOP Plan 2018 and ESOP Scheme 2021	Grant XVII ESOP Plan 2018 and ESOP Scheme 2021
Date of grant	08-Sep-22	17-Oct-22	31-Jan-23	25-Apr-23	02-May-23	03-Nov-23	20-Jan-24	17-Feb-24
Date of Board / Compensation/ Committee Approval	08-Sep-22	17-Oct-22	31-Jan-23	25-Apr-23	02-May-23	03-Nov-23	20-Jan-24	17-Feb-24
Number of options granted	1,60,000	50,000	6,38,000	1,50,000	60,000	10,000	7,000	1,87,135
Exercise price	554.88	553.1	569.18	567.02	582.96	849.38	1192.56	970.92
Method of settlement	Equity	Equity	Equity	Equity	Equity	Equity	Equity	Equity

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(₹ in crores unless otherwise stated)

44: Employee Stock Option Plan (ESOP) (contd.)

Particulars	Grant IV ESOP Plan 2021 and ESOP Scheme 2021-Series A	Grant V ESOP Plan 2021 and ESOP Scheme 2021-Series A	Grant VI ESOP Plan 2021 and ESOP Scheme 2021-Series A	Grant XIII ESOP Plan 2018 and ESOP Scheme 2021	Grant XIV ESOP Plan 2018 and ESOP Scheme 2021	Grant XV ESOP Plan 2018 and ESOP Scheme 2021	Grant XVI ESOP Plan 2018 and ESOP Scheme 2021	Grant XVII ESOP Plan 2018 and ESOP Scheme 2021
Vesting period	25 % equally at the end of each year							End of year 1 – 33% End of year 2 – 33% End of year 3 – 34%
Exercise period	9 years from the grant date (or) before separation after vesting, whichever is earlier.							4 years from the date of each vesting
Name of the plan	ESOP Plan 2021 and ESOP Scheme 2021-Series A			ESOP Plan 2018 and ESOP Scheme 2021				

Particulars	Grant XVIII ESOP Plan 2018 and ESOP Scheme 2021	Grant XIX ESOP Plan 2018 and ESOP Scheme 2021	Grant XX ESOP Plan 2018 and ESOP Scheme 2021	Grant XXI ESOP Plan 2018 and ESOP Scheme 2021
Date of grant	23-Apr-24	02-Nov-24	16-Jan-25	05-Mar-25
Date of Board / Compensation/ Committee Approval	23-Apr-24	02-Nov-24	16-Jan-25	05-Mar-25
Number of options granted	60,000	10,000	7,000	67,000
Exercise price	881.76	446.93	408.98	283.85
Method of settlement	Equity	Equity	Equity	Equity
Vesting period	25 % equally at the end of each year			
Exercise period	9 years from the grant date (or) before separation after vesting, whichever is earlier.			
Name of the plan	ESOP Plan 2018 and ESOP Scheme 2021			

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for the year ended March 31, 2026

(₹ in crores unless otherwise stated)

44: Employee Stock Option Plan (ESOP) (contd.)

Particulars	Grant XXII ESOP Plan 2018 and ESOP Scheme 2021	Grant XXIII ESOP Plan 2018 and ESOP Scheme 2021	Grant XXIV ESOP Plan 2018 and ESOP Scheme 2021	Grant XXV ESOP Plan 2018 and ESOP Scheme 2021 & Grant VII ESOP Plan 2021 and ESOP Scheme 2021-Series A	Grant XXVI ESOP Plan 2018 and ESOP Scheme 2021 & Grant VIII ESOP Plan 2021 and ESOP Scheme 2021-Series A	Grant IX ESOP Plan 2021 and ESOP Scheme 2021-Series A	Grant X ESOP Plan 2021 and ESOP Scheme 2021-Series A & Grant XXVII ESOP Plan 2018 and ESOP Scheme 2021
Date of grant	05-Apr-25	23-May-25	31-Jul-25	08-Oct-25	27-Dec-25	05-Feb-26	26-Feb-26
Date of Board / Compensation/ Committee Approval	05-Apr-25	23-May-25	31-Jul-25	08-Oct-25	27-Dec-25	05-Feb-26	26-Feb-26
Number of options granted	6,500	16,500	5,000	12,43,000	8,85,000	80,000	60,000
Exercise price	248.06	285.38	291.08	255.31	269.44	246.43	258.17
Method of settlement	Equity	Equity	Equity	Equity	Equity	Equity	Equity
Vesting period	25 % equally at the end of each year						
Exercise period	9 years from the grant date (or) before separation after vesting, whichever is earlier.						
Name of the plan	ESOP Plan 2018 and ESOP Scheme 2021				ESOP Plan 2021 and ESOP Scheme 2021-Series A ESOP Plan 2018 and ESOP Scheme 2021		

