

INDEPENDENT AUDITORS' REPORT

To,
The Members of
Svatantra Micro Housing Finance Corporation Limited

Report on the Audit of the Financial Statements

Opinion

1. We have audited the accompanying Financial Statements of Svatantra Micro Housing Finance Corporation Limited (the "Company"), which comprise the Balance Sheet as at March 31, 2026, and the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and notes to the Financial Statements including a summary of material accounting policies and other explanatory information (hereinafter referred to as "the Financial Statements").
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards ("Ind AS") prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2026, and its profit including other comprehensive income, the changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Other Information

4. The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Company's annual report but does not include the Financial Statements and our auditors' report thereon. The Other Information is expected to be made available to us after the date of this auditor's report.



5. Our opinion on the Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon. The Annual Report is expected to be made available to us after the date of this auditor's report.
6. In connection with our audit of the Financial Statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the Financial Statements, or our knowledge obtained during the course of 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.

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

7. The accompanying Financial Statements have been approved by the Company's Board of Directors. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act, with respect to the preparation of these Financial Statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the 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 judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of accounting records, relevant to the preparation and presentation of the Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.
8. In preparing the Financial Statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.
9. Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements:

10. Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.
11. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
 - (i) Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud



- may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- (ii) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system with reference to Financial Statements in place and the operating effectiveness of such controls.
 - (iii) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Board of Directors.
 - (iv) Conclude on the appropriateness of Board of Director's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
 - (v) Evaluate the overall presentation, structure and content of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.
12. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
13. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Other Matters

14. Corresponding figures of the Company for the year ended 31 March 2025 have been audited by another auditor who expressed an unmodified opinion dated 12th May 2025 on the financial statements of the Company for the year ended 31st March 2025.

Our opinion is not modified in respect of these matters.

Report on Other Legal and Regulatory Requirements

15. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub section (11) of section 143 of the Companies Act, 2013, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
16. As required by Section 143(3) of the Act, we report that:
- (i) 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.
 - (ii) 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.



- (iii) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account.
 - (iv) In our opinion, the aforesaid Financial Statements comply with the Ind AS specified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.
 - (v) On the basis of written representations received from the directors as on March 31, 2026 taken on record by the board of directors, none of the directors is disqualified as on March 31, 2026 from being appointed as a director in terms of Section 164(2) of the Act.
 - (vi) 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". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to Financial Statements.
 - (vii) 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(16) of the Act.
17. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
- (i) The Company has disclosed the impact of pending litigations as on March 31, 2026 on its financial position in its Financial Statements – Refer Note 40 to the Financial Statements.
 - (ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - (iii) There were no amount which is required to be transferred, to the Investor Education and Protection Fund by the Company.
 - (iv) a) The management has represented, to the best of its knowledge and belief, that no funds have been advanced or loaned or invested (either from borrowed funds or securities premium or any other sources or kind of funds) by the Company to or in any persons or entities, including foreign entities ('the intermediaries'), with the understanding, whether recorded in writing or otherwise, that the intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ('the Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf the Ultimate Beneficiaries.
b) The management has represented, to the best of its knowledge and belief, that no funds have been received by the Company from any persons or entities, including foreign entities ('the Funding Parties'), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries. and
c) Based on such audit procedures performed as considered reasonable and appropriate in the circumstances, nothing has come to our attention that causes us to believe that the representations under sub clause (a) and (b) contain any material misstatement.
 - (v) During the year, the Company has neither declared nor paid any dividend, as such compliance of section 123 of the Act is not applicable.





T R Chadha & Co LLP

Chartered Accountants



- (vi) Based on our examination which included test checks, the company has used an integration of an independent and accounting software for maintaining its books of account. The independent software used for recording of transactions in the accounting software has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with.

Additionally, the audit trail has been preserved by the company as per the statutory requirements for record retention.

Place: Mumbai
Date: 4th May 2026



For T R Chadha & Co LLP
Chartered Accountants
Firm Regn. No: 006711N /N500028


Pramod Tilwani
Partner

Membership Number: 076650
UDIN: 26076650EZPOHG7614

'Annexure A' to the Independent Auditors' Report

Annexure 'A' to the Independent Auditor's Report on the Financial Statements of Svatanttra Micro Housing Finance Corporation Limited for the year ended 31 March 2026.

(Referred to in paragraph 15 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date to the members of Svatanttra Micro Housing Finance Corporation Limited.)

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

(i)

- (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment ('PPE') and relevant details of right of use assets.

The Company has maintained proper records showing full particulars of intangible assets including intangible assets under development.

- (b) The Company has conducted physical verification of all of its fixed assets as on 31st March 2026 which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets and no discrepancy was noticed on such verification.
- (c) The title deed of immovable properties (other than properties where the company is the lessee and the lease agreement are duly executed in favour of the lessee) disclosed in the statement are held in the erstwhile name of the Company.
- (d) The Company has not revalued any of its Property, Plant and Equipment (including Right of Use Assets) or intangible assets or both during the year.
- (e) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2026 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.

(ii)

- (a) The Company is engaged primarily in lending activities and consequently does not hold any physical inventories. Accordingly, paragraph 3(ii)(a) of the Order is not applicable.
- (b) The Company has been sanctioned working capital limits in excess of Rs. 5 crores, in aggregate, at various point of time during the year, from banks or financial institutions which are secured on the basis of security of current assets. In our opinion, the quarterly returns filed by the Company with such banks or financial institutions are in agreement with the unaudited books of account of the Company of the respective quarters and no material discrepancies have been observed.

(iii)

- (a) The provisions of paragraph 3(iii)(a) of the Order are not applicable to the Company as its principal business is to give loans;
- (b) In our opinion and according to the information and explanations given to us, the investments made, security given and the terms and conditions of the grant of all loans and advances in the nature of loans provided are not prejudicial to the Company's interest.
- (c) In respect of the loans/advances in nature of loan, the schedule of repayment of principal and payment of interest has been stipulated by the Company. Considering that the Company is a

non-banking financial company engaged in the business of granting loans, the entity-wise details of the amount, due date for payment and extent of delay (that has been suggested in the Guidance Note on CARO 2020 issued by the Institute of Chartered Accountants of India for reporting under this clause) have not been reported because it is not practicable to furnish such details owing to the voluminous nature of data generated in the normal course of the Company's business. Further, except for the instances where there are delays or defaults in repayment of principal and/ or interest and in respect of which the Company has recognised necessary provisions in accordance with the principles of Indian Accounting Standards (Ind AS) and the guidelines issued by the Reserve Bank of India ("RBI") for Income Recognition and Asset Classification (which has been disclosed by the Company in Note 36 (c) to the Financial Statements), the parties are repaying the principal amounts, as stipulated, and are also regular in payment of interest, as applicable.

- (d) In respect of the loans/advances in nature of loans, the total amount overdue for more than ninety days as at March 31, 2026, is Rs. 6987.67 lakhs. In such instances, in our opinion, based on information and explanations provided to us, reasonable steps have been taken by the Company for the recovery of the principal amounts and the interest thereon. Refer Note 36 (c) in the financial statements as at March 31, 2026.
- (e) The Company is a Non-Banking Finance Company, and its principal business is to give loans. Accordingly, reporting under clause 3(iii)(e) of the Order is not applicable to the Company.
- (f) The Company has not granted any loans or advances in the nature of loans that were either repayable on demand or without specifying any terms or period of repayment. Hence, reporting under clause (iii)(f) is not applicable.
- (iv) The Company has not granted any loans, made investments, or provided guarantees, accordingly, the provisions of section 185 of the Act is not applicable. The Company has complied with the provisions of Section 186 of the Act to the extent applicable.
- (v) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits or amounts which are deemed to be deposits from the public during the year in terms of directives issued by the Reserve Bank of India or the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed there under. Accordingly, the provisions of paragraph 3(v) of the Order are not applicable to the Company.
- (vi) The maintenance of cost records has not been specified by the Central Government under section 148(1) of the Companies Act, 2013, for the business activities carried out by the Company. Hence reporting under paragraph 3(vi) of the Order is not applicable.
- (vii)
 - (a) The Company has generally been regular in depositing undisputed statutory dues, including goods and services tax, provident fund, employees' state insurance, income tax, cess and other material statutory dues applicable to it, to the appropriate authorities. As explained to us, the Company does not have any dues on account of sales tax, service tax, duty of customs, duty of excise and value added tax.

According to the information and explanations given to us, no undisputed material amounts payable in respect of provident fund, employees' state insurance, income-tax, Goods and Services Tax, duty of customs, cess and other material statutory dues were in arrears as at March 31, 2026, for a period of more than six months from the date they became payable.



- (b) The details of statutory dues referred to in sub- paragraph (a) above which have not been deposited with the concerned authorities as on March 31, 2026, on account of dispute are given below:

(₹ in Lakhs)

Name of the Statute & Forum where Dispute is pending	Nature of the Dues	Period to which the amount relates	Amount Involved
Income Tax Act, 1961, CIT (A)	Demand of Income Tax	AY 2017-18	99.71

- (viii) There were no transactions relating to previously unrecorded income that were surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 (43 of 1961) during the year.
- (ix)
- (a) In our opinion, during the year, the Company has not defaulted in the repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year.
- (b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- (c) In our opinion, term loans availed by the Company during the year, were applied by the Company for the purposes for which the loans were obtained, other than temporary parking of funds for a few days pending utilizations towards purpose for which the same are obtained.
- (d) According to the information and explanations provided to us and based on the overall examination of Financial Statements, and further considering the Asset Liability management mechanism of the Company, no funds raised on short-term basis have, prima facie, been used for long-term purposes by the Company.
- (e) The Company does not have any subsidiaries, associates, or joint ventures. Accordingly, the provisions of the clause 3 (ix)(e) of the Order are not applicable to the Company.
- (f) The Company does not have any subsidiaries, associates, or joint ventures. Accordingly, the provisions of the clause 3 (ix)(f) of the Order are not applicable to the Company.
- (x)
- (a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under paragraph 3(x)(a) of the Order is not applicable.
- (b) The Company has made right issue of equity shares during the year. For such allotment of equity shares, the Company has complied with the requirements of Section 62 of the Companies Act, 2013, as applicable, and the funds raised have been, prima facie, applied by the Company during the year for the purposes for which the funds were raised, other than temporary deployment pending application. The Company has not made any preferential allotment or private placement of (fully or partly or optionally) convertible debentures during the year.
- (xi)
- (a) According to the information and explanations provided to us and based on the overall examination of Financial Statements, no fraud by the Company or no material fraud on the Company has been noticed or reported during the period, other than the instances of fraud noticed and reported by the management to the regulator.

- (b) To the best of our knowledge, No report under sub-section (12) of section 143 of the Companies Act has been filed by us in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government during the year.
- (c) No whistle blower complaints have been received by the company during the year.
- (xii) The Company is not a nidhi company and hence reporting under paragraph 3(xii) of the Order is not applicable.
- (xiii) In our opinion, the Company is in compliance with section 188 and 177 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements, etc., as required by the applicable accounting standards.
- (xiv)
- (a) In our opinion, the Company has an adequate internal audit system commensurate with the size and the nature of its business.
- (b) We have considered, the internal audit reports for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures.
- (xv) In our opinion, during the year the Company has not entered into any non-cash transactions with its directors or persons connected with them and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
- (xvi)
- (a) The Company is required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 ('RBI Act') and it has obtained the registration.
- (b) During the year, the Company has not conducted any non-banking financial activities or housing financial activities without a valid Certificate of Registration ('CoR') from the RBI as per the RBI Act, 1934.
- (c) The Company is not a Core Investment Company ('CIC') and hence reporting under paragraph 3(xvi)(c) of the Order is not applicable to the Company.
- (d) As per the information provided in course of our audit, the Group to which the Company belongs, does not have any CIC as on 31 March 2026.
- (xvii) The Company has not incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors of the Company during the year.
- (xix) On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, 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 Company is not capable of meeting its liabilities existing at the date of Balance Sheet as and when they fall due within a period of one year from the Balance Sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the Balance Sheet date, will get discharged by the Company as and when they fall due.

(xx)

- (a) There are no unspent amounts towards Corporate Social Responsibility (CSR) on other than ongoing projects requiring a transfer to a fund specified in schedule VII to the Companies Act in compliance with second proviso to sub-section (5) of Section 135 of the said Act. Accordingly, reporting under paragraph 3(xx)(a) of the Order is not applicable for the year.
- (b) The company has transferred the remaining unspent amount under subsection (5) of section 135 of the Companies Act ('the Act'), pursuant to ongoing projects, to a Special account/fund specified in schedule VII of the Act, in compliance with provision of sub section (6) of section 135 of the said Act.

Place: Mumbai
Date: 4th May 2026



For T R Chadha & Co LLP
Chartered Accountants
Firm Regn. No: 006711N /N500028



Pramod Tilwani
Partner

Membership Number: 076650
UDIN: 26076650EZPOHG7614

Annexure 'B' to the Independent Auditors' Report

Annexure 'B' to the Independent Auditors' report on the Financial Statements of Svatanttra Micro Housing Finance Corporation Limited for the year ended March 31, 2026.

(Referred to in paragraph "16 (vi)" under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Report on the Internal Financial Controls with reference to Financial Statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

1. We have audited the internal financial controls with reference to Financial Statements of Svatanttra Micro Housing Finance Corporation Limited ("the Company") as of March 31, 2026, in conjunction with our audit of the Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

2. The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control with reference to Financial Statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (the "Act").

Auditors' Responsibility

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to Financial Statements of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") issued by ICAI and the Standards on Auditing ("SA's) 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 over financial reporting was established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to Financial Statements and their operating effectiveness. Our audit of internal financial controls with reference to Financial Statements includes 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 auditors' judgment, including the assessment of the risks of material misstatement of the Financial Statements, whether due to fraud or error.

Meaning of Internal Financial Controls with reference to Financial Statements.

5. 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 includes those policies and procedures that

- (a) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;
- (b) 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 authorizations of management and directors of the Company;
- (c) Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the Financial Statements.

Inherent Limitations of Internal Financial Controls with reference to Financial Statements.

6. 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 respect to the Financial Statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

7. In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls with reference to Financial Statements and such internal financial controls with reference to Financial Statements were operating effectively as at March 31, 2026, based on the criteria for internal control with reference to Financial Statements established by the respective 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.

Place: Mumbai
Date: 4th May 2026



For T R Chadha & Co LLP
Chartered Accountants
Firm Regn. No: 006711N /N500028



Pramod Tilwani
Partner
Membership Number: 076650
UDIN: 26076650EZPOHG7614

INDEPENDENT AUDITORS' REPORT

To
The Board of Directors
Svatantra Micro Housing Finance Corporation Limited
Office No. 5th & 6th, 11th Floor, E Wing
Times Square, Andheri-Kurla Road,
Marol, Andheri (East)
Mumbai 400-059

Report on Compliance with the Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2025, as amended

1. Pursuant to the Chapter IX of the Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2025, as amended, ('the Direction') we have examined the matters specified in the Paragraph 124 of the Directions in respect of **Svatantra Micro Housing Finance Corporation Limited** ("the Company") for the year ended March 31, 2026.

Management's Responsibility for the Financial Statements

2. The Management of the Company is responsible for compliance with the extant Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2025, on an ongoing basis and reporting non-compliance, if any, to the regulatory authorities, Board of the Company and its Audit committee. 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 judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

3. Pursuant to requirement of the Directions, it is our responsibility to provide a limited assurance in the form of an opinion based on our examination of the books of account and other records maintained by the Company on the matters specified in Paragraph 124 of Chapter IX of the Directions, based on our audit for the financial statement for the year ended March 31, 2026.
4. The financial statements of the Company as of and for the financial year ended March 31, 2026, as mentioned in paragraph 3 above, have been audited by us on which we issued an unmodified audit opinion dated vide our report dated May 04, 2026. Our audit of these financial statements was conducted in accordance with the Standards on Auditing issued by Ministry of Corporate Affairs ('MCA') and other authoritative pronouncements issued by the Institute of Chartered Accountants of India ('ICAI'). Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. Our audit was not planned and performed in connection with any transactions to identify matters that may be of potential interest to third parties.