b) The details of all grants in operation during financial year 2025-26 have been summarised below:

Plan	Grant Date	Exercise Price	Outstanding at the beginning of the year	Grant during the year	Exercised during the year	Lapsed during the year	Outstanding at the end of the year	Exercisable at the end of the year	Weighted average remaining contractual life of options (in years)
Grant I	13-Aug-18	263.35	1,600	-	-	-	1,600	1,600	1.36
Grant II	13-Aug-18	263.35	13,550	-	-	-	13,550	13,550	1.36
Grant IV	28-Jan-20	1,077.37	13,000	-	-	4,000	9,000	9,000	2.82
Grant V	28-Jan-20	1,077.37	1,19,500	-	-	15,500	1,04,000	1,04,000	2.82
Grant IX	31-Aug-20	608.74	8,000	-	-	-	8,000	8,000	3.42
Grant XII Scheme 2021	14-Aug-21	636.46	5,42,050	-	-	1,76,300	3,65,750	2,86,550	4.37
Grant I Plan 2021 Series A	02-Nov-21	521.66	43,500	-	-	12,900	30,600	21,600	4.59
Grant II Plan 2021 Series A	30-Mar-22	371.07	15,00,000	-	-	9,80,000	5,20,000	5,20,000	4.99
Grant III Plan 2021 Series A	11-Jul-22	415.59	37,000	-	-	37,000	-	-	5.28

Notes to the Consolidated Financial Statement

for the year ended March 31, 2026

(₹ in crores unless otherwise stated)

44: Employee Stock Option Plan (ESOP) (contd.)

Plan	Grant Date	Exercise Price	Outstanding at the beginning of the year	Grant during the year	Exercised during the year	Lapsed during the year	Outstanding at the end of the year	Exercisable at the end of the year	Weighted average remaining contractual life of options (in years)
Grant IV Plan 2021 Series A	08-Sep-22	554.88	1,00,000	-	-	30,000	70,000	50,000	5.44
Grant V Plan 2021 Series A	17-Oct-22	553.10	47,500	-	-	47,500	-	-	5.55
Grant VI Plan 2021 Series A	31-Jan-23	569.18	5,19,250	-	-	1,90,500	3,28,750	2,37,500	5.84
Grant XIII Scheme 2021	25-Apr-23	567.02	1,40,000	-	-	-	1,40,000	70,000	6.07
Grant XIV Scheme 2021	02-May-23	582.96	60,000	-	-	-	60,000	30,000	6.08
Grant XV Scheme 2021	03-Nov-23	849.38	10,000	-	-	-	10,000	5,000	6.59
Grant XVI Scheme 2021	20-Jan-24	1,192.56	7,000	-	-	-	7,000	3,500	6.81
Grant XVII Scheme 2021	17-Feb-24	970.92	1,69,262	-	-	79,809	89,453	59,044	4.88
Grant XVIII Scheme 2021	23-Apr-24	881.76	60,000	-	-	-	60,000	15,000	7.06
Grant XIX Scheme 2021	02-Nov-24	446.93	10,000	-	-	10,000	-	-	7.59
Grant XX Scheme 2021	16-Jan-25	408.98	7,000	-	-	-	7,000	1,750	7.80
Grant XXI Scheme 2021	05-Mar-25	283.85	67,000	-	-	67,000	-	-	7.93
Grant XXII Scheme 2021	05-Apr-25	248.06	-	6,500	-	-	6,500	-	8.01
Grant XXIII Scheme 2021	23-May-25	285.38	-	16,500	-	-	16,500	-	8.15
Grant XXIV Scheme 2021	31-Jul-25	291.08	-	5,000	-	-	5,000	-	8.33
Grant VII Plan 2021 Series A & Grant XXV Scheme 2021	08-Oct-25	255.31	-	12,43,000	-	1,34,000	11,09,000	-	8.52
Grant VIII Plan 2021 Series A & Grant XXVI Scheme 2021	27-Dec-25	269.44	-	8,85,000	-	-	8,85,000	-	8.74
Grant IX Plan 2021 Series A	05-Feb-26	246.43	-	80,000	-	-	80,000	-	8.85
Grant X Plan 2021 Series A & Grant XXVII Scheme 2021	26-Feb-26	258.17	-	60,000	-	-	60,000	-	8.91
Total			34,75,212	22,96,000	-	17,84,509	39,86,703	14,36,094	