5. For the purpose of this report, we have planned and performed the following procedures;
 - a. Obtained and sighted certificate of registration No.DOR-00071 dated February 12, 2020, issued by the National Housing Bank (“NHB”);
 - b. Obtained and sighted the Board of Directors resolution on non-acceptance of public deposits and other records of the Company.
 - c. Traced the details appearing in the Returns from the audited financial statements of the Company for the year ended March 31, 2026.
 - d. Obtained and sighted the half yearly Schedule II returns filed by the Company, during the period from April 2025 to March 2026, prepared and submitted by the management of the Company to the NHB from time to time.
6. The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement and consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.
7. We conducted our examination in accordance with the Guidance Note on Reports or Certificates for Special Purposes (“the Guidance Note”) issued by the ICAI. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.

We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Conclusion

8. Based on our procedures performed as mentioned in paragraph 5 above, our examination of the audited financial statements as at and for the year ended March 31, 2026, and books of account and other records of the Company and information and explanations provided to us by management, nothing has come to our attention that causes us to believe that, in all material respects, the Company has not complied with below requirements of the Directions:
 - a) The Company had applied for registration as required under Section 29A of the National Housing Bank Act, 1987 (“the Act”) and has been granted the certificate of registration dated February 12, 2020. Further, the Company is compliant of the Principal Business Criteria as specified in para 10(9) of the of the Directions.
 - b) The Company has complied with the Net Owned Fund (NOF) requirements as prescribed under section 29A of the National Housing Bank Act, 1987.
 - c) The Company has complied with Section 29C of the Act.
 - d) The total borrowings of the Company are within the limits prescribed under paragraph 79 of the Directions.
 - e) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given to us, we report that the Company has complied with the prudential norms on income recognition, accounting standards, asset classification, loan-to-value ratio, provisioning requirements, disclosure in balance sheet, investment in real estate, exposure to capital market and engagement of brokers,

and concentration of credit/investments, as specified in the Directions and as applicable to the Company.

- f) The capital adequacy ratio as disclosed in the Half Yearly statutory returns, submitted to the NHB, in terms of the directions issued by NHB, as amended, has been correctly determined and such ratio is in compliance with the minimum capital to risk weighted asset ratio (CRAR) prescribed therein.
- g) The Company has furnished to the NHB within the stipulated period the Schedule-II (Half Yearly) return as specified in the directions issued by NHB.
- h) As informed by the management of the Company, furnishing of Quarterly Schedule III returns is not applicable in the case of the Company. Accordingly, reporting for timely submission of Quarterly Schedule III returns is not required.
- i) The Company has complied with the requirements contained in the Directions in the case of opening of new branches /offices or in the case of closure of existing branches/offices.
- j) The Company has not advanced any loan against security single product gold jewellery or against Company's own shares.
- k) The Board of Directors of the Company has passed a resolution for the non-acceptance of any public deposits.
- l) The Company has not accepted any public deposits during the year 2025-2026.

Restriction of use

- 9. This report has been issued pursuant to the requirement as per Paragraph 69 of Chapter XII of the Directions. It should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other party to whom our report is shown or into whose hands it may come without our prior consent in writing.

For T R Chadha & Co LLP

Chartered Accountants

Firm Registration No. 006711N/N500028



Pramod Tilwani

Partner

Membership No. 076650

UDIN: 26076650TDTSYU5843

Place: Mumbai

Date: May 04, 2026



Svatantra Micro Housing Finance Corporation Limited
Balance sheet as at 31 March 2026

(Amount in Rs. 'Lacs')

	Note no.	As at 31 March 2026	As at 31 March 2025
Assets			
Financial assets			
Cash and cash equivalents	3	14,792.29	5,938.17
Bank balances other than cash and cash equivalents	4	2,313.74	2,625.34
Loans	5	2,69,293.13	2,24,282.46
Other financial assets	6	1,084.13	383.44
Total financial assets		2,87,483.29	2,33,229.41
Non-financial assets			
Current tax assets (net)	7	288.03	147.90
Deferred tax assets (net)	8	949.26	1,000.46
Investment property	9	2.51	2.51
Property, plant and equipment	10	828.98	411.59
Capital work in progress	10	-	1.77
Other Intangible assets	10	30.01	13.34
Intangible assets under development	10	48.72	2.58
Right of use asset	11	1,220.54	413.47
Other non-financial assets	12	691.53	344.34
Total non-financial assets		4,059.58	2,337.96
Total assets		2,91,542.87	2,35,567.37
Liabilities and equity			
Liabilities			
Financial liabilities			
Trade payables			
- Total outstanding dues of micro enterprises and small enterprises	13	52.96	18.46
- Total outstanding dues of creditors other than micro enterprises and small enterprises	13	722.11	366.46
Borrowings (other than debt securities)	14	2,40,093.19	1,92,642.58
Subordinated Liabilities	15	3,016.95	3,017.01
Other financial liabilities	16	2,205.62	394.46
Total financial liabilities		2,46,090.83	1,96,438.97
Non-financial liabilities			
Provisions	17	301.63	246.65
Other non-financial liabilities	18	419.93	276.41
Total non-financial liabilities		721.56	523.06
Total liabilities		2,46,812.39	1,96,962.03
Equity			
Equity share capital	19	8,446.32	7,472.70
Other equity	20	36,284.16	31,132.64
Total equity		44,730.48	38,605.34
Total liabilities and equity		2,91,542.87	2,35,567.37
Summary of Material accounting policies	2		

The accompanying notes form an integral part of financial statements

As per our report of even date attached

For T R Chadha & Co. LLP

Chartered Accountants
Firm's Registration No. 006711N/ N500028

Pranod Navani
Partner
Membership No: 076650
Place: Mumbai
Date: 04 May 2026



For and on behalf of the Board of Directors of
Svatantra Micro Housing Finance Corporation Ltd.

Vineet Chatterjee
Additional Director
DIN: 07962531

Deepabh Jain
Additional Director and CEO
DIN: 01111545

Tasneem Rangwala
Company Secretary
Membership No: A34613
Place: Mumbai
Date: 04 May 2026

Anil Chirania
Director
DIN: 01082719

Nitesh Amarnani
CFO
Membership No: 199984



Svatantra Micro Housing Finance Corporation Limited
Statement of Profit and Loss for the year ended 31 March 2026

		(Amount in Rs. 'Lacs')	
	Note no.	Year ended 31 March 2026	Year ended 31 March 2025
Revenue from operations			
Interest income	21	32,429.32	27,961.58
Fees and commission income	22	382.81	104.82
Net gain on fair value changes	23	160.08	249.43
Net gain on derecognition of financial instruments under amortised cost category		557.26	-
Total revenue from operations		33,529.47	28,315.83
Other income	24	338.35	183.72
Total income		33,867.82	28,499.55
Expenses			
Finance costs	25	17,779.02	16,321.20
Impairment on financial instruments	26	1,232.90	1,354.91
Employee benefits expense	27	10,155.60	5,855.53
Depreciation and amortisation	28	766.27	391.59
Other expenses	29	2,709.83	1,669.28
Total expenses		32,643.62	25,592.51
Profit before tax		1,224.20	2,907.04
Tax expense:			
- Current tax	30	213.79	824.23
- Deferred tax expense	31	10.90	(243.84)
		224.69	580.39
Profit after tax		999.51	2,326.65
Other comprehensive income			
(i) Items that will not be reclassified to profit or loss			
- Remeasurements of the defined benefit plans (cost)		160.12	6.33
(ii) Income tax relating to items that will not be reclassified to profit or loss		(40.30)	(1.59)
Other comprehensive income, net of income tax		119.82	4.74
Total comprehensive income		1,119.33	2,331.39
Earnings per share (Nominal Value - Rs. 10)			
Basic earnings per share (Rs.)	32	1.25	3.11
Diluted earnings per share (Rs.)		1.25	3.11
Summary of Material accounting policies	2		
The accompanying notes form an integral part of financial statements			

As per our report of even date attached

For T R Chadha & Co. LLP

Chartered Accountants
 Firm's Registration No.: 006711N/ N500028

Pramod Tilwani
 Partner
 Membership No: 076650
 Place: Mumbai
 Date: 04 May 2026



For and on behalf of the Board of Directors of Svatantra Micro Housing Finance Corporation Ltd.

Vineet Chatterjee
 Additional Director
 DIN: 07982531

Deepabh Jain
 Additional Director and CEO
 DIN: 01111645

Tasneem Rangwala
 Company Secretary
 Membership No: A34613
 Place: Mumbai
 Date: 04 May 2026

Anil Chirania
 Director
 DIN: 01082719

Nitish Amarnani
 CFO
 Membership No: 199984



Svatantra Micro Housing Finance Corporation Limited
Statement of Changes in Equity for the year ended 31 March 2026

Equity share capital

(Amount in Rs. 'Lacs')

	No of shares	Amount
Balance as at 1 April 2024	74,727,043	7,472.70
Changes in equity share capital due to prior period errors	-	-
Restated balance at the beginning of the current reporting year	-	-
Issued during the year	-	-
Conversion during the year	-	-
Balance at 31 March 2025	74,727,043	7,472.70
Changes in equity share capital due to prior period errors	-	-
Restated balance at the beginning of the current reporting year	-	-
Issued during the year	9,736,122	973.61
Conversion during the year	-	-
Balance at 31 March 2026	84,463,165	8,446.31

Other equity

(Amount in Rs. 'Lacs')

	Reserves and Surplus				Total
	Securities premium	Statutory reserves	Impairment reserve	Retained earnings	
Balance as at 1 April 2024	18,974.91	2,788.48	690.28	6,347.58	28,801.25
Profit for the year	-	-	-	2,326.65	2,326.65
Addition during the year	-	-	-	-	-
Share issue expenses	-	-	-	-	-
Income tax pertaining to Share issue expense	-	-	-	-	-
Other comprehensive income for the year (remeasurement of the defined benefit plans)	-	-	-	4.74	4.74
Transfer from / to retained earnings	-	715.12	-	(715.12)	-
Balance as at 31 March 2025	18,974.91	3,503.60	690.28	7,963.85	31,132.64
Profit for the year	-	-	-	999.51	999.51
Addition during the year	4,032.19	-	-	-	4,032.19
Share issue expenses	-	-	-	-	-
Other comprehensive income for the year (remeasurement of the defined benefit plans)	-	-	-	119.82	119.82
Transfer from / to retained earnings	-	280.00	-	(280.00)	-
Balance as at 31 March 2026	23,007.10	3,783.60	690.28	8,803.18	36,284.16

Summary of Material accounting policies - refer note 2

The accompanying notes are an integral part of financial statements

As per our report of even date attached

For T R Chadha & Co. LLP

Chartered Accountants

Firm's Registration No. 006711N/ N500028

Pramod Pillwani

Pramod Pillwani
Partner
Membership No: 076650

Place: Mumbai
Date: 04 May 2026



For and on behalf of the Board of Directors of Svatantra Micro Housing Finance Corporation Ltd.

Vineet Chatree

Vineet Chatree
Additional Director
DIN: 07962531

Anil Chirania

Anil Chirania
Director
DIN: 01082719

Deepansh Jain

Deepansh Jain
Additional Director and CEO
DIN: 0111645

Nitesh Amarnani

Nitesh Amarnani
CFO
Membership No: 199984

Tasneem Rangwala

Tasneem Rangwala
Company Secretary
Membership No: A34613
Place: Mumbai
Date: 04 May 2026

Svatantra Micro Housing Finance Corporation Limited
Statement of Cash Flows for the year ended 31 March 2026

(Amount in Rs. 'Lacs')

	Year ended 31 March 2026	Year ended 31 March 2025
Profit before tax	1,224.20	2,907.04
Cash flow from operating activities		
Adjusted for:		
Finance costs on lease liabilities	110.15	39.52
Transaction costs on borrowings	(110.56)	18.50
Gain on sale of mutual fund units held as current investments	(160.08)	(249.43)
Depreciation and amortisation	766.55	391.59
Interest on Loans	(31,297.63)	(27,476.59)
Interest on Borrowings	17,577.39	16,210.91
Gain on termination/modification of lease	(1.11)	-
Interest on fixed deposits and Inter corporate deposits	(268.40)	(267.94)
Transaction costs on Loans	(378.06)	106.02
Impairment/writeoff of financial instruments	414.32	1,000.92
Unwinding interest income	(20.95)	(4.96)
Operating profit before working capital changes	(12,144.18)	(7,324.42)
Changes in working capital		
- (Increase) / decrease in other financial assets	(679.74)	(228.22)
- (Increase) / decrease in other non financial assets	(347.19)	(215.31)
- Increase / (decrease) in trade payables	390.15	116.38
- Increase / (decrease) in other financial liabilities	950.16	0.52
- Increase / (decrease) in other non financial liabilities	143.52	41.69
- Increase / (decrease) in provisions	215.10	68.03
Cash generated from operating activities	(11,472.18)	(7,541.33)
Income tax paid (net)	(353.92)	(878.58)
Net cash flow generated from operations before movement in housing and other loans	(11,826.10)	(8,419.90)
Housing and other property loans disbursed	(85,327.70)	(56,846.28)
Proceeds from assignment portfolio	2,277.88	-
Housing and other property loans repayments	40,146.87	32,971.76
Interest received on loans	29,153.66	27,200.81
Interest paid on borrowings and debt	(17,620.39)	(16,363.66)
Net cash used in operating activities	(43,195.78)	(21,457.27)
Cash flows from investing activities:		
Purchase of property, plant and equipment, capital work in progress including intangibles assets	(879.33)	(336.19)
Proceeds from sale of property, plant and equipment and intangibles assets	1.90	-
Purchase of mutual funds	(2,15,200.01)	(1,70,400.00)
Proceeds of sale of mutual funds	2,15,360.09	1,70,649.43
Interest received on bank deposits and Inter corporate loans	268.40	267.94
Maturity /(investments) of /in fixed deposits	311.60	(146.42)
Net cash generated from / (used in) investing activities	(137.35)	34.76
Cash flows from financing activities:		
Proceeds from issuance of equity shares	5,005.81	-
Share issue expenses	-	-
Proceeds from long term borrowings	1,09,550.00	77,850.00
Repayment of long term borrowings	(61,945.89)	(57,389.98)
Repayment of lease liabilities	(312.52)	(153.17)
Interest paid on lease liabilities	(110.15)	(39.52)
Net cash generated from financing activities	52,187.25	20,267.33
Net increase in cash and cash equivalents	8,854.12	(1,155.18)
Cash and cash equivalents as at the beginning of the year	5,938.17	7,093.34
Closing balance of cash and cash equivalents	14,792.29	5,938.17
Components of cash and cash equivalents		
Cash on hand	19.83	9.90
Balances with banks		
- With banks in current accounts	14,772.46	3,422.60
Deposits with maturity of less than 3 months	-	2,505.67
Cash and cash equivalents	14,792.29	5,938.17



Svatantra Micro Housing Finance Corporation Limited
Statement of Cash Flows for the year ended 31 March 2026
Cash Flow Statement (Contd..)

Changes in liabilities arising from financing activities

	As at 31 March 2026	As at 31 March 2025
Opening balance (Borrowings + debt securities)	1,96,049.78	1,75,779.22
Proceeds from long-term borrowings (including debentures)	1,09,550.00	77,850.00
Repayment / (addition) in lease liabilities (net)	971.15	(15.70)
Finance costs on lease liabilities	(110.15)	(39.52)
Finance cost on borrowings	(17,620.39)	(16,363.66)
Finance cost on borrowings charged to Profit and loss	17,577.39	16,210.91
Repayments of long-term borrowings	(61,945.89)	(57,389.98)
Transaction costs on borrowings	(110.56)	18.50
Closing balance (Borrowings+ debt securities)	2,44,361.33	1,96,049.77

Summary of Material accounting policies

2

The accompanying notes form an integral part of these financial statements

As per our report of even date attached

For T R Chadha & Co. LLP

Chartered Accountants

Firm's Registration No. 006711N/ N500028

Pranod Tiwari

Partner

Membership No: 076650

Place: Mumbai

Date: 04 May 2026



For and on behalf of the Board of Directors of

Svatantra Micro Housing Finance Corporation Ltd.

Vineet Chatterjee
 Additional Director
 DIN: 07952531

Deepabh Jain
 Additional Director and CEO
 DIN: 01111645

Tasneem Rangwala
 Company Secretary
 Membership No: A34613

Place: Mumbai
 Date: 04 May 2026

Anil Chirania

Anil Chirania
 Director
 DIN: 01082719

Nitesh Amarnani

Nitesh Amarnani
 CFO
 Membership No: 199984



Corporate Information

Svatantra Micro Housing Finance Corporation Limited ("SMHFC" or "the Company") was incorporated on 16 May 2008 with the objective to provide housing finance for financially excluded families, particularly lower income informal sector households. The Company was registered with National Housing Bank ("NHB") as housing finance company. However, vide certificate of registration dated 12 February 2020, the Company also registered with the Reserve Bank of India ("RBI") as a housing finance company. The Company is domiciled in India and its registered office is situated at Office 5&6, E wing, 11th floor, Time Square, Andheri - Kurla Rd, Gamdevi, Marol, Andheri East, Mumbai, 400059, Maharashtra, India. The Company was wholly owned subsidiary of Svatantra holding private Limited till 20th March 2026. On 21 March 2026, wide NCLT order the company became wholly owned subsidiary of Svatantra Microfin Limited (SML) as its erstwhile holding company Svatantra holding private limited got merged with SML.

1 Basis of preparation of financial statements

These financial statements ("the Financial Statements") have been prepared in accordance with the Indian Accounting Standards ('Ind AS') as notified by Ministry of Corporate Affairs ('MCA') under Section 133 of the Companies Act, 2013 ('Act') read with the Companies (Indian Accounting Standards) Rules, 2015, (as amended from time to time) and other relevant provisions of the Act. Any application guidance/clarifications/ directions issued by Reserve bank of India and National Housing Bank or other regulators are implemented as and when they are issued/ applicable. The Company has uniformly applied the accounting policies for all the periods presented in this financial statements.

The financial statements have been prepared on a historical cost convention and accrual basis, except for the following assets and liabilities and on the basis of accounting principles of a going concern in accordance with generally accepted accounting principle (GAAP):

- i) Certain financial assets that are measured at fair value
- ii) Defined benefit plans, and related -plan assets measured at fair value using actuarial valuation

The financial statements have been presented in accordance with Schedule III-Division III General Instructions for Preparation of financial statements of a Non-Banking Financial Company (NBFC) that is required to comply with Ind AS.

The financial statements for the year ended March 31, 2026 were authorised and approved for issue by the Board of Directors on 04th May 2026.

2 Material accounting policies

a. Functional and presentation currency

These financial statements are presented in Indian Rupees ('INR' or 'Rs.') which is also the Company's functional currency. All amounts are rounded-off to the nearest lacs, unless otherwise indicated.

b. Measurement of fair values

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

In the principal market for the asset or liability, or

In the absence of a principal market, in the most advantageous market for the asset or

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or

Level 2- Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly

Level 3 -Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Company's Management determines the policies and procedures for both recurring fair value measurement, such as derivative instruments and unquoted financial assets measured at fair value, and for non-recurring measurement, such as assets held for distribution in

At each reporting date, the Management analyses the movements in the values of assets and liabilities which are required to be remeasured or re-assessed as per the Company's accounting policies. For this analysis, the Management verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

The Management also compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.



c. Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably

Interest Income

Interest income is recorded using the effective interest rate (EIR) method for all financial instruments measured at amortised cost. The EIR is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instruments or, when appropriate, a shorter period, to the net carrying amount of the financial asset.

The EIR (and therefore, the amortised cost of the asset) is calculated by taking into account any discount or premium on acquisition, fees and costs that are an integral part of the EIR. The Company recognises interest income using a rate of return that represents the best estimate of a constant rate of return over the expected life of the loan.

If expectations regarding the cash flows on the financial asset are revised for reasons other than credit risk. The adjustment is booked as a positive or negative adjustment to the carrying amount of the asset in the balance sheet with an increase or reduction in interest income. The adjustment is subsequently amortised through interest income in the Statement of Profit and Loss.

Penal Charges and Penal Interest

Penal Charges and Penal Interest are accrued and due on receipt basis.

Net gain on Fair value changes:

Any differences between the fair values of financial assets classified as fair value through the profit or loss held by Company on the balance sheet date is recognised as an unrealised gain / loss. In cases there is a net gain in the aggregate, the same is recognised in "Net gains on fair value changes" under revenue from operations and if there is a net loss the same is disclosed under "Expenses" in the Statement of Profit and Loss.

Similarly, any realised gain or loss on sale of financial instruments measured at FVTPL and debt instruments measured at Fair value through Other Comprehensive Income ("FVOCI") is recognised in net gain/loss on fair value changes.

However, net gain / loss on derecognition of financial instruments classified as amortised is presented separately under the respective head in the Statement of Profit and Loss.

Fees and commission

Service fees and facilitation charges are recognised on satisfactory completion of service delivery.

d. Financial instruments

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.

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the financial instrument and are measured initially at fair value adjusted for transaction costs. Subsequent measurement of financial assets and financial liabilities is described below.

Income on derecognised (assigned) loans

The Company, on de-recognition of financial assets under the direct assignment transactions, recognises the right of excess interest spread (EIS) which is difference between interest on the loan portfolio assigned and the applicable rate at which the direct assignment is entered into with the assignee. The Company records the discounted value of scheduled cash flow of the future EIS, entered into with the assignee, upfront in the Statement of Profit and Loss. Any subsequent increase or decrease in the fair value of future EIS is recognised in the period in which it occurs. The embedded interest component in the future EIS is recognised as interest income in line with Ind AS 109 'Financial

Non-derivative financial assets

Subsequent measurement

i. Financial assets carried at amortised cost

Financial asset is measured at the amortised cost if both the following conditions are met:

The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in interest income in the Statement of Profit and Loss.

ii. Investments in equity instruments

Investments in equity instruments which are held for trading are classified at fair value through profit or loss (FVTPL). For all other equity instruments, the Company makes an irrevocable choice upon initial recognition, on an instrument by instrument basis, to classify the same either at fair value through other comprehensive income (FVOCI) or fair value through profit or loss (FVTPL). Amounts presented in other comprehensive income are not subsequently transferred to Statment of Profit and Loss. However, the Company transfers the cumulative gain or loss within equity.

Dividends on such investments are recognised in Statement of Profit and Loss unless the dividend clearly represents a recovery of part of the cost of the investment.



iii. Investments in mutual funds

Investments in mutual funds are measured at fair value through profit and loss (FVTPL).

De-recognition of financial assets

Financial assets (or where applicable, a part of financial asset or part of a group of similar financial assets) are derecognised (i.e. removed from the Company's balance sheet) when the contractual rights to receive the cash flows from the financial asset have expired, or when the financial asset and substantially all the risks and rewards are transferred or is written off when there is no realistic prospect of further recovery. Further, if the Company has not retained control, it shall also de-recognise the financial asset and recognise separately as assets or liabilities any rights and obligations created or retained in the transfer.

Non-derivative financial liabilities

Subsequent measurement

Subsequent to initial recognition, all non-derivative financial liabilities are measured at amortised cost using the effective interest method.

De-recognition of financial liabilities

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities

e. Foreign currency

Transactions in foreign currency are recorded at exchange rate prevailing on the date of transaction. Foreign currency denominated monetary assets and liabilities are translated at the exchange rate prevailing on the balance sheet date and exchange gain or loss arising on settlement and restatement are recognised in the Statement of Profit and Loss.

f. Property, plant and equipment (PPE)

Recognition and initial measurement

Property, plant and equipment are stated at their cost of acquisition. The cost comprises purchase price, borrowing cost if capitalisation criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discount and rebates are deducted in arriving at the purchase price.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repair and maintenance costs are recognised in Statement of Profit and Loss.

Depreciation and amortisation

Property, plant and equipment are subsequently measured at cost less accumulated depreciation and impairment losses. Depreciation on property, plant and equipment is provided on the written down method over the useful life of the assets. as prescribed under Part 'C' of Schedule II of the Companies Act, 2013.

Asset Class	Useful life
Office equipment	5 years
Computer equipment	3 years
Furniture and fixture	10 years

Depreciation is calculated on pro rata basis from the date on which the asset is ready for use or till the date the asset is sold or disposed. The residual values, useful lives and method of depreciation are reviewed at the end of each financial year. PPE costing up to Rs. 5,000 individually are depreciated fully in the year in which they are purchased.

De-recognition

An item of property, plant and equipment and any significant part initially recognised is de-recognised 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 recognised in the Statement of Profit and Loss, when the asset is de-recognised.

Capital work-in-progress

Capital work-in-progress are carried at cost, comprising direct cost and related incidental expenses acquire property, plant and equipment. Assets which are not ready to intended use are also shown under capital work-in-progress.

Intangible assets

Recognition and initial measurement

Intangible assets are stated at their cost of acquisition. The cost comprises purchase price including any import duties and other taxes (other than those subsequently recoverable from taxation authorities), borrowing cost if capitalisation criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use.

Computer software - 3 years



Amortisation

Intangible assets are amortised over a their estimated useful lives. The estimated useful life (amortisation period) of the intangible assets is arrived basis the expected pattern of consumption of economic benefits and is reviewed at the end of each financial year and the amortisation period is revised to reflect the changed pattern, if any. The estimated useful lives of intangible assets are as follows:

Computer Software - 3 years

g. Income taxes

Income tax expense comprises current tax expenses and net change in the deferred tax assets or liabilities during the year. Current and deferred taxes are recognised in the Statement of Profit and Loss, except when they relate to item that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity, respectively.

Current taxes

Provision for current tax is recognized based on the estimated tax liability computed after taking credit for allowances and exemptions in accordance with the Income Tax Act, 1961. Advance taxes and provision for current income tax are presented in the balance sheet after offsetting the advance tax paid and income tax provision arising in the same jurisdiction and where the relevant tax paying units intends to settle the asset and liability on a net basis.

Deferred taxes

Deferred tax is recognised in respect of temporary differences between carrying amount of assets and liabilities for financial reporting purposes and corresponding amount used for taxation purposes. Deferred tax assets are recognised on unused tax loss, unused tax credits and deductible temporary differences to the extent it is probable that the future taxable profits will be available against which they can be used. This is assessed based on the Company's forecast of future operating results, adjusted for significant non-taxable income and expenses and specific limits on the use of any unused tax loss. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits 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 realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date to recover or settle the carrying amount of its assets and liabilities. Deferred 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 tax relating to items recognised outside statement of profit and loss is recognised outside Statement of Profit and Loss (either in other

h. Employee Benefits

Short-term employee benefits:

Short term employee benefit obligations are measured on an undiscounted basis and are expensed as a related service provided. A liability is recognised for the amount expected to be paid under short term cash bonus or profit sharing plans 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.

Contribution to provident fund and other funds :

In accordance with Indian Law, eligible employees receive benefits from Provident Fund , Employee State Insurance Contribution (ESIC) and Labour welfare fund which is defined contribution plan. In case of Provident fund, both the employee and employer make monthly contributions to the plan, which is administrated by the Government authorities, each equal to the specific percentage of employee's basic salary. The Company has no further obligation under the plan beyond its monthly contributions. Obligation for contributions to the plan is recognised as an employee benefit expense in the Statement of Profit and Loss when incurred.

Gratuity:

Gratuity is a post employment benefit and is in the nature of a defined benefit plan. The liability recognised in the balance sheet in respect of gratuity is the present value of the defined benefit / obligation at the balance sheet date less the fair value of plan assets, together with adjustments for unrecognised actuarial gains or losses and past service costs. The defined benefits / obligations are calculated at the balance sheet date by an independent actuary using the projected unit credit method.

Actuarial gains and losses arising on the measurement of defined benefit obligation is charged/ credited to other comprehensive income

Compensated Absences:

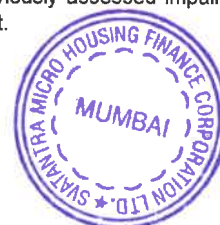
The employees of the Company are entitled to leave as per the leave policy of the Company. The liabilities towards compensated absences to employees are accrued on the basis of valuations, as at the Balance Sheet date, carried out by an independent actuary using Projected Unit Credit Method. Actuarial gains and losses comprise experience adjustments and the effects of changes in actuarial assumptions and are recognised immediately in the Statement of Profit and Loss.

i. Borrowing costs:

Borrowing cost of financial liabilities is recognised using the Effective Interest Rate (EIR)

j. Impairment of non-financial assets

At each reporting date, the Company assesses whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. Recoverable amount is higher of an asset's net selling price and its value in use. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognised in the Statement of Profit and Loss. If at the reporting date, there is an indication that if a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount.



k. Impairment of financial assets

Loan assets

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the financial assets that are debt instruments, and are measured at amortised cost.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is calculated to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, the Company reverts to recognising impairment loss allowance based on 12-month ECL.

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

The measurement of ECL is calculated using three main components: (i) probability of default (PD) (ii) loss given default (LGD) and (iii) the exposure at default (EAD). The 12 month ECL is calculated by multiplying the 12 month PD, LGD and the EAD. The 12 month and lifetime PDs represent the PD occurring over the next 12 months and the remaining maturity of the instrument respectively. The EAD represents the expected balance at default, taking into account the repayment of principal and interest from the balance sheet date to the default event together with any expected drawdowns of committed facilities. The LGD represents expected losses on the EAD given the event of default, taking into account, among other attributes, the mitigating effect of collateral value at the time it is expected to be realised and the time value of money.

The Company applies a three-stage approach to measure ECL on financial assets accounted for at amortised cost and FVTOCI. Assets migrate through the following three stages based on the change in credit quality since initial recognition.

i) Stage 1: 12-months ECL - For exposures where there has not been a significant increase in credit risk since initial recognition and that are not credit impaired upon origination, the portion of the lifetime ECL associated with the probability of default events occurring within the next 12 months is recognised. Exposures with days past due (DPD) less than or equal to 29 days are classified as stage 1. The Company has identified zero bucket and bucket with DPD less than or equal to 29 days as two separate buckets.

ii) Stage 2: Lifetime ECL – not credit impaired - For credit exposures where there has been a significant increase in credit risk since initial recognition but that are not credit impaired, a lifetime ECL is recognised. Exposures with DPD equal to 30 days but less than or equal to 89 days are classified as stage 2. At each reporting date, the Company assesses whether there has been a significant increase in credit risk for financial asset since initial recognition by comparing the risk of default occurring over the expected life between the reporting date and the date of initial recognition. The Company has identified cases with DPD equal to or more than 30 days and less than or equal to 59 days and cases with DPD equal to or more than 60 days and less than or equal to 89 days as two separate buckets.

iii) Stage 3: Lifetime ECL – credit impaired - Financial asset is assessed as credit impaired when one or more events that have a detrimental impact on the estimated future cash flows of that asset have occurred. For financial asset that have become credit impaired, a lifetime ECL is recognised on principal outstanding as at period end. Exposures with DPD equal to or more than 90 days are classified as stage 3.

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets. For debt securities at FVOCI, the loss allowance is recognised in OCI and carrying amount of the financial asset is not reduced in the balance sheet.

The Company does not have any purchased or originated credit-impaired (POCI) financial assets, i.e., financial assets which are credit impaired on purchase/ origination.

It has been the Company's policy to regularly review its models in the context of actual loss experience and adjust when necessary. Refer note 38(C) for detailed note.

Trade receivables

In respect of trade receivables, the Company applies the simplified approach of Ind AS 109, which requires measurement of loss allowance at an amount equal to lifetime expected credit losses. Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of trade receivables.

Write-offs

Financial assets are written off either partially or in their entirety to the extent that there is no realistic prospect of recovery. Any subsequent recoveries are credited to the Statement of Profit and Loss.



I. Cash and cash equivalents

Cash and cash equivalents comprise cash on hand (including imprest), demand deposits and short-term highly liquid investments that are readily convertible into known amount of cash and which are subject to an insignificant risk of changes in value. The Company has netted off the balance of bank overdraft with cash and cash equivalents for Statement of Cash Flows.

m. Provisions, Contingent liabilities and Contingent assets:

Provisions are recognised only when there is a present obligation, as a result of past events, and when a reliable estimate of the amount of obligation can be made at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates. Provisions are discounted to their present values, where the time value of money is material.