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for the year ended March 31, 2026

(₹ in crores unless otherwise stated)

44: Employee Stock Option Plan (ESOP) (contd.)

c) The details of all grants in operation during financial year 2024-25 have been summarised below:

Plan	Grant Date	Exercise Price	Outstanding at the beginning of the year	Grant during the year	Exercised during the year	Lapsed during the year	Outstanding at the end of the year	Exercisable at the end of the year	Weighted average remaining contractual life of options (in years)
Grant I	13-Aug-18	263.35	2,600	-	-	1,000	1,600	1,600	2.36
Grant II	13-Aug-18	263.35	18,650	-	-	5,100	13,550	13,550	2.36
Grant IV	28-Jan-20	1,077.37	18,800	-	-	5,800	13,000	13,000	3.82
Grant V	28-Jan-20	1,077.37	1,48,700	-	-	29,200	1,19,500	1,19,500	3.82
Grant IX	31-Aug-20	608.74	8,000	-	-	-	8,000	4,000	4.42
Grant XII Scheme 2021	14-Aug-21	636.46	6,55,350	-	1,500	1,11,800	5,42,050	3,35,450	5.37
Grant I Plan 2021 Series A	02-Nov-21	521.66	59,100	-	1,200	14,400	43,500	18,900	5.59
Grant II Plan 2021 Series A	30-Mar-22	371.07	15,00,000	-	-	-	15,00,000	11,25,000	5.99
Grant III Plan 2021 Series A	11-Jul-22	415.59	52,000	-	-	15,000	37,000	18,500	6.28
Grant IV Plan 2021 Series A	08-Sep-22	554.88	1,00,000	-	-	-	1,00,000	40,000	6.44
Grant V Plan 2021 Series A	17-Oct-22	553.10	47,500	-	-	-	47,500	22,500	6.55
Grant VI Plan 2021 Series A	31-Jan-23	569.18	5,79,250	-	5,000	55,000	5,19,250	2,35,250	6.84
Grant XIII Scheme 2021	25-Apr-23	567.02	1,40,000	-	-	-	1,40,000	35,000	7.07
Grant XIV Scheme 2021	02-May-23	582.96	60,000	-	-	-	60,000	15,000	7.08
Grant XV Scheme 2021	03-Nov-23	849.38	10,000	-	-	-	10,000	2,500	7.59
Grant XVI Scheme 2021	20-Jan-24	1,192.56	7,000	-	-	-	7,000	1,750	7.81
Grant XVII Scheme 2021	17-Feb-24	970.92	1,85,844	-	-	16,582	1,69,262	57,847	7.88
Grant XVIII Scheme 2021	23-Apr-24	881.76	-	60,000	-	-	60,000	-	8.06
Grant XIX Scheme 2021	02-Nov-24	446.93	-	10,000	-	-	10,000	-	8.59
Grant XX Scheme 2021	16-Jan-25	408.98	-	7,000	-	-	7,000	-	8.80
Grant XXI Scheme 2021	05-Mar-25	283.85	-	67,000	-	-	67,000	-	8.93
Total			**35,92,794**	**1,44,000**	**7,700**	**2,53,882**	**34,75,212**	**20,59,347**	

The expense recognised for employee services received during the year is ₹3.82 crs (March 31, 2025: ₹ 19.12 crs)

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for the year ended March 31, 2026

(₹ in crores unless otherwise stated)

44: Employee Stock Option Plan (ESOP) (contd.)

d) The following table lists the input to the black scholes models used for the options granted during the year ended March 31, 2026

Plan	Grant XXII ESOP Plan 2018 and ESOP Scheme 2021	Grant XXIII ESOP Plan 2018 and ESOP Scheme 2021	Grant XXIV ESOP Plan 2018 and ESOP Scheme 2021	Grant XXV ESOP Plan 2018 and ESOP Scheme 2021 & Grant VII ESOP Plan 2021 and ESOP Scheme 2021-Series A	Grant XXVI ESOP Plan 2018 and ESOP Scheme 2021 & Grant VIII ESOP Plan 2021 and ESOP Scheme 2021-Series A	Grant IX ESOP Plan 2021 and ESOP Scheme 2021-Series A	Grant X ESOP Plan 2021 and ESOP Scheme 2021-Series A & Grant XXVII ESOP Plan 2018 and ESOP Scheme 2021
Date of Grant	05-Apr-25	23-May-25	31-Jul-25	08-Oct-25	27-Dec-25	05-Feb-26	26-Feb-26
No of ESOPs	6,500	16,500	5,000	12,43,000	8,85,000	80,000	60,000
Stock Price on the date of grant (₹)	247.98	283.81	299.50	257.32	267.21	246.57	259.39
Exercise Price (₹)	248.06	285.38	291.08	255.31	269.44	246.43	258.17
Expected Volatility	52.13%	51.97%	51.71%	50.87%	50.20%	49.88%	49.93%
Dividend Yield	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Risk Free Interest Rate	6.27%	5.94%	6.12%	6.22%	6.31%	6.40%	6.31%
Fair value of option							
Vest-1	129.07	144.68	155.44	132.26	134.82	125.52	131.69
Vest-2	137.78	156.01	168.07	139.10	141.63	131.10	137.78
Vest-3	142.77	161.64	173.32	147.73	152.21	140.15	148.20
Vest-4	148.03	167.67	179.74	152.77	157.22	145.55	152.84
Weighted average fair value	**139.41**	**157.50**	**169.14**	**142.96**	**146.47**	**135.58**	**142.62**

e) The following table lists the input to the black scholes models used for the options granted during the year ended March 31, 2025

Plan	Grant XIII ESOP Plan 2018 and ESOP Scheme 2021	Grant XIV ESOP Plan 2018 and ESOP Scheme 2021	Grant XV ESOP Plan 2018 and ESOP Scheme 2021	Grant XVI ESOP Plan 2018 and ESOP Scheme 2021
Date of Grant	23-Apr-24	02-Nov-24	16-Jan-25	05-Mar-25
No of ESOPs	60,000	10,000	7,000	67,000
Stock Price on the date of grant (₹)	881.74	426.13	433.00	278.19
Exercise Price (₹)	881.76	446.93	408.98	283.85
Expected Volatility	52.41%	51.12%	53.41%	53.57%
Dividend Yield	0.00%	0.00%	0.00%	0.00%
Risk Free Interest Rate	7.08% - 7.09%	6.69% - 6.73%	6.66% - 6.68%	6.54% - 6.6%
Fair value of option				
Vest-1	476.79	219.12	240.69	148.85
Vest-2	498.49	228.43	248.35	153.91
Vest-3	518.59	238.40	257.82	160.08
Vest-4	537.36	247.68	266.75	166.08
Weighted average fair value	**507.81**	**233.41**	**253.40**	**157.23**