Contingent liability is disclosed for:

Possible obligations which will be confirmed only by future events not wholly within the control of the Company or

Present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.

Contingent assets are neither recognised nor disclosed except when realisation of income is virtually certain, related asset is disclosed.

n. Reimbursement of processing fee and other charges

As per the guidelines of new government schemes under Pradhan Mantri Awas Yojana (PMAY), no processing fee is allowed to be charged to the eligible customers. However, the Company is entitled to get a reimbursement from the customers for the expenses incurred in connection with origination of the loans. Such reimbursement receivable forms part of "Non-housing loans", included under Loans and The expenses presented in the Statement of Profit and Loss such as Salaries and wages, Insurance, Franking charges, etc. are stated net of such recoveries from customers.

o. Earnings per share

The basic earnings per equity share is computed by dividing the net profit attributable to the equity shareholders for the year by the weighted average number of equity shares outstanding during the reporting period. The number of shares used in computing diluted earnings per share comprises the weighted average number of shares considered for deriving basic earnings per share and also the weighted average number of equity shares, which may be issued on the conversion of all dilutive potential shares, unless the results would be anti dilutive.

p. Leases

As a lessee

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying

i. Right of use assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

The right-of-use assets are also subject to impairment. Refer note 2 (j) of accounting policy for impairment of non-financial assets.

ii. Lease liabilities

At the commencement date of the lease, the Company recognises 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. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

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 an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

The Company's lease liabilities are included in other financial liabilities



iii. Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (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). It also applies the lease of low-value assets recognition exemption to leases of laptops, lease-lines and office furniture and equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term

As a lessor

Leases in which the Company does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

Use of estimates and judgements (refer note 46.1)

q. 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 in its financial statements. In August 2025, MCA notified the following amendments to:

1. 2. 3. 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 of 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 to inform 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 significant impact in its 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. This relief is immediate and applies retrospectively.



Svatantra Micro Housing Finance Corporation Limited
Notes to the financial statements for the year ended 31 March 2026

3 Cash and cash equivalents

	(Amount in Rs. 'Lacs')	
	As at	As at
	31 March 2026	31 March 2025
Cash on hand	19.83	9.90
Balances with banks in current accounts*	14,772.46	3,422.60
Deposits with maturity of less than 3 months	-	2,505.67
	14,792.29	5,938.17
* Includes amounts received towards NHB subsidy pending transfer to customers/unspent CSR	14.77	7.47

4 Bank balances other than cash and cash equivalents

	(Amount in Rs. 'Lacs')	
	As at	As at
	31 March 2026	31 March 2025
Deposits with maturity of less than 12 Months*	15.23	-
Deposits with maturity of 12 months and more*	2,298.51	2,625.34
	2,313.74	2,625.34
*Bank deposit held as securities		
against bank guarantee for NHB	2,280.54	2,416.87
earmark balance with banks	33.20	-
	2,313.74	2,416.87

5 Loans

	(Amount in Rs. 'Lacs')	
	As at	As at
	31 March 2026	31 March 2025
At amortised cost		
(i) Term loans		
(a) Housing loans	201,434.83	187,248.01
(b) Non Housing loans	70,828.38	39,565.35
(c) Loan to employees	44.09	68.95
Total (i) - Gross loans	272,307.30	226,882.31
Less: Impairment loss allowance	(3,014.17)	(2,599.85)
Total (i) - Net	269,293.13	224,282.46
(ii) Secured/unsecured		
(a) Secured by tangible assets	272,263.21	226,813.36
(b) Unsecured	44.09	68.95
Total (ii) - Gross	272,307.30	226,882.31
Less: Impairment loss allowance	(3,014.17)	(2,599.85)
Total (ii) - Net	269,293.13	224,282.46
(iii) Loans in India		
(a) Public sector	-	-
(b) Others	272,307.30	226,882.31
Total (iii) - Gross	272,307.30	226,882.31
Less: Impairment loss allowance	(3,014.17)	(2,599.85)
Total (iii) - Net	269,293.13	224,282.46
(iv) Loans outside India		
(a) Loan outside India	-	-
Total (iv)	-	-

1. refer note no.36 for information related to stage-wise classification of loan assets and ECL movement.

2. Loans granted by the Company are secured by equitable mortgage/ registered mortgage of the property including mortgage under process.

3. The Company has assigned pool of certain property loans and managed servicing of such loan accounts. (refer note no :35.4)



Svatantra Micro Housing Finance Corporation Limited
Notes to the financial statements for the year ended 31 March 2026

Loans or advances in the nature of loans are granted to the promoters, directors, KMP's, and the related parties, either severally or jointly

Particulars	As at 31 March 2026	% to the total loans and advances in the nature of loans	As at 31 March 2025	% to the total loans and advances in the nature of loans
Promotors	NIL	NIL	NIL	NIL
Directors	NIL	NIL	NIL	NIL
KMP's	NIL	NIL	NIL	NIL
Related parties	NIL	NIL	NIL	NIL

6 Other financial assets

	(Amount in Rs. 'Lacs')	
	As at 31 March 2026	As at 31 March 2025
At amortised cost		
Security deposits	270.65	245.54
Staff advances(net)	35.21	33.97
Receivable from government authority*	41.01	41.08
Others receivables	180.00	62.85
EiS receivable on direct assignment	557.26	-
	1,084.13	383.44

* Represents receivable from municipal authority on account of loans defaulted by the customers under BSUP scheme.

7 Current tax assets (net)

	(Amount in Rs. 'Lacs')	
	As at 31 March 2026	As at 31 March 2025
Income tax paid in advance (net of provisions)*	288.03	147.90
	288.03	147.90

*net of provision for tax as at 31 March 2026: Rs.213.79 Lacs (As at 31 March 2025, Rs.824.23 Lacs)

8 Deferred Tax Assets/ Liabilities (net)

	(Amount in Rs. 'Lacs')	
	As at 31 March 2026	As at 31 March 2025
Deferred Tax assets		
Impairment Loss Allowance	751.78	608.24
Provision for employee benefits	74.55	60.80
Temporary difference on PPE depreciation/amortisation	98.03	61.94
Unearned processing fee	8.31	1.49
Share issue expenses	2.96	4.72
Transaction cost on loans	282.91	378.06
Lease liabilities	7.72	(5.86)
Total deferred Tax assets	1,226.26	1,109.39
Deferred Tax liabilities		
Amortisation of borrowing costs	(132.59)	(104.77)
Modification (restructuring) gain on financial assets	(4.16)	(4.16)
Excess interest spread	(140.25)	-
Total deferred Tax liabilities	(277.00)	(108.93)
Net deferred Tax assets/(liabilities)	949.26	1,000.46

12 Other non-financial assets

	(Amount in Rs. 'Lacs')	
	As at 31 March 2026	As at 31 March 2025
Prepaid expenses	632.85	318.76
Contribution to Gratuity (also refer note 37)	45.55	-
Other assets	13.13	25.58
	691.53	344.34



9 Investment property

(Amount in Rs. 'Lacs')

Particulars	Freehold land	Total
Gross block		
As at 1 April 2024	2.51	2.51
Additions	-	-
Deletions	-	-
As at 31 March 2025	2.51	2.51
Additions	-	-
Deletions	-	-
As at 31 March 2026	2.51	2.51
Accumulated depreciation		
As at 1 April 2024	-	-
Charge for the year	-	-
Deletions	-	-
As at 31 March 2025	-	-
Charge for the year	-	-
Deletions	-	-
As at 31 March 2026	-	-
Net block		
As at 31 March 2026	2.51	2.51
As at 31 March 2025	2.51	2.51

Notes:

The Company's investment property is a piece of land in India, currently for undetermined use. The Company has no restrictions on the realisability of its investment properties and no contractual obligations to either purchase, construct or develop investment properties or for repairs, maintenance and enhancements. The Company confirms that the title deeds of immovable properties are held in the name of the Company.

(a) Fair value of investment property

(Amount in Rs. 'Lacs')

Particulars	As at 31 March 2026	As at 31 March 2025
Freehold land	1.64	1.89

The fair value of investment property has been determined by an independent valuer, who has adequate professional experience as well as adequate expertise in the location and category of the investment property. The value is determined based on the rate prescribed by government authorities for the property. Management believes that the net recoverable value of the property would be higher than carrying amount and therefore, no impairment has been made. The resultant fair value estimates for investment property is included in level 2.

There are no amounts recognised in the Statement of Profit and Loss account in relation to the above investment property.



10 Property, plant and equipment

(Amount in Rs. 'Lacs')

Particulars	Office equipment	Furniture and fixtures	Computer and data processing equipment	Leasehold improvements	Total
Gross block (Cost)					
As at 1 April 2024	167.19	68.90	198.09	201.07	635.25
Additions	109.21	46.90	97.53	65.53	319.17
Deletion	-	-	-	-	-
As at 31 March 2025	276.40	115.80	295.62	266.60	954.42
Additions	53.04	256.11	222.81	235.79	767.75
Deletion	-	(0.02)	(2.05)	-	(2.07)
As at 31 March 2026	329.44	371.89	516.38	502.39	1,720.10
Accumulated depreciation					
As at 1 April 2024	93.93	27.81	131.55	77.14	330.44
Charge for the year	69.20	19.07	63.77	60.36	212.40
Deletions	-	-	-	-	-
As at 31 March 2025	163.13	46.88	195.32	137.50	542.84
Charge for the year	76.69	55.84	125.50	90.54	348.57
Deletions	-	-	(0.28)	-	(0.28)
As at 31 March 2026	239.82	102.72	320.54	228.04	891.13
Net block					
As at 31 March 2025	113.27	68.92	100.30	129.10	411.59
As at 31 March 2026	89.62	269.17	195.84	274.35	828.98

10 Other Intangible assets

(Amount in Rs. 'Lacs')

Particulars	Computer software
Gross block	
Cost at 1 April 2024	25.65
Additions	12.67
Deletions	-
As at 31 March 2025	38.32
Additions	67.20
Deletions	(0.11)
As at 31 March 2026	105.41
Accumulated amortisation	
Cost at 1 April 2024	15.51
Charge for the year	9.47
Deletions	-
As at 31 March 2025	24.98
Charge for the year	50.42
Deletions	-
As at 31 March 2026	75.40
Net block	
As at 31 March 2025	13.34
As at 31 March 2026	30.01

* The Company has not revalued its' Property, Plant & Equipment and Intangible Assets during the year.

10 Intangible assets under development

(Amount in Rs. 'Lacs')

Particulars	Software
Cost at 1 April 2024	-
Additions	2.58
Deletions	-
As at 31 March 2025	2.58
Additions	48.72
Deletions	2.58
As at 31 March 2026	48.72
Net block	
As at 31 March 2025	2.58
As at 31 March 2026	48.72



i Intangible assets under development ageing schedule for the year ended 31 March 2026 is as follows:

(Amount in Rs. 'Lacs')

	Amount in Intangible asset under development for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	48.72	-	-	-	48.72
Projects temporarily suspended	-	-	-	-	-

Intangible assets under development ageing schedule for the year ended 31 March 2025 is as follows:

(Amount in Rs. 'Lacs')

	Amount in Intangible asset under development for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	2.58	-	-	-	2.58
Projects temporarily suspended	-	-	-	-	-

10 Capital work in progress

(Amount in Rs. 'Lacs')

Particulars	Leasehold improvement
As at 31 March 2025	-
Additions	1.77
Deletions	-
As at 31 March 2026	1.77
Additions	-
Deletions	1.77
As at 31 March 2026	-
Net block	
As at 31 March 2025	1.77
As at 31 March 2026	-

Capital work in progress ageing schedule for the year ended 31 March 2026 is as follows:

(Amount in Rs. 'Lacs')

	Amount in Intangible asset under development for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	-	-	-	-	-
Projects temporarily suspended	-	-	-	-	-

Capital work in progress ageing schedule for the year ended 31 March 2025 is as follows:

(Amount in Rs. 'Lacs')

	Amount in Intangible asset under development for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	1.77	-	-	-	1.77
Projects temporarily suspended	-	-	-	-	-

11 Right of use Asset

(Amount in Rs. 'Lacs')

Particulars	Office building
Gross amount as at 1 April 2024	841.77
Additions	154.51
Deletions	-
As at 31 March 2025	996.28
Additions	1,190.01
Deletions	(15.38)
As at 31 March 2026	2,170.91
Accumulated amortisation	
As at 1 April 2024	413.09
Charge for the year	169.72
Deletions	-
As at 31 March 2025	582.81
Charge for the year	367.56
Deletions	-
As at 31 March 2026	950.37
Net block	
As at 31 March 2025	413.47
As at 31 March 2026	1,220.54

* ROU is on tangible asset



Svatantra Micro Housing Finance Corporation Limited
Notes to the financial statements for the year ended 31 March 2026

13 Trade payables

	(Amount in Rs. 'Lacs')	
	As at 31 March 2026	As at 31 March 2025
Total outstanding dues of micro enterprises and small enterprises (Refer note 44)	52.96	18.46
Total outstanding dues of creditors other than micro enterprises and small enterprises	722.11	366.46
	775.07	384.92

Ageing of Trade Payables as per below schedule for balances outstanding as at 31 March 2026

Particulars	Outstanding for following periods from due date of payment					Total
	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	52.96					52.96
(ii) Others	-	99.20	-	-	-	99.20
(iii) Disputed dues – MSME						-
(iv) Disputed dues - Others						-
(v) Unbilled	622.91					622.91

Ageing of Trade Payables as per below schedule for balances outstanding as at 31 March 2025

Particulars	Outstanding for following periods from due date of payment					Total
	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	18.46					18.46
(ii) Others		41.13	-	-	-	41.13
(iii) Disputed dues – MSME						-
(iv) Disputed dues - Others						-
(v) Unbilled	325.33					325.33

14 Borrowings (other than debt securities)

	(Amount in Rs. 'Lacs')	
	As at 31 March 2026	As at 31 March 2025
At amortised cost		
Secured		
Term loans		
- from banks	204,122.89	153,490.36
- from National Housing Bank (NHB)	22,775.01	27,405.02
- from Financial Institution (FI)	13,195.29	11,747.21
Total	240,093.19	192,642.58
Borrowings in India	240,093.19	192,642.58
Borrowings outside India	-	-
	240,093.19	192,642.58

Notes:

- (i) Term loans are secured by first exclusive charge through hypothecation of book debts/ receivables of the Company.
- (ii) The Company has not defaulted in the repayment of debt securities and borrowings (other than debt securities) and interest thereon for the year ended 31 March 2026 and 31 March 2025.
- (iii) The repayment of the borrowing is done in monthly, quarterly, half - yearly and annual installment as per the sanctioned terms.
- (iv) The Company periodically files returns/statements with banks and financial institution as per the agreed terms and they are in agreement with books of accounts of the Company. This information has been relied upon by the auditors.



Svatantra Micro Housing Finance Corporation Limited
Notes to the financial statements for the year ended 31 March 2026

(Amount in Rs. 'Lacs')

Rate of interest	Category	Maturity	As at	As at	
			31 March 2026	31 March 2025	
6%-7%	Banks	Within 1 year	4,523.81	-	
7%-9%	Banks		35,653.78	468.73	
9%-10%	Banks		11,222.47	1,971.39	
10%-11%	Banks		3,973.78	976.31	
11%-12%	Banks		199.28	-	
7%-9%	FI		3,225.00	-	
9%-10%	FI		714.29	63.74	
2%-10%	NHB		4,483.16	18.00	
6%-7%	Banks		Within 1-5 years	6,963.41	-
7%-9%	Banks			104,844.15	64,668.22
9%-10%	Banks	25,582.68		42,244.06	
10%-11%	Banks	1,527.98		11,346.34	
11%-12%	Banks	217.39		634.06	
7%-11%	FI	9,206.85		8,150.89	
2%-10%	NHB	15,154.14		6,190.10	
7%-9%	Banks	More than 5 years		9,306.67	-
8%-9%	Banks			-	16,372.58
9%-10%	Banks			416.42	15,001.34
7%-11%	FI		-	3,517.86	
2%-10%	NHB		3,224.65	21,212.17	
Total borrowings (excluding loans repayable on demand)			240,439.91	192,835.80	
Interest accrued but not due on borrowings			180.11	223.04	
Adjustments of unamortised processing fee based on EIR			(526.83)	(416.27)	
Total adjusted borrowings (excluding loans repayable on demand)			240,093.19	192,642.58	

15 Subordinated Liabilities

(Amount in Rs. 'Lacs')

	As at	As at
	31 March 2026	31 March 2025
Unsecured		
At amortised cost		
Redeemable non-convertible debentures	3,016.95	3,017.01
	3,016.95	3,017.01
Debt securities in India	3,016.95	3,017.01
Debt securities outside India	-	-
	3,016.95	3,017.01

Rate of interest	Maturity	As at	As at
		31 March 2026	31 March 2025
9.50% subordinated, unsecured, rated, unlisted, fully paid up, taxable, 200 redeemable non-convertible debentures of Rs.1,000,000 at par on 05 January 2028	Within 1-5 years	2,016.95	2,000.00
9.50% subordinated, unsecured, rated, unlisted, fully paid up, taxable, 1000 redeemable non-convertible debentures of Rs.1,000,00 at par on 15 June 2028.	Within 1-5 years	1,000.00	1,000.00

16 Other financial liabilities

(Amount in Rs. 'Lacs')

	As at	As at
	31 March 2026	31 March 2025
Subsidy received from NHB pending transfer to customer	6.75	2.46
Book Overdraft	930.15	-
Lease liabilities	1,251.19	390.19
Payable towards securitised and assigned portfolio	10.96	-
Employee benefits payable	6.57	1.81
	2,205.62	394.46



Svatantra Micro Housing Finance Corporation Limited
Notes to the financial statements for the year ended 31 March 2026

17 Provisions

	(Amount in Rs. 'Lacs')	
	As at 31 March 2026	As at 31 March 2025
Unfunded		
Provision for employee benefits		
-Provision for gratuity (also refer note 37)	-	95.38
-Provision for leave encashment.	296.20	146.21
-ECL on Loan commitment	5.43	5.06
	301.63	246.65

18 Other non-financial liabilities

	(Amount in Rs. 'Lacs')	
	As at 31 March 2026	As at 31 March 2025
Statutory dues	130.58	65.86
Retention Payable	16.72	-
Unspent CSR (also refer note 43)	53.07	15.26
Advances from customers	219.56	195.29
	419.93	276.41

19 Share capital

Details of authorised, issued, subscribed and paid up share capital	(Amount in Rs. 'Lacs')			
	As at 31 March 2026		As at 31 March 2025	
	No. of shares	Amount	No. of shares	Amount
Authorised share capital				
Equity shares of Rs 10 each	1,094,000,000	109,400.00	94,000,000	9,400.00
Non-Cumulative Compulsorily Convertible Preference shares of Rs. 100	3,100,000	3,100.00	3,100,000	3,100.00
	1,097,100,000	112,500.00	97,100,000	12,500.00
Issued,Subscribed and paid up				
Equity shares of Rs 10 each, fully paid up	84,463,165	8,446.32	74,727,043	7,472.70
	84,463,165	8,446.32	74,727,043	7,472.70

Equity Shares

	(Amount in Rs. 'Lacs')			
	As at 31 March 2026		As at 31 March 2025	
	No. of shares	Amount	No. of shares	Amount
Shares outstanding at the beginning of the year	74,727,043	7,472.70	74,727,043	7,472.70
Issued during the year	9,736,122	973.61	-	-
Converted during the year	-	-	-	-
Shares outstanding at the end of the year	84,463,165	8,446.31	74,727,043	7,472.70

i. Shareholders holding more than 5% of the shares in the Company

Equity shares	As at 31 March 2026		As at 31 March 2025	
	No. of shares	% of holding	No. of shares	% of holding
Svatantra Holdings Private Limited	-	0%	74,727,037.00	100%
Svatantra Microfin Private Limited	84,463,159	100%	-	-

ii. Right, preferences and restrictions attached to equity shares

The Company has only one class of equity shares having a face value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share. All shares rank pari passu on repayment of capital in the event of liquidation. In the event of liquidation of the Company, the holder of the equity shares will be entitled to receive any of the remaining assets of the Company, after distribution of all the preferential amounts. However, no such preferential amounts exists currently. The distribution will be in proportion to the number of equity shares held by the shareholders. The dividend proposed, if any, by the board of directors is subject to the approval of shareholders in the ensuing general meeting.

iii. Shares issued for consideration other than cash

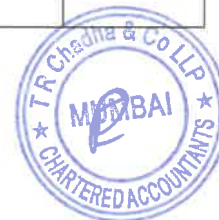
The Company has not issued / allotted any shares pursuant to contracts without payment being received in cash, nor issued any bonus shares nor there has been any buy back of shares during five years immediately preceding 31 March 2026.

iv. Shareholding of Promoters for each class

Disclosure of shareholding of promoters as at 31 March 2026 is as follows

Promotor Name	As at 31 March 2026		As at 31 March 2025		% Change during the year*
	No. of Shares	%of total shares	No. of Shares	%of total shares	
1) Promotors Company-Svatantra Holdings Private Limited	-	-	74,727,037	100%	100%
2) Promotors Company-Svatantra Microfin Private Limited*	84,463,159	100%	-	-	-

*w.e.f from 21st March 2026



Svatantra Micro Housing Finance Corporation Limited
Notes to the financial statements for the year ended 31 March 2026

Disclosure of shareholding of promoters as at 31 March 2025 is as follows

Promotor Name	As at 31 March 2025		As at 31 March 2024		% Change during the year*
	No. of Shares	% of total shares	No. of Shares	% of total shares	
1) Promotors Company-Svatantra Holdings Private Limited	74,727,037	100%	74,727,037	100%	-

* Represent change in percentage based on number of shares

20 Other equity

	Notes	(Amount in Rs. 'Lacs')	
		As at 31 March 2026	As at 31 March 2025
Securities premium*	20.2	23,007.10	18,974.91
Statutory reserve under section 29C of the NHB Act, 1987	20.3	3,783.61	3,503.61
Impairment reserves	20.4	690.28	690.28
Retained earnings	20.5	8,803.17	7,963.84
		36,284.16	31,132.64

20.1 Particulars

	(Amount in Rs. 'Lacs')	
	As at 31 March 2026	As at 31 March 2025
Securities premium		
Opening balance	18,974.91	18,974.91
Add: Premium received on issue of shares	4,032.19	-
Less: Share issue expenses (net of taxes)	-	-
Closing balance	23,007.10	18,974.91
Statutory reserves under section 29C of the NHB Act, 1987		
Opening balance	3,503.61	2,788.49
Add: Current year transfer	280.00	715.12
Closing balance	3,783.61	3,503.61
Impairment reserves		
Opening balance	690.28	690.28
Add: Current year transfer	-	-
Closing balance	690.28	690.28
Retained earnings		
Opening balance	7,963.84	6,347.57
Add: Transferred from Statement of profit and loss	999.51	2,326.65
Less: Transfer to statutory reserves	(280.00)	(715.12)
Items of other comprehensive income recognised directly in retained earnings		
Add: Other comprehensive (loss)/income for the year (net of tax)	119.82	4.74
Closing balance	8,803.17	7,963.84

20.2 Securities premium

Securities premium is credited when shares are issued at premium. It can be used to issue bonus shares, to provide for premium on redemption of shares or debentures, write-off equity related expenses like underwriting costs etc.

20.3 Statutory reserves under section 29C of the NHB Act, 1987

As per Section 29C of National Housing Bank Act (NHB), 1987, the Company is required to transfer at least 20% of its net profits every year to a reserve before any dividend is declared. For this purpose, any Special Reserves created by the Company under Section 36(1)(viii) of the Income Tax Act, 1961 is considered to be an eligible transfer. Thus, during the year ended 31 March 2025 and year ended 31 March 2026, the Company has transferred to Statutory Reserves, an amount arrived in accordance with Section 29C of the NHB Act, 1987.

20.4 Impairment Reserves as per RBI notification

As per DOR (NBFC).CC.PD.No.109/22.10.106/2019-20, where impairment allowance under Ind AS 109 is lower than the provisioning required under IRACP (including standard asset provisioning), NBFCs/ARCs shall appropriate the difference from their net profit or loss after tax to a separate 'Impairment Reserves'. The balance in the 'Impairment Reserves' shall not be reckoned for regulatory capital. Further, no withdrawals shall be permitted from this reserves without prior permission from the Department of Supervision, RBI.

20.5 Retained earnings

Retained earnings pertain to the accumulated earnings / losses made by the Company over the years.



Svatantra Micro Housing Finance Corporation Limited
Notes to the financial statements for the year ended 31 March 2026

21 Interest income

	(Amount in Rs. 'Lacs')	
	Year ended 31 March 2026	Year ended 31 March 2025
On financial assets measured at amortised cost		
Interest on loans	31,849.35	27,476.59
Interest income on deposits with banks	268.40	267.94
Other interest income	311.57	217.05
	32,429.32	27,961.58

22 Fees and commission income

	(Amount in Rs. 'Lacs')	
	Year ended 31 March 2026	Year ended 31 March 2025
Service and facilitation fees	382.81	104.82
	382.81	104.82
Revenue from contracts with customers		
Set out below is the revenue from contracts with customers and reconciliation to the statement of profit and loss.		
Type of services or service		
Service and facilitation fees	382.81	104.82
Total revenue from contract with customers	382.81	104.82
Geographical markets		
India	382.81	104.82
Outside India	-	-
Total revenue from contract with customers	382.81	104.82
Timing of revenue recognition		
Services transferred at a point in time	382.81	104.82
Services transferred over time	-	-
Total revenue from contract with customers	382.81	104.82
Contract balances		
Service and facilitation fees receivable	59.66	-
	59.66	-

23 Net gain on fair value changes

	(Amount in Rs. 'Lacs')	
	Year ended 31 March 2026	Year ended 31 March 2025
Net gain on financial instruments at fair value through profit or loss		
- Investments in mutual funds	160.08	249.43
	160.08	249.43
Total net gain on fair value changes		
Fair Value changes:		
-Realised	160.08	249.43
Total net gain on fair value changes	160.08	249.43

24 Other income

	(Amount in Rs. 'Lacs')	
	Year ended 31 March 2026	Year ended 31 March 2025
Income from advertisement	270.79	165.00
Unwinding interest income	20.95	4.96
Gain/(Loss) on termination of lease	1.11	-
Miscellaneous income	45.50	13.76
	338.35	183.72

25 Finance costs

	(Amount in Rs. 'Lacs')	
	Year ended 31 March 2026	Year ended 31 March 2025
On financial liabilities measured at amortised costs		
Interest on borrowings (other than debt securities)	17,292.39	15,572.66
Interest on debt securities	-	353.25
Interest on subordinate liabilities	285.00	285.00
Interest on lease liabilities	110.15	39.52
Bank charges and others	91.48	70.77
	17,779.02	16,321.20



26 Impairment on financial instruments

	(Amount in Rs. 'Lacs')	
	Year ended 31 March 2026	Year ended 31 March 2025
On financial instrument measured at amortised cost		
Loans		
Impairment loss allowance	414.69	1,045.16
Bad debt written off	818.21	309.75
	1,232.90	1,354.91

27 Employee benefits expense

	(Amount in Rs. 'Lacs')	
	Year ended 31 March 2026	Year ended 31 March 2025
Salaries and wages	9,021.15	5,218.85
Gratuity and leave expenses (refer note 37)	453.34	198.06
Contribution to provident and other funds	511.54	314.34
Staff welfare expenses	169.57	124.28
	10,155.60	5,855.53

28 Depreciation and amortisation

	(Amount in Rs. 'Lacs')	
	Year ended 31 March 2026	Year ended 31 March 2025
Depreciation of plant, property and equipment	348.29	212.40
Depreciation of Right of use assets	367.56	169.72
Amortisation of Intangible asset	50.42	9.47
	766.27	391.59

29 Other expenses

	(Amount in Rs. 'Lacs')	
	Year ended 31 March 2026	Year ended 31 March 2025
Electricity expenses	42.73	21.84
Rent	176.17	37.08
Repairs and maintenance - Others	29.84	24.74
Insurance	15.52	19.85
Rates and taxes, excluding taxes on income	0.40	0.16
Auditors fee (Refer Note below)	27.70	24.23
Computer and software expenses	321.28	174.41
Communication expenses	108.79	75.66
Professional, legal and consultancy	298.03	230.12
Printing and stationery	170.03	104.86
Directors sitting Fees	9.54	-
Travelling, conveyance and boarding expenses	862.59	583.82
Advertising and marketing expenses	22.47	19.22
Corporate social responsibility (Refer Note 43)	69.08	50.20
Brokerage and commission	4.80	9.17
Miscellaneous expenses	550.86	293.92
	2,709.83	1,669.28
Note: Payments to auditors		
Audit fees	23.70	19.93
Certification work	4.00	4.30
	27.70	24.23



Svatantra Micro Housing Finance Corporation Limited
Notes to the financial statements for the year ended 31 March 2026

30 Tax expense

	(Amount in Rs. 'Lacs')	
	Year ended 31 March 2026	Year ended 31 March 2025
Current tax expense		
Current tax for the year	213.79	824.23
	213.79	824.23
Deferred taxes		
Relating to origination and reversal of temporary differences	10.90	(243.84)
Change in deferred tax liabilities		
Net deferred tax expense	10.90	(243.84)
Earlier year tax adjustment		
Earlier year tax adjustments	-	-
	-	-
Total income tax expense	224.69	580.39

30.1 Tax reconciliation

	(Amount in Rs. 'Lacs')	
	Year ended 31 March 2026	Year ended 31 March 2025
Profit before income tax expense	1,224.20	2,907.04
Statutory income tax rate	0.25	0.25
Tax at statutory income tax rate	308.11	731.64
Tax effect of amounts which are not deductible / not taxable in calculating taxable income		
Tax impact on expenses which is non deductible	17.39	12.64
Tax impact on deduction under Section 36(1)(viii) of the Income Tax Act, 1961	(50.34)	(179.98)
Others	(50.47)	16.10
Income tax expense	224.69	580.39



31 Deferred tax movement related to the following:

1 April 2025 to 31 March 2026

(Amount in Rs. 'Lacs')

Particulars	As at 31 March 2025	Recognised in Statement of Profit and Loss	Recognised in OCI	Recognized in equity	As at 31 March 2026
Deferred tax asset on account of:					
Provision for impairment of assets	608.24	143.54	-	-	751.78
Provision for employee benefits	60.80	54.05	(40.30)	-	74.55
Share issue expenses	4.71	(1.76)	-	-	2.95
Temporary difference on depreciation on property plant and equipment	61.93	36.10	-	-	98.03
Unearned processing fee	1.49	6.82	-	-	8.31
Transaction costs on Loans	378.07	(95.15)	-	-	282.91
Lease liabilities	(5.86)	13.58	-	-	7.72
Total	1,109.39	157.17	(40.30)	-	1,226.25
Deferred tax liability on account of:					
Transaction costs on borrowings	104.76	27.82	-	-	132.59
Modification (restructuring) gain on financial assets	4.16	0.00	-	-	4.16
EIS	-	140.25	-	-	140.25
Total	108.92	168.07	-	-	277.00
Deferred tax assets (net)	1,000.46	(10.90)	(40.30)	-	949.26

1 April 2024 to 31 March 2025

(Amount in Rs. 'Lacs')

Particulars	As at 31 March 2024	Recognised in Statement of Profit and Loss	Recognised in OCI	Recognized in equity	As at 31 March 2025
Deferred tax asset on account of:					
Provision for impairment of assets	362.47	245.77	-	-	608.24
Provision for employee benefits	45.01	17.38	(1.59)	-	60.80
Share issue expenses	7.39	(2.67)	-	-	4.71
Temporary difference on depreciation on property plant and equipment	38.99	22.94	-	-	61.93
Unearned processing fee	7.42	(5.93)	-	-	1.49
Transaction costs on Loans	406.29	(28.23)	-	-	378.07
Lease liabilities	4.21	(10.07)	-	-	(5.86)
Total	871.78	239.19	(1.59)	-	1,109.39
Deferred tax liability on account of:					
Transaction costs on borrowings	109.42	(4.66)	-	-	104.76
Modification (restructuring) gain on financial assets	4.16	0.00	-	-	4.16
Remeasurement of gains/ (losses) on defined benefit plans	-	-	-	-	-
Total	113.58	(4.66)	-	-	108.92
Deferred tax assets (net)	758.20	243.85	(1.59)	-	1,000.46



32 Earnings per share

(Amount in Rs. 'Lacs')

Particular	Year ended 31 March 2026	Year ended 31 March 2025
Net profit attributable to equity holders	999.51	2,326.65
Weighted average number of equity shares outstanding for basic earnings per share	80,101,483	74,727,043
Earning per share (Basic and Diluted) in Rs.	1.25	3.11
Nominal value per share (₹)	10	10

33 Related party disclosures

Related party disclosures as required under Indian Accounting standard (Ind AS) - 24, " Related Party Disclosure" are given below. During the year, the Company has paid remuneration to it's directors.