Spandana Employee Stock Option Plan 2018 and Spandana Employee Stock Option Scheme, 2018 ('ESOP Plan 2018 and ESOP Scheme 2018')

Spandana Employee Stock Option Plan 2018 and Spandana Employee Stock Option Scheme, 2021 ('ESOP Plan 2018 and ESOP Scheme 2021')

Spandana Employee Stock Option Plan 2021 Series A and Spandana Employee Stock Option Scheme, 2021-Series A ('ESOP Plan 2021 and ESOP Scheme 2021 Series A')

Notes to the Consolidated Financial Statement

for the year ended March 31, 2026

(₹ in crores unless otherwise stated)

45: The Group 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 or entity , including foreign entities (Intermediaries) with the understanding (whether recorded in writing or otherwise) that the Intermediary shall:

(i) 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

(ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

46: The Group 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:

(i) directly or indirectly lend or invest in other person or entity identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

(ii) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

47: Business combination and Goodwill

On December 27, 2018, the Group acquired a controlling interest in Criss Financial Limited ("CFL"), a non-banking financial company (NBFC) operating in India. The acquisition was undertaken as part of the Group's long-term strategic objective to expand its presence in the financial services sector. Accordingly, the equity interest in CFL is considered a strategic investment, with no intention of divestment or liquidation in the foreseeable future. Goodwill arising on this acquisition has been recognized in the consolidated financial statements. The non-controlling interest was measured at the proportionate share of the fair value of the net identifiable assets acquired.

A. Reconciliation of carrying amount of Goodwill

Particulars	March 31, 2026	March 31, 2025
Gross carrying value as at beginning of the year	17.39	17.39
Addition relating to acquisition of subsidiary	-	-
Gross carrying value as at end of the year	17.39	17.39
Impairment as at beginning of the year	-	-
Charges for the year	-	-
Impairment as at end of the year	-	-
Net carrying value as at beginning of the year	17.39	17.39
Net carrying value as at end of the year	17.39	17.39

B. Impairment Testing of Goodwill

The goodwill has been tested for impairment as of March 31, 2026. For this purpose, CFL has been identified as a distinct Cash-Generating Unit (CGU), considering its independent operations, separately identifiable cash flows, and its strategic role within the Group's business structure.

The recoverable amount of the CGU has been determined using the fair value less cost of disposal (FVLCOD) method. The assessment considers management's projections and financial expectations. CFL term loans was ₹588.47 crore at the end of March 31, 2026. Looking ahead, the term loans is projected to reach ₹800 crore by FY 2026–27, with the expansion funded through a planned ₹300 crore of incremental borrowing. The subsidiary's growth strategy is supported by a robust operational framework, disciplined risk management, and continued capital backing from the parent company. Based on the external valuation and management's financial projections, the recoverable amount of CFL exceeds the carrying value of goodwill. Accordingly, no impairment loss has been recognized for the year ended March 31, 2026.

The fair value of CFL has been determined using its book value as on March 31, 2026. The fair value approximates its cost.

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(₹ in crores unless otherwise stated)

47: Business combination and Goodwill (contd.)

C Non-controlling interests

The following table summarises the information relating to each of the Group's subsidiaries that has material NCI, before any intra- group eliminations.