33.1 List of related parties:

Nature of relationship	Name of related party
Holding Company	Svatantra Holdings Private Limited (upto 20 March 2026)
Holding Company	Svatantra Microfinance Limited (w.e.f 21 March 2026)
Entity having significant influence	Svatantra Microfin Private Limited (upto 20 March 2026)
Directors	Ms. Ananyashree Birla, Chairperson Mr. Vineet Chattree, Director (upto 27 September 2024) Mr. Vineet Chattree, Director (w.e.f 31 March 2026) Mr. Anil Chirania, Director Mr. Jayesh Shah, Chief Executive Officer (w.e.f from 30 June 2023 and upto 31 October 2024) and Whole time Director (w.e.f 12 February 2024) Mr. Deepabh Jain, Director (w.e.f 10 March 2026)
Key Managerial Personnel (KMP)	Mr. Deepabh Jain, Chief Executive Officer (w.e.f 4 November 2024) Mr. Nitesh Amarnani, Chief Financial Officer (w.e.f 9 August 2024) Ms. Tasneem Rangwala, Company Secretary

33.2 Transactions during the period with related parties :

(Amount in Rs. 'Lacs')

Transactions with	Nature of transactions	Year ended 31 March 2026	Year ended 31 March 2025
Svatantra Microfin Private Limited	Commission paid	-	6.53
Svatantra Holdings Private Limited	Equity shares issued	3,000.00	-
Svatantra Microfin Private Limited	Equity shares issued	2,005.81	-
Mr. Jayesh Shah	Remuneration	22.49	62.26
Mr. Jayesh Shah	Sitting fees	9.00	-
Mr. Deepabh Jain	Remuneration	169.71	67.18
Mr. Deepabh Jain (w.e.f 10 March 2026)	Remuneration	5.87	-
Mr. Nitesh Amarnani	Remuneration	32.68	15.10
Ms. Tasneem Rangwala	Remuneration	25.03	20.57

Note:

- There is no outstanding balance with related parties except corporate gurantee as at 31 March 2026 Rs. 29,000 Lacs (previous year Rs 30,600 Lacs).
- Employee benefits in relation to gratuity are calculated at the Company level and hence not considered in above disclosure.
- All the transactions are at arms length and in normal course of business.

34 Capital management

The Company's capital management strategy is to effectively determine, raise and deploy capital to cover risk inherent in business and is meeting the capital adequacy requirements of National Housing Bank (NHB). The same is done through a mix of either equity and / or combination of short term / long term debt as may be appropriate. The Company determines the amount of capital required on the basis of operations and capital expenditure. The adequacy of the Company's capital is monitored using, among other measures, that includes the regulations issued by RBI.

The Company is subject to the capital adequacy requirements of the Reserve Bank of India (RBI). Under RBI's capital adequacy guidelines, the Company is required to maintain a capital adequacy ratio consisting of Tier I and Tier II Capital. The Tier-I capital, at any point of time, shall not be less than 10 per cent. The total of Tier-II capital, at any point of time, shall not exceed 100 per cent of Tier-I capital. The minimum capital ratio as prescribed by RBI guidelines and applicable to the Company, consisting of Tier I and Tier II capital, shall not be less than 15 per cent of its aggregate risk weighted assets on-balance sheet and of risk adjusted value of off-balance sheet.

The capital structure is monitored on the basis of net debt to equity and maturity profile of overall debt portfolio. The Company's policy is in line with Reserve Bank of India (Housing Finance Companies) Directions, 2025 which currently permits HFCs to borrow up to 12 times of their net owned funds ("NOF").

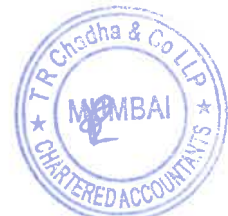
There is no allocation of capital required as Company is primarily operating in single segment i.e. financing. . The Company's policies in respect of capital management is regularly reviewed by Board of Directors.

Regulatory capital

(Amount in Rs. 'Lacs')

Particulars	As at 31 March 2026	As at 31 March 2025
Equity share capital	8,446.31	7,472.70
Securities premium	23,007.10	18,974.91
Retained earnings	8,803.17	7,963.84
Statutory reserves	3,783.60	3,503.60
Less:		
- Deferred Revenue Expenditure (represent	(632.85)	(318.76)
- Intangible Asset (including under	(78.73)	(15.92)
- Deferred tax Asset	(949.26)	(1,000.46)
Tier I Capital	42,379.34	36,579.91
- Loss Allowances for loans - Stage -I	572.45	398.13
-Subordinated Liabilities	800.00	1,400.00
Tier II Capital	1,372.45	1,798.13
Tier I + Tier II Capital	43,751.79	38,378.04

The Company has complied in full with all its externally imposed capital requirements over the reported period.



Loan covenants

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets the financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breach in meeting these financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any borrowing in the current period. Loan covenants include CRAR of 25% (Previous year 25%), ratio of total outstanding liability to total net worth to be less than or equal to 6 times (previous year 6 times) etc.

35 Fair value measurement

35.1 Financial instruments by category

Particulars	Category	(Amount in Rs. 'Lacs')	
		As at 31 March 2026	As at 31 March 2025
Financial assets:			
Cash and cash equivalents	Amortised Cost	14,792.29	5,938.17
Bank balance other than cash and cash equivalents	Amortised Cost	2,313.74	2,625.34
Loans	Amortised Cost	269,293.13	224,282.46
Other financial assets	Amortised Cost	1,084.13	383.44
Total financial assets		287,483.29	233,229.41
Financial liabilities:			
Trade payables	Amortised Cost	775.07	384.92
Borrowings (other than debt securities)	Amortised Cost	240,093.19	192,642.58
Subordinated Liabilities	Amortised Cost	3,016.95	3,017.01
Lease Liabilities	Amortised Cost	1,251.19	390.19
Other financial liabilities (excluding lease liabilities)	Amortised Cost	954.43	4.27
Total financial liabilities		246,090.83	196,438.97

35.2 Fair value hierarchy

The fair values of the financial assets and liabilities are included at the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the Indian Accounting standard. These three levels are defined based on the observability of significant inputs to the measurement, as follows.

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. For example, listed equity instruments that have quoted market price.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data 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.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities, contingent consideration and indemnification asset included in level 3.

35.3 Financial assets and liabilities measured at amortised cost at each reporting date

The carrying value of cash and cash equivalents, other bank balances, other financial assets, trade payables and other payables and other financial liabilities are considered to be approximately equal to the fair value due to their short term maturities.

Particulars	(Amount in Rs. 'Lacs')			
	As at 31 March 2026		As at 31 March 2025	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Financial assets measured at amortised				
Cash and cash equivalent	14,792.29	14,792.29	5,938.17	5,938.17
equivalents	2,313.74	2,313.74	2,625.34	2,625.34
Loans	269,293.13	270,417.23	224,282.46	225,784.62
Other financial assets	1,084.13	1,084.13	383.44	383.44
Total financial assets	287,483.29	288,607.39	233,229.41	234,731.57
Financial liabilities:				
Trade payables	775.07	775.07	384.92	384.92
Borrowings (other than debt securities)	240,093.19	240,620.02	192,419.53	192,835.80
Subordinated Liabilities	3,016.95	3,048.55	3,000.00	3,058.46
Lease Liabilities	1,251.19	1,251.19	390.19	390.19
liabilities)	954.43	954.43	244.33	244.33
Total financial liabilities	246,090.83	246,649.26	196,438.97	196,913.69

i) Loans - All the loans given are at variable rate of interest and hence, the fair value of floating rate loans are deemed to be equivalent to the carrying value.

ii) Borrowings - In case of floating rate borrowings its fair value are deemed to be equivalent to the carrying value adjusted with un-amortize transaction cost. In case of fixed rate borrowings the fair value are considered equivalent to the carrying value as there is no material difference in interest rates.

iii) Subordinated Liabilities - The fair value of subordinated Liabilities are determined by discounting expected future contractual cash flows using current market interest rates charged for similar new loans (Level 3 inputs).

35.4 Assignment Transaction:

The Company has sold some loans and advances measured at amortised cost as per assignment deals, as a source of finance. As per the terms of deal and since the derecognition criteria as per Ind AS 109, including transaction of substantially all the risks and rewards relating to assets being transferred to the buyer being met, the management has evaluated the impact of the assignment transactions done during the year for its business model. Based on the future business plan, the company business model remains to hold the assets for collecting contractual cash flows.

The table below summarises the carrying amount of the derecognised financial assets measured at amortised cost and the gain/(loss) on derecognised assets :-

Particulars	As at	As at
	31 March 2026	31 March 2025
Carrying amount of derecognised financial	2,277.88	-
Gain/(loss) for the year	557.26	-

Since the Company transferred the above financial asset in a way 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.



36 Financial risk management

Risk Management

The Company is exposed to certain financial risks namely credit risk, liquidity risk and market risk i.e. interest risk, foreign currency risk and price risk. The Company's primary focus is to achieve better predictability of financial markets and minimize potential adverse effects on its financial performance by effectively managing the risks on its financial assets and liabilities.

The Principal objective in Company's risk management processes is to measure and monitor the various risks associated with the Company's and to follow policies and procedures to address such risks. The Company's risk management framework is driven by its Board and its sub-committees including the Audit Committee, the Asset Liability Management Committee and the Risk Management Committee. The Company gives due importance to prudent lending practices and have implemented suitable measures for risk mitigation, which include verification of credit history from credit information bureaus, personal verification of a customer's business and residence, valuation of collateral, technical and legal verifications, conservative loan to value, and required term cover for insurance.

A Liquidity risk

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations on time or at a reasonable price. For the Company, liquidity risk arises from obligations on account of financial liabilities –debt securities, borrowing, trade payables and other financial liabilities. The Company manages liquidity risk by maintaining adequate cash reserves by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

The tables below summarises the maturity profile of the undiscounted cash flows of the Company's financial liabilities:

As at 31 March 2026

(Amount in Rs. 'Lacs')

	Within 1 year	1 - 5 years	5 - 10 years	Beyond 10 years	Total
Trade payables	775.07	-	-	-	775.07
Borrowings (other than debt securities)*	81,240.55	189,601.56	13,959.57	-	284,801.68
Subordinated Liabilities*	285.00	3,278.23	-	-	3,563.23
Lease liabilities*	179.11	261.47	-	-	440.58
Other financial liabilities	943.47	-	-	-	943.47
Total	83,423.20	193,141.26	13,959.57	-	290,524.03

*Includes interest payment for future period

As at 31 March 2025

(Amount in Rs. 'Lacs')

	Within 1 year	1 - 5 years	5 - 10 years	Beyond 10 years	Total
Trade payables	41.13	-	-	-	41.13
Other payables	343.79	-	-	-	343.79
Borrowings (other than debt securities)*	67,364.20	152,692.60	11,887.21	-	231,944.01
Subordinated Liabilities*	285.00	3,563.23	-	-	3,848.23
Lease liabilities	179.11	261.47	-	-	440.58
Other financial liabilities	240.06	-	-	-	240.06
Total	68,453.29	156,517.30	11,887.21	-	236,857.80

*Includes interest payment for future period

B Market risk

(i) **Foreign currency risk**

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign currency rates. The Company is not exposed to foreign currency exposure.

(ii) **Interest rate risk**

The Company is subject to interest rate risk, since the rates of loans and borrowing might fluctuate over the tenure of instrument. Interest rates are highly sensitive to many factors beyond control, including the monetary policies of the Reserve Bank of India, deregulation of the financial sector in India, domestic and international economic and political conditions, inflation and other factors. In order to manage interest rate risk, the Company seek to optimize borrowing profile between short-term and long-term loans. The liabilities are categorized into various time buckets based on their maturities and Asset Liability Management Committee supervise an interest rate sensitivity report periodically for assessment of interest rate risks. Loans given to customers are at floating rate of interest.

Details of loans and borrowings

(Amount in Rs. 'Lacs')

Particulars	As at 31 March 2026	As at 31 March 2025
Loans (variable)	269,293.13	224,282.46
Total loans (variable)	269,293.13	224,282.46
Borrowings, debt securities and subordinate Liabilities		
Borrowings (variable)	227,816.96	175,089.45
Borrowings (Fixed)	12,276.22	17,330.08
Debt securities and subordinate Liabilities (fixed rate)	3,016.95	3,000.00
Total borrowings	243,110.13	195,419.53



Sensitivity analysis

The following table demonstrates the sensitivity to a reasonably possible change in interest rates (all other variables being constant) of the Company's Statement of profit and loss:

Interest rate sensitivity*	(Amount in Rs. 'Lacs')	
	Impact on profit before tax	
	Year ended 31 March 2026	Year ended 31 March 2025
Loans		
Increase by 50 basis points	1,346.47	1,121.41
Decrease by 50 basis points	(1,346.47)	(1,121.41)
Borrowings		
Increase by 50 basis points	(1,139.08)	(875.45)
Decrease by 50 basis points	1,139.08	875.45

* Holding all other variables as constant

(iii) Price risk

Exposure

The Company's exposure price risk arises from investments held and classified in the balance sheet either as fair value through other comprehensive income or at fair value through profit and loss. To manage the price risk arising from investments, the Company diversifies its portfolio of assets. The Company do not have any investment as on balancesheet date either at fair value through other comprehensive income or at fair value through profit and loss.

C Credit risk

Credit risk is the risk that the Company will incur a loss because its customers or counterparties fail to discharge their contractual obligations. The Company's exposure to credit risk is influenced mainly by cash and cash equivalents, other bank balances, investments, loan assets and other financial assets. The Company continuously monitors defaults of customers and other counterparties and incorporates this information into its credit risk controls.

Credit risk management

Credit quality of assets

Credit risk is the single largest risk for the Company's business. Management therefore carefully manages its exposure to credit risk. A centralised risk management function oversees the risk management framework, which periodically presents an overview of credit risk of portfolio to the Risk Management Committee.

Credit-worthiness is checked and documented prior to signing any contracts, based on market information. Management endeavours to improve its underwriting standards to reduce the credit risk the Company is exposed to from time to time.

Expected Credit loss (ECL):

Credit Quality of Loans assets:

The following table sets out information about credit quality of loans measured at amortised cost based on days past due information. The amount represents gross carrying amount.

	(Amount in Rs. 'Lacs')	
	As at 31-03-2026	As at 31-03-2025
Gross carrying value		
Stage 1	256,752.78	212,696.16
Stage 2	8,566.84	7,629.32
Stage 3	6,987.68	6,556.83
Total Gross carrying value as at reporting date	272,307.30	226,882.31

Management of credit risk for financial assets

Cash and cash equivalents and bank deposits

Credit risk related to cash and cash equivalents and bank deposits is managed by only accepting highly rated deposits from banks and financial institutions across the country.

Other financial assets measured at amortized cost

Other financial assets measured at amortised cost includes loans and advances to employees security deposits insurance claim receivables and other recoverable. Credit risk related to these other financial assets is managed by monitoring the recoverability of such amounts continuously.

Loans

The Company closely monitors the credit-worthiness of the borrower's through internal systems and appraisal process to assess the credit risk and define credit limits of borrower thereby limiting the credit risk by setting limits on the amount of risk it is willing to accept for individual counterparties. These processes include a detailed appraisal methodology identification of risks and suitable structuring and credit risk mitigation measures. The Company assesses increase in credit risk on an ongoing basis for amounts loan receivables that become past due and default is considered to have occurred when amounts receivable become 90 days past due.