	31-Mar-26			31-Mar-25		
	Criss Financial Limited	Caspian Financial Services Limited	Intra-group eliminations	Criss Financial Limited	Caspian Financial Services Limited	Intra-group eliminations
NCI percentage	0.08%	0.00%		0.08%	0.00%	
Financial assets	605.76	0.26		749.73	0.27	
Non-financial assets	72.67	-		56.67	-	
Financial liabilities	440.67	-		494.33	-	
Non-financial liabilities	4.65	-		4.27	-	
Net assets	**233.11**	**0.26**		**307.80**	**0.27**	
Net assets attributable to NCI/ accumulated NCI	**0.18**	**-**	**332.39**	**0.23**	**-**	**332.39**
Revenue	152.80	-		190.73	0.00	
Profit	(75.09)	(0.01)		(80.42)	(0.01)	
OCI	0.40	-		0.05	-	
Total comprehensive income	**(74.69)**	**(0.01)**		**(80.37)**	**(0.01)**	
Profit allocated to NCI	(0.06)	-		(0.06)	-	
OCI allocated to NCI	-	-		-	-	
Cash flows from/ (used in) operating activities	63.61	(0.01)		(65.55)	0.01	
Cash flows from/ (used in) investment activities	13.38	-		(18.99)	-	
Cash flows from/ (used in) financing activities (dividends to NCI: nil)	(56.82)	-		100.80	-	
Net increase (decrease) in cash and cash equivalents	**20.17**	**(0.01)**		**16.25**	**0.01**	

48 (A): The Holding Company in respect of the observation made by the RBI in its inspection report for the years ended March 31, 2018 and March 31, 2019 and subsequent correspondence with Reserve Bank of India ("RBI") with respect to the compliance with the pricing of credit guidelines prescribed under paragraph 56 of the Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016, dated September 1, 2016, as amended had adequately recognised the impact of excess interest collected on loans disbursed during the period from Oct 2017 to Feb 2020, in the financial statements for the year ended March 31, 2021. During the year ended March 31, 2026, the Company had refunded ₹ 0.04 crores by way of credit into customers bank accounts / loan accounts. Given the profile of the customers and accessibility issues, the company is unable to trace borrower / bank account of borrower for remaining balances of ₹ 23.10 crores and has sought advice from Reserve bank of India on the refund of balance amount (for which bank account details are not available with the Company) and will act as per directive from Reserve bank of India.

Particulars	March 31, 2026	March 31, 2025
Refund of excess interest collected (Liabilites)	23.13	23.36
Less: Amount refunded / adjusted to credit of borrowers	0.03	0.23
Amount to be refunded to borrowers	23.10	23.13

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for the year ended March 31, 2026

(₹ in crores unless otherwise stated)

48(B): Additional Regulatory Information

(a) There is no such immovable properties held whose title deeds are not held in the name of the Group.

(b) There are no investment property as on March 31, 2026 and March 31, 2025.

(c) The Group has not revalued its Property, Plant and Equipment (including Right-of Use Assets) and intangible assets based on the valuation by a registered valuer as defined under rule 2 of Companies (Registered Valuers and Valuation) Rules, 2017.

(d) No proceeding has been initiated or pending against the Group for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

(e) The Holding Company has been sanctioned working capital limits by bank on the basis of security of current assets during the year. The statements of current assets filed by the Holding Company with bank with respect to its sanctioned working capital on a quarterly basis are in agreement with the books of accounts.

(f) The Group has not been declared wilful defaulter by any bank or financial Institution or other lender.

(g) No transactions were carried out during the year with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956

(h) The Group has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017

(i) 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.

(j) The Group has not traded or invested in Crypto currency or Virtual Currency during the financial year.

(k) The Group has been sanctioned working capital limits by banks or financial institutions on the basis of security of current assets during the year.

(l) The Group has availed borrowings from banks and financial institutions and has applied the funds for the specific purposes for which they were sanctioned, as at the balance sheet date. Any unutilized funds as at March 31, 2026 and March 31, 2025 have been temporarily deployed in Cash and cash equivalents.

(m) The Group has a process whereby periodically all long-term contracts (including derivative contracts) are assessed for material foreseeable losses. The Company reviews and ensures that adequate provision as required under any law/ accounting standards for material foreseeable losses on such long-term contracts (including derivative contracts) has been made in the books of account. There were no such contracts for which there were any material foreseeable losses for the year ended March 31, 2026.

49 (a): During the year ended March 31, 2026, the Holding Company operated in a challenging industry environment characterised by stress in the joint liability group lending model, borrower over-indebtedness, socio-political disruptions and elevated field attrition. Against this backdrop, the Holding Company's legacy loan portfolio originated in earlier periods experienced higher delinquencies, resulting in elevated impairment cost for the period April 01, 2025 to December 31, 2025 (nine months period). The Holding Company undertook technical write-offs during the nine months period, aggregating to a principal outstanding of ₹1,155.27 crore. The selection of accounts for technical write-off was based on objective criteria identified by the management as loss assets in line with the Holding Company's credit loss policy framed as per Ind AS 109 – Financial Instruments. The Holding Company continues to pursue recovery actions in respect of written-off accounts in line with its recovery processes.

Loans originated during FY2026 exhibited stable performance, while overall collection efficiency across all buckets improved steadily over the course of the year. These trends reflect the positive impact of strengthened underwriting standards and enhanced risk management practices. In light of the improvement observed across key operating and credit parameters, the Holding Company believes that its existing provisioning and recovery-led approach remains appropriate, and that accelerated write-offs are no longer warranted. Accordingly, the write-offs recognised during the year are aligned with the Holding Company's impairment assessment framework.

Notes to the Consolidated Financial Statement

for the year ended March 31, 2026

(₹ in crores unless otherwise stated)

49 (b) The Holding Company was not compliant with certain financial covenants relating to its borrowings due to factors mentioned in note 49 (a) as at March 31, 2026. The Holding Company has obtained waivers in respect of such non-compliant covenants from majority of the lenders. The Holding Company has been in constant communication with its lenders and is confident that no material demand for immediate repayment of borrowed funds will be made due to non-compliance with the covenants. As on the date of these financial statements, none of the lenders have intimated about the same.

(c) The operating environment continued to evolve, with the implementation of industry guardrails effective from April 01, 2025, aimed at strengthening the credit discipline over time. In this context, the Holding Company adopted a calibrated approach to disbursements and portfolio management which, together with the natural run off of the existing portfolio, resulted in a reduction in the loan book from ₹5,554.45 crore as at March 31, 2025 to ₹3,449.58 crore as at March 31, 2026. As at March 31, 2026, the Holding Company reported a Capital to Risk-Weighted Assets Ratio (CRAR) of 29.76%, well above the minimum regulatory requirement under applicable RBI guidelines, with Tier I capital of ₹842.43 crore. Based on its assessment of projected cash flows, available liquidity resources, and Board approved business plans, the Holding Company is of the view that it has adequate resources to meet its obligations as they fall due.

(d) Considering the factors outlined in Notes 49 (a), (b) and (c), Management has assessed the Holding Company's ability to continue as a going concern, taking into account all relevant information available up to the date of approval of these consolidated financial statements, including the impact of events occurring after the reporting date. While this assessment involves judgement regarding future events and conditions and is subject to inherent uncertainties, Management is of the view that no material uncertainty exists that would cast significant doubt on the Holding Company's ability to continue as a going concern. Accordingly, the consolidated financial statements for the year ended March 31, 2026 have been prepared on a going concern basis.

(e) The Holding Company has recognised a deferred tax asset of ₹640.63 crore as at March 31, 2026, primarily in respect of carried-forward tax losses and deductible temporary differences. The losses incurred during the year were largely attributable to technical write-offs [refer Note 49 (a)]. Recognition of the deferred tax asset is based on Management's assessment of the Holding Company's future taxable profits in accordance with Ind AS 12, taking into consideration Board-approved business plans, the expected reversal of taxable temporary differences, and other relevant factors. This assessment involves significant management judgement. Management believes that sufficient taxable profits will be available within the prescribed period to enable utilisation of the recognised deferred tax assets.

50: The Holding Company, being a Non-Banking Financial Company – Microfinance Institution (NBFC-MFI), is required to maintain at least 60% of its total assets as "microfinance loans" in accordance with paragraph 12 of the Reserve Bank of India (Non-Banking Financial Companies – Microfinance Institution) Directions, 2025 (as amended), dated November 28, 2025 (the "Master Directions – MFI"). As at March 31, 2026, the Holding Company was in compliance with this requirement, with qualifying assets (i.e., microfinance loans as a percentage of total assets) meeting the prescribed threshold.