Collective assessment of ECL

Since the Company is into retail lending business to rural and semi-urban areas which are are greater in number but lesser in value, there is no significant credit risk of any individual customer that may impact Company adversely, and hence the Company has calculated its ECL allowances on a collective basis. ECL assessment has been done on an individual basis on the Company's insignificant exposure on corporate and builder loans.

Inputs considered in the ECL model

Definition of default

The Company considers a financial instrument as defaulted and considers it as Stage 3 (credit-impaired) for expected credit loss (ECL) calculations, when the assets become more than 90 days past due on its contractual payments and these assets continue to be classified as Stage 3 till the entire overdues are received, in accordance with the RBI guidelines and the ECL Policy.

Exposure at default (EAD)

The EAD represents expected outstanding exposure subject to credit risk at the period/date, when default is considered. The Company does cash flow mapping based on contractual maturity for loans in Stage II, using the exposure at default in future years and the probability of default estimation based on macro variables. For stage I and stage III, as an approximation balance sheet outstanding is used.

Loss given default (LGD)

It is defined as the percentage risk of exposure that is not expected to be recovered in the event of default. Based on an analysis of historical data, the Company has estimated the loss given default, using historical recovery experience, potential sale proceed and recovery cost. This is referred to as the workout method. Such recoveries are discounted using interest rate of the loans.



Probability of Default (PD)

"Probability of default" (PD) is defined as the probability of whether the borrowers will default on their obligations in the future. For assets which are in Stage 1, a 12-month PD is required. For Stage 2 asset's a lifetime PD is required while Stage 3 assets are considered to have a 100% PD. Historical DPD data is utilized to calculate through the cycle PD. PD analysis tracks the migration behaviour of a static pool of loans active at the end of each year across different buckets- Current, 1-29 DPD, 30-59 DPD, 60-89 DPD, 90+ DPD for the 12 month and lifetime period.

Forward looking information

Forward looking information is incorporated in the measurement of probability of default and consequently in measurement of ECL. The Vasicek model is used for converting the TTC (Through-the-Cycle) PD into FC (Forecast) PD. The model calculates an AC (Asset Correlation) factor and converts the probability using the macro-economic variable selected which is GDP growth rate. Based on the consideration of a variety of external actual and forecast information, the Company forms a 'base case' view of the future direction of GDP growth rate as well as a representative range of other possible forecast scenarios. This process involves developing two or more additional economic scenarios and considering the relative probabilities of each outcome. The base case represents a most likely outcome while the other scenarios

Significant increase in credit risk

An assessment of whether credit risk has increased significantly since initial recognition is performed at each reporting period by considering the change in the risk of default occurring over the remaining life of the loan exposure. However, unless identified at an earlier stage, the Company have determined all assets are deemed to have suffered a significant increase in credit risk when 30 days past due.

The Company have also conducted a qualitative assessment of significant increase in credit risk (SICR) of the loan portfolio based on analysis of percentage increase in probability of default.

Policy for write off of Loan Assets

The gross carrying amount of a financial asset is written off when there is no realistic prospect of further recovery. This is generally the case when the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities under the Company's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in Statement of Profit or Loss.

Collateral

The Company holds collateral to mitigate credit risk associated with financial assets. The main types of collateral include residential properties. The collateral relates to instruments (loans) that are measured at amortised cost.

Credit Risk exposure

i) Expected credit losses for financial assets other than loans

(Amount in Rs. 'Lacs')			
As at 31 March 2026	Estimated gross carrying amt at default	Expected credit losses	Carrying amount net of impairment provision
Cash and cash equivalents	14,792.29	-	14,792.29
Bank balances other than cash and cash equivalents	2,313.74	-	2,313.74
Security deposits	270.65	-	270.65
Other financial assets	772.47	-	772.47

As at 31 March 2025	Estimated gross carrying amt at default	Expected credit losses	Carrying amount net of impairment provision
Cash and cash equivalent	5,938.17	-	5,938.17
Bank balances other than cash and cash equivalents	2,625.34	-	2,625.34
Security deposits	245.54	-	245.54
Other financial assets	96.82	-	96.82

ii) Expected credit loss for loans

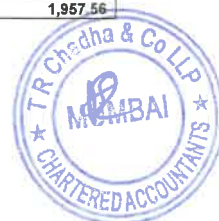
Changes in the gross carrying amount and the corresponding ECL allowances in relation to loans from beginning to end of reporting period:

Particulars	(Amount in Rs. 'Lacs')		
	Stage 1	Stage 2	Stage 3
Gross carrying amount as at April 1 2024	193,773.91	4,806.68	4,257.46
Assets originated	56,585.41	223.27	37.61
Net transfer between stages			
Transfer to stage 1	1,130.61	(974.80)	(155.81)
Transfer to stage 2	(5,524.22)	5,557.37	(33.15)
Transfer to stage 3	(2,248.46)	(1,111.80)	3,360.26
Assets derecognised or collected (including write offs)	(31,021.09)	(871.40)	(909.54)
Gross carrying amount as at March 31 2025	212,696.16	7,629.32	6,556.83
Assets originated	85,255.73	141.23	36.15
Net transfer between stages			
Transfer to stage 1	2,418.29	(2,136.40)	(281.89)
Transfer to stage 2	(5,100.78)	5,181.16	(80.38)
Transfer to stage 3	(1,815.83)	(1,228.38)	3,044.21
Assets derecognised or collected (including write offs)	(36,700.79)	(1,020.09)	(2,287.24)
Gross carrying amount as at March 31 2026	256,752.78	8,566.84	6,987.68

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

Particulars	Stage 1	Stage 2	Stage 3*
	Loss allowance as on April 1 2024	344.74	226.74
Assets originated	140.36	319.38	975.95
Net transfer between stages			
Transfer to stage 1	87.65	(46.22)	(41.43)
Transfer to stage 2	(23.85)	32.70	(8.85)
Transfer to stage 3	(7.13)	(56.39)	63.52
Assets derecognised or collected (including write offs)	(143.64)	(46.48)	(244.65)
Loss allowance as on March 31 2025	398.13	429.73	1,771.99
Assets originated	264.23	292.46	844.48
Net transfer between stages			
Transfer to stage 1	186.05	(112.40)	(73.65)
Transfer to stage 2	(286.35)	307.33	(20.98)
Transfer to stage 3	(7.00)	(78.91)	85.91
Assets derecognised or collected (including write offs)	17.39	(354.05)	(650.19)
Loss allowance as on March 31 2026	572.45	484.16	1,957.56

* loan accounts in stage 3 as on 31 March 2026 (1234 as on 31 March 2025).



Concentration of loans

The Company monitors concentration of credit risk on the basis of housing/Non housing in which the borrower operates;

Concentration by type of loan	As at 31 March 2026	As at 31 March 2025
Housing	201,434.83	187,248.01
Non housing	70,828.38	39,565.35
Gross carrying Amount	272,263.21	226,813.36

37 Retirement benefit plans

(A) Defined benefit obligation

The Company has the following defined benefits plans:

The Company has a defined benefit gratuity plan. Every employee who has completed five years of service is eligible for a gratuity on separation at 15 days basic salary (last drawn salary) for each completed year of service. The scheme is funded with the insurance companies in the form of qualifying insurance policy.

During the year 2023-24 the Company created "Svatantra Micro Housing Finance Corporation Limited Employees' Group Gratuity Fund". The Trust is recognised by income tax authorities and administered through trustees. Contributions to the Trust are invested in a scheme with a insurance Company as permitted by law in India.

The following tables summaries 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. Through its defined benefit plans, the Company is exposed to a number of risks, the most significant of which are detailed below:

1. Actuarial Risk:

It is the risk that benefits will cost more than expected. This can arise due to one of the following reasons:

Adverse Salary Growth Experience: Salary hikes that are higher than the assumed salary escalation will result into an increase in Obligation at a rate that is higher than expected. **Variability in withdrawal rates:** If actual withdrawal rates are higher than assumed withdrawal rate assumption than 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.

2. Investment Risk:

For funded plans that rely on insurers for managing the assets, the value of assets certified by the insurer may not be the fair value of instruments backing the liability. In such cases, the present value of the assets is independent of the future discount rate. This can result in wide fluctuations in the net liability or the funded status if there are significant changes in the discount rate during the inter-valuation period.

3. Liquidity Risk:

Employees with high salaries and long durations or those higher in hierarchy, accumulate significant level of benefits. If some of such employees resign/retire from the company there can be strain on the cashflows.

4. Market Risk:

Market risk is a collective term for risks that are related to the changes and fluctuations of the financial markets. One actuarial assumption that has a material effect is the discount rate. The discount rate reflects the time value of money. An increase in discount rate leads to decrease in Defined Benefit Obligation of the plan benefits & vice versa. This assumption depends on the yields on the corporate/government bonds and hence the valuation of liability is exposed to fluctuations in the yields as at the valuation date.

5. Legislative Risk:

Legislative risk is the risk of increase in the plan liabilities or reduction in the plan assets due to change in the legislation/regulation. The government may amend the Payment of Gratuity Act thus requiring the companies to pay higher benefits to the employees. This will directly affect the present value of the Defined Benefit Obligation and the same will have to be recognized immediately in the year when any such amendment is effective.

As per Ind AS-19 'Employee Benefits', the disclosure of Employee benefits as defined in the Standard are given below:

In accordance with Indian Accounting Standard 19, actuarial valuation was done in respect of the aforesaid defined benefit plan of gratuity based on the following assumptions:

37.1 Particulars	As at 31 March 2026	As at 31 March 2025
Actuarial assumptions		
Mortality rate	Indian Assured Lives(2012-14) Ultimate Mortality Rates	Indian Assured Lives(2012-14) Ultimate Mortality Rates
Discount rate (per annum)	7.82%	6.93%
Rate of salary increase	7.50%	7.50%
Withdrawal (Rate of employee turnover) for below age group		
25 & Below	50.00%	1.00%
26 to 35	35.00%	1.00%
36 to 45	25.00%	1.00%
46 to 55	15.00%	1.00%
56 & above	5.00%	1.00%

37.2 Particulars	(Amount in Rs. 'Lacs')	
	For the year ended 31 March 2026	For the year ended 31 March 2025
Changes in the present value of defined benefit obligation		
Present value of obligation at the beginning of the year	422.85	303.73
Interest expense	29.30	21.90
Current service cost	146.83	112.59
Past service cost	103.00	-
(Benefit Paid From the Fund)	-	-
(Benefit paid directly by the employer)	(37.16)	(11.97)
Actuarial (gains) / losses on obligations - due to change in demographic assumptions	(200.67)	-
Actuarial (gains) / losses on obligations - due to change in financial assumptions	(16.44)	20.38
Actuarial (gains) / losses on obligations - due to experience	61.56	(23.78)
Present value of obligation at the end of the year	509.27	422.85



37.3 Change in fair value of plan assets:

Particulars	For the year ended 31 March 2026	For the year ended 31 March 2025
Plan assets at the beginning of the year	327.45	209.42
Interest Income	22.69	15.10
Expected return on plan assets	-	-
Actual company contributions	200.00	100.00
Benefits paid	-	-
Actuarial Gain/(Loss) on Plan Assets	-	-
Return on Plan Assets Excluding Interest Income	4.57	2.93
Plan assets at the end of the year	554.71	327.45

(Amount in Rs. 'Lacs')

Particulars	As at 31 March	As at 31 March 2025
Assets and liabilities recognised in the balance sheet		
Present value of the defined benefit obligation at the end of the year	(509.27)	(422.85)
Fair value of plan assets	554.71	327.45
Net (liability) / asset recognised in the balance sheet	45.44	(95.40)

*Gratuity Provision is in excess of Fair Value of Assets as on March 31, 2025 as disclosed under "Note 24 - Provisions" is after netting off amount paid to trust

37.5 Expenses recognised in the Statement of Profit and Loss

(Amount in Rs. 'Lacs')

Particulars	For the year ended 31 March 2026	For the year ended 31 March 2025
Current service cost	146.83	112.59
Past service cost	103.00	-
Net interest (income)/ expense	6.61	6.80
Net gratuity cost recognised in the current year	256.45	119.39

37.6 Expenses recognised in the statement of Other comprehensive income (OCI)

(Amount in Rs. 'Lacs')

Particulars	For the year ended 31 March 2026	For the year ended 31 March 2025
Actuarial loss/(gain) due to change in financial assumptions	(16.44)	20.38
Actuarial loss/ (gain) due to experience adjustments	61.56	(23.78)
Actuarial (gains) / losses due to change in demographic assumptions	(200.67)	-
Return on Plan Assets, Excluding Interest Income	4.57	2.93
Total remeasurement cost for the year recognised in OCI	(160.12)	(6.33)



37.7 Reconciliation of net asset / (liability) recognised:

Particulars	(Amount in Rs. 'Lacs')	
	For the year ended 31 March 2026	For the year ended 31 March 2025
Opening Net Liability	95.38	94.30
Expenses recognised at the end of period	256.45	119.39
Amount recognised in other comprehensive income	(160.12)	(6.33)
Net Liability / (Asset) Transfer In	-	-
Net (Liability) / Asset Transfer Out	-	-
Benefit paid	(37.16)	(11.97)
Employer's Contribution	200.00	100.00
Net Liability/(Asset) Recognized in the Balance Sheet	(45.45)	95.38

37.8 The Company intends to contribute to the trust the amount as per the actuarial valuation in the next year The major categories of plan assets as a percentage of fair value of total plan assets are as follows:

Particulars	For the year ended 31 March 2026	For the year ended 31 March 2025
Investment with insurer	100%	100%

37.9 Sensitivity Analysis:

Particulars	(Amount in Rs. 'Lacs')	
	For the year ended 31 March 2026	For the year ended 31 March 2025
Delta effect of +1% change in rate of discounting	(492.11)	(355.56)
Delta effect of -1% change in rate of discounting	527.81	507.17
Delta effect of +1% change in rate of salary increase	527.69	505.81
Delta effect of -1% change in rate of salary increase	(491.91)	(355.32)

37.10 Maturity analysis of projected benefit obligation

Year	(Amount in Rs. 'Lacs')	
	For the year ended 31 March 2026	For the year ended 31 March 2025
1 year	122.91	25.17
Sum of years 2 to 5	306.10	18.80
Sum of years 6 to 10	166.71	65.32

37.11 Compensated Absences

Particulars	For the year ended 31 March 2026	For the year ended 31 March 2025
	Actuarial assumptions	
Mortality rate	Indian Assured Lives(2012-14) Ultimate Mortality Rates	Indian Assured Lives(2012-14) Ultimate Mortality Rates
Discount rate (per annum)	7.82%	6.93%
Rate of salary increase	7.50%	7.50%
Withdrawal (Rate of employee turnover) for below age group		
25 & Below	50.00%	1.00%
26 to 35	35.00%	1.00%
36 to 45	25.00%	1.00%
46 to 55	15.00%	1.00%
56 & above	5.00%	1.00%

37.12 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 consolidating 29 labour laws. The Company has assessed the incremental impact of the changes considering revised salary structure effective from 1st April 2026. The Company continues to monitor the finalisation of Central/State Rules and clarifications from Government on other aspects of the Labour Code and would provide appropriate accounting effect on the basis of such developments as needed.

(B) Defined contribution plan

The Company contributes towards provident fund for employees which is the defined contribution plan for qualifying employees. Under this Scheme, the Company is required to contribute specified percentage of the payroll cost to fund the benefits. The Company has recognised Rs.511.57 Lacs and Rs.314.34 Lacs towards provident fund contributions in the Statement of Profit and Loss for the year ended 31 March 2026 and 31 March 2025, respectively.



38 Leases

Company as lessee

The Company's leased assets primarily consist of leases for office premises & guest houses. Leases of office premises and guest houses generally have lease term between 1 to 5 years. The Company has applied short term exemption for leases for premises accordingly are excluded from Ind AS 116.