51: a) The Board of Directors, at its meeting held on January 10, 2026, granted in-principle approval for the proposed merger of Criss Financial Limited, a subsidiary of the Holding Company, with the Holding Company. To oversee the process, the Board has constituted a Merger Steering Committee, to evaluate and finalize the terms of the proposed merger, facilitate effective decision-making on related matters, and present a final proposal to the Board for its consideration and approval. The merger scheme is yet to be drafted and will remain subject to requisite approvals from statutory and regulatory authorities, as well as the respective shareholders and creditors, in accordance with applicable law.

Notes to the Consolidated Financial Statement

for the year ended March 31, 2026

(₹ in crores unless otherwise stated)

b) During FY 2025-26, the Criss Financial Limited continued to navigate persistent industry-wide challenges that initially emerged in FY 2024-25. Operational pressures were compounded by elevated field-level attrition, which posed difficulties for both borrowers and frontline staff. Loans originated under enhanced credit underwriting have delivered strong collection performance. Although operations showed signs of stabilization, these external pressures continued to impact collections and overall performance, leading to increased gross slippages, higher credit costs, and a net loss for the quarter and year ended March 31, 2026. As a prudent and conservative accounting approach, the subsidiary company has recognized technical write-offs amounting to ₹175.04 crores during FY26. The subsidiary company remains committed to enhancing on-ground recovery efforts, and any recoveries from these technically written-off assets will be recorded in the profit and loss statement in the period they are realized.

c) The Criss Financial Limited has recognized a deferred tax asset of ₹61.95 crores as it is considered recoverable, based on probable future taxable income supported by the approved business plans and budgets. The losses for the current year were mainly due to significant impairment losses (including technical write offs) arising from credit deterioration of loans to customers and this will be improved going forward by strengthening on-ground recovery and implementation of industry guardrails. Accordingly, the subsidiary company expects to generate sufficient taxable profits to fully utilize the losses.

52: On November 21, 2025, the Government of India notified the four Labour Codes—the Code on Wages, 2019; the Industrial Relations Code, 2020; the Code on Social Security, 2020; and the Occupational Safety, Health and Working Conditions Code, 2020 (collectively, the "New Labour Codes")—consolidating twenty-nine existing labour laws into a unified framework. The Ministry of Labour & Employment issued draft Central Rules and FAQs to facilitate assessment of the financial impact of these regulatory changes. Based on the best information currently available, the Groups has assessed the incremental financial implications, resulting in an increase in gratuity liability due to past service cost of ₹4.07 crore and an increase in leave liability of ₹4.34 crore and the same has been recognized under the head "Employee benefit expenses" for the year ended March 31, 2026. The Group continues to monitor the finalisation of Central and State Rules, as well as further clarifications from the Government, and will evaluate and reflect any additional impact in its books of accounts as appropriate.

As per our report of even date
For **B S R & Co. LLP**
Chartered Accountants
ICAI Firm registration number: 101248W/W-100022

Kapil Goenka
Partner
Membership No.: 118189

Place: Hyderabad
Date: May 05, 2026

For and on behalf of the Board of Directors of
Spandana Sphoorty Financial Limited

Abanti Mitra
Chairperson
DIN: 02305893

Mr.Venkatesh Krishnan
Managing Director & CEO
DIN: 02078403

Ashish Damani
President & Chief Financial Officer

Vinay Prakash Tripathi
Company Secretary
Membership No.: ACS-18976

Place: Hyderabad
Date: May 05, 2026

SPANDANA

Spandana Sphoorty Financial Limited

CIN: L65929TG2003PLC040648

Galaxy, Wing B, 16th Floor, Plot No.1, Sy No 83/1, Hyderabad Knowledge City, TSIIC, Raidurg Panmaktha, Hyderabad – 500081, Telangana, India

Tel.: +9140-45474750

Website: www.spandanasphoorty.com

Email: shareholders@spandanasphoorty.com

Concept, Content & Design NEXT STEPS (engage@nextsteps.net.in)