- (i) Set out below are the carrying amounts of right-of-use assets recognised and the movements during the period:

(Amount in Rs. 'Lacs')	
Particulars	Total
As at 1 April 2024	428.68
Additions	154.51
Deletion during the year	-
Depreciation expenses for the year	(169.72)
As at March 31, 2025	413.47
Additions	1,190.01
Deletion during the year	(15.38)
Depreciation expenses for the year	(367.56)
As at March 31, 2026	1,220.54

- (ii) Set out below are the carrying amounts of lease liabilities (included under interest-bearing loans and borrowings) and the movements during the period:

(Amount in Rs. 'Lacs')	
Particulars	Total
As at 1 April 2024	44,541,035.34
Additions	97.95
Accretion of interest	39.52
Deduction	-
Payment	(192.69)
As at March 31, 2025	390.19
Additions	1,188.88
Accretion of interest	110.15
Deduction	(16.48)
Payment	(421.55)
As at March 31, 2026	1,251.19

The maturity analysis of lease liabilities are disclosed in Note 38.

The effective interest rate for lease liabilities is 11%, with maturity between 2021-2025 and 8.58% for leases recognised during the year ended 31 March 2026

- (iii) The following are the amounts recognised in profit or loss:

(Amount in Rs. 'Lacs')		
Particulars	For the year ended 31 March 2026	For the year ended 31 March 2025
Depreciation expense of right-of-use assets	367.56	169.72
Finance cost on lease liabilities	110.15	39.52
*Expense relating to short-term leases (included in other expenses)	176.17	37.08
Expense relating to leases of low-value assets (included in other expenses)	-	-
Variable lease payments (if any) included in other expenses	-	-

* These leases are excluded from lease accounting under IndAS 116

The Company had total cash outflows for leases of Rs. 535.28 Lacs in FY 2025-26 (Rs.229.77 Lacs in FY 2024-25).

39 Segment information

39.1 Business segment

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker (CODM). The CODM regularly monitors and reviews the operating result of the whole Company as one segment of "Financing". Thus, as defined in Ind AS 108 "Operating Segments", the Company's entire business falls under this one operational segment.

During the year the Company has started the activities as Corporate Agent (Composite) for providing insurance solutions.

39.2 No revenue from transactions with a single external customer or counterparty amounted to 10% or more of the Company's total revenue in year ended 31 March 2026 and

The Company operates in single geography i.e. India and therefore, geographical information is not required to be disclosed separately.

40 Contingent liabilities and commitments

I. Contingent Liabilities: Rs. 99.71 Lacs* (as at March 31, 2025 Rs. 99.71 Lacs)

II. Undrawn Commitment given to Borrowers: Rs. 21,051.06 Lacs (as at March 31, 2025 Rs.11,847.44 Lacs)

III. Bank guarantee issued by Banks favoring the NHB for refinance facilities: Rs. 2,175 Lacs (as at March 31, 2025 Rs. 2,175 Lacs)

* Includes disputed income tax demand against which the Company has preferred an appeal before Commissioner of Income Tax (Appeals) of Rs. 99.71 Lacs (as at March 31, 2025 Rs. 99.71 Lacs)



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Notes to the financial statements for the year ended 31 March 2026

41 Principal Business Criteria

Principal business criteria RBI vide its circular Number RBI/2020-21/60/DOR/NBFC (HFC) CC No 118/03.10.136/2020-21 dated October 22, 2020 has defined Principal Business Criteria for HFCs. Details of principal business criteria as on March 31, 2026 is as follows.

Particulars	As at 31 March 2026	As at 31 March 2025
% of total asset towards housing finance	68.63%	78.95%
% of total asset towards housing finance for individuals	68.46%	78.50%
Total		

42 Following disclosures as required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006 has been made to the extent information available with the Company :

Particulars	Amount in Rs. 'Lacs'	
	As at 31 March 2026	As at 31 March 2025
(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year	-	-
(ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	-	-
(iii) The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprise Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year.	-	-
(iv) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro, Small and Medium Enterprise Development Act, 2006.	-	-
(v) The amount of interest accrued and remaining unpaid at the end of each accounting year; and	-	-
(vi) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the Micro, Small and Medium Enterprise Development Act, 2006	-	-



43 Corporate social responsibility (CSR) expenditure

As per Section 135 of the Companies Act, 2013, a CSR committee has been formed by the Company. The areas for CSR activities are eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation and making available safe drinking water, promoting education, promoting gender equality, empowering women and ensuring environmental sustainability.

43.1 Amount spent during the year on:

(Amount in Rs. 'Lacs')

Particulars	As at 31-03-2026			As at 31-03-2025		
	Amount spent	Amount unpaid/ provision	Total	Amount spent	Amount unpaid/ provision	Total
Construction /acquisition of any asset	-	-	-	-	-	-
On purpose other than above	24.18	44.90	69.08	35.11	15.09	50.20

43.2 In case of Section 135(5) unspent amount:

(Amount in Rs. 'Lacs')

Opening Balance	Amount deposited in Specified Fund of Sch. VII within 6 months	Amount required to be spent during the year	Amount spent during the year	Closing Balance
20.08	Not Applicable	69.08	36.26	52.90

43.3 In case of Section 135(5) excess amount spent

Opening Balance	Amount required to be spent during the year	Amount spent during the year	Closing Balance
Not Applicable			

43.4 In case of Section 135(6) details of ongoing projects

(Amount in Rs. 'Lacs')

Opening Balance		Amount required to be spent during the year	Amount spent during the year		Closing Balance	
With Company	In Separate CSR unspent Account		From Company's Bank Account	In Separate CSR unspent Account	With Company	In Separate CSR unspent Account
15.08	5.00	69.08	24.18	12.08	44.88	8.02

Note: Rs 45 lacs available with the Company as of 31 March 2026 has been transferred to the unspent CSR account on. 23 April 2026

43.5

(Amount in Rs. 'Lacs')

Nature of Expense on Corporate social responsibility	Year ended 31 March 2026	Year ended 31 March 2025
Employment enhancing vocational skill and livelihood enhancement	-	8.17
Disaster management, including relief, rehabilitation and reconstruction activities	-	5.75
Promoting preventive health care and sanitation	10.70	7.50
Promoting education	12.00	7.50
Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water"	1.48	0.19
Enhancing vocational skill among differently abled children	-	6.00
Total	24.18	35.11



44 Maturity analysis of assets and liabilities

Assets	As at 31 March 2026			As at 31 March 2025		
	Within 1 year	After 1 year	Total	Within 1 year	After 1 year	Total
Financial assets						
Cash and cash equivalents	14,792.29	-	14,792.29	5,938.17	-	5,938.17
Bank balances other than cash and cash equivalents	15.23	2,298.51	2,313.74	-	2,625.34	2,625.34
Loans	17,963.34	251,329.79	269,293.13	14,214.26	210,068.20	224,282.46
Other financial assets	508.51	575.62	1,084.13	241.30	142.14	383.44
Non financial assets						
Current tax assets (net)	288.03	-	288.03	147.90	-	147.90
Deferred tax assets (net)	-	949.26	949.26	-	1,000.46	1,000.46
Investment property	-	2.51	2.51	-	2.51	2.51
Property, plant and equipment	-	828.98	828.98	-	411.59	411.59
Intangible assets under development	-	48.72	48.72	-	2.58	2.58
Right of use asset	-	1,220.54	1,220.54	-	413.47	413.47
Other intangible assets	-	30.01	30.01	-	13.34	13.34
Other non financial assets	691.53	-	691.53	344.34	-	344.34
Total assets	34,258.93	257,283.94	291,542.87	20,885.97	214,679.63	235,565.60
Liabilities						
Financial liabilities						
Trade payables						
- Total outstanding dues of micro enterprises and small enterprises	52.96	-	52.96	18.46	-	18.46
- Total outstanding dues of creditors other than micro enterprises and small enterprises	722.11	-	722.11	366.46	-	366.46
Borrowings	64,048.30	176,044.89	240,093.19	52,800.27	139,619.26	192,419.53
Subordinated Liabilities	-	3,016.95	3,016.95	-	3,000.00	3,000.00
Other financial liabilities	1,235.12	970.50	2,205.62	346.51	288.01	634.52
Non financial liabilities						
Provisions	103.10	198.53	301.63	106.66	139.99	246.65
Other non financial liabilities	419.93	-	419.93	276.41	-	276.41
Total liabilities	66,581.52	180,230.87	246,812.39	53,914.77	143,047.26	196,962.03
Net Equity	(32,322.59)	77,053.07	44,730.48	(33,028.80)	71,632.37	38,603.57

Note: The Company has undrawn facilities amounting to Rs 16,100 Lacs as at 31st March 2026 (Rs 34,250 Lacs as at 31st March 2025).



45 Comparison between IRACP and impairment allowamnce made under IND AS 109 as at 31 March 2026

(Amount is in Rs. 'Lacs')

Asset Classification as per RBI Norms	Asset classification as per Ind AS 109	Gross Carrying Amount as per Ind AS	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provisions required as per IRACP norms*	Difference between Ind AS 109 provisions and IRACP norms
Performing assets						
	Stage 1	256,752.78	572.45	256,180.32	932.52	360.07
	Stage 2	8,566.84	484.16	8,082.69	54.56	(429.60)
Subtotal		265,319.62	1,056.61	264,263.01	987.08	(69.53)
Non performing assets						
Substandard	Stage 3	3,084.60	833.46	2,251.14	464.67	(368.79)
Doubtful - upto 1 year	Stage 3	1,693.09	403.52	1,289.57	425.03	21.51
1 to 3 years	Stage 3	1,611.24	544.07	1,067.17	648.10	104.03
More than 3 years	Stage 3	598.75	176.51	422.25	633.71	457.20
Subtotal of doubtful		3,903.08	1,124.10	2,778.99	1,706.84	213.95
Loss	Stage 3	-	-	-	-	-
Subtotal of NPA		6,987.68	1,957.56	5,030.13	2,171.51	213.95
Total	Stage 1	256,752.78	572.45	256,180.32	932.52	360.07
	Stage 2	8,566.84	484.16	8,082.69	54.56	(429.60)
	Stage 3	6,987.68	1,957.56	5,030.13	2,171.51	213.95
	Total	272,307.30	3,014.17	269,293.14	3,158.59	144.42

* Including additional provision as per RBI guidelines

Comparison between IRACP and impairment allowance made under IND AS 109 as on 31 March 2025

(Amount is in Rs. 'Lacs')

Asset Classification as per RBI Norms	Asset classification as per Ind AS 109	Gross Carrying Amount as per Ind AS	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provisions required as per IRACP norms*	Difference between Ind AS 109 provisions and IRACP norms
Performing assets						
	Stage 1	212,696.16	398.13	212,298.03	798.84	(400.71)
	Stage 2	7,629.32	429.73	7,199.59	82.61	347.12
Subtotal		220,325.48	827.86	219,497.62	881.45	(53.59)
Non performing assets						
Substandard	Stage 3	3,516.84	947.46	2,569.38	530.47	416.99
Doubtful - upto 1 year	Stage 3	1,705.55	476.04	1,229.51	428.91	47.13
1 to 3 years	Stage 3	903.63	235.84	667.79	369.55	(133.71)
More than 3 years	Stage 3	430.81	112.65	318.16	454.23	(341.58)
Subtotal of doubtful		3,039.99	824.53	2,215.46	1,252.69	(11.17)
Loss	Stage 3	-	-	-	-	-
Subtotal of NPA		6,556.83	1,771.99	4,784.84	1,783.16	(11.17)
Total	Stage 1	212,696.16	398.13	212,298.03	798.84	(400.71)
	Stage 2	7,629.32	429.73	7,199.59	82.61	347.12
	Stage 3	6,556.83	1,771.99	4,784.84	1,783.16	(11.17)
	Total	226,882.31	2,599.85	224,282.46	2,664.61	(64.76)

* Including additional provision as per RBI guidelines



46.1 Significant management judgement in applying accounting policies and estimation uncertainty

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the related disclosures. Actual results may differ from these estimates.

The Management believes that these estimates are prudent and reasonable and are based upon the Management's best knowledge of current events and actions. Actual results could differ from these estimates and differences between actual results and estimates are recognised in the periods in which the results are known.

This note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed.

Recognition of deferred tax assets

The extent to which deferred tax assets can be recognised is based on an assessment of the probability of the future taxable income against which the deferred tax assets can be utilised.

46.2 Business model assessment

The Company determines the business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. Based on this assessment of current conditions and future business plans of the Company, the management has measured its financial assets at amortised cost as the asset is held within a business model whose objective is to collect contractual cash flows, and the contractual terms of the financial asset give rise to cash flows that are solely payments of principal and interest (the 'SPPI criterion'). This assessment includes judgement reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed and how the managers of the assets are compensated. The Company monitors financial assets measured at amortised cost or fair value through other comprehensive income that are derecognised prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held. Monitoring is part of the Company's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of those assets.

Evaluation of indicators for impairment of assets

The evaluation of applicability of indicators of impairment of assets requires assessment of several external and internal factors which could result in deterioration of recoverable amount of the assets.

Expected credit loss ('ECL')

The measurement of expected credit loss allowance for financial assets measured at amortised cost requires use of complex models and significant assumptions about future economic conditions and credit behavior (e.g. likelihood of customers defaulting and resulting losses). The Company makes significant judgements with regard to the following while assessing expected credit loss:

Determining criteria for significant increase in credit risk;

Establishing the number and relative weightings of forward-looking scenarios for each type of product/market and the associated ECL; and

Establishing groups of similar financial assets for the purposes of measuring ECL.

Development of ECL model, including the various formulae and the choice of inputs

It has been the Company's policy to regularly review its model in the context of actual loss experience and adjust when necessary. Kindly refer Note: 38C

Provisions

At each balance sheet date basis the management judgment, changes in facts and legal aspects, the Company assesses the requirement of provisions against the outstanding contingent liabilities. However, the actual future outcome may be different from this judgement.

Contingencies:

Management has estimated the possible outflow of resources at the end of each annual reporting financial year, if any, in respect of contingencies/claim/litigations against the Company as it is not possible to predict the outcome of pending matters with accuracy.

46.3 Significant estimates

Useful lives of depreciable/amortisable assets

Management reviews its estimate of the useful lives of depreciable/amortisable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical and economic obsolescence that may change the utility of assets. refer: Note 2(f)

46.4 Defined benefit obligation (DBO)

Management's estimate of the DBO is based on a number of underlying assumptions such as standard rates of inflation, mortality, discount rate and anticipation of future salary increases. Variation in these assumptions may significantly impact the DBO amount and the annual defined benefit expenses. The assumptions used are disclosed in Note 40.

46.5 Fair value measurements

Management applies valuation techniques to determine the fair value of financial instruments (where active market quotes are not available). This involves developing estimates and assumptions consistent with how market participants would price the instrument. For further details about determination of fair value please see Note 37.

46.6 Determining the lease term of contracts with renewal and termination options – Company as lessee

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

The Company has several lease contracts that include extension and termination options. The Company applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Company reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate (e.g., construction of significant leasehold improvements or significant customisation to the leased asset).

When it is reasonably certain to exercise extension option and not to exercise termination option, the Company includes such extended term and ignore termination option in determination of lease term.

46.7 Leases - Estimating the incremental borrowing rate

The Company cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The Company has taken indicative rates from its banks' weighted average rate of recent borrowings and used them for Ind AS 116 calculation purposes



- 47 Disclosure of details as required by Notification No. RBI/DOR/2025-26/359 DOR.FIN.HFC.CC.No. 278/21.04.018/2025-26 dated November 28, 2025 under Master Direction-Non-Banking Financial Company - Housing Company (Reserve Bank) Directions, 2025.

i) Funding Concentration based on significant counterparty (both deposits and borrowings)

Sr No.	Number of Significant Counterparties	Amount (Rs. Lacs)	% of Total deposits	% of Total Liabilities
1	22	236,210.56	-	95.70%

*Note : Total Liabilities has been computed as Total Liabilities less Equity share capital less Other Equity

ii) Top 20 large deposits (amount in Rs. crore and % of total deposits)

Sr No	Number Of Counter Party	Amount In Lacs	% of total deposits
Nil			

iii) Top 10 borrowings (amount in Rs. crore and % of total borrowings)

Sr No	Number Of Counter Party	Amount In Lacs	% of total Borrowing
1	10	160,828.76	66.15%

iv) Funding Concentration based on significant instrument/product

Sr No.	Name of the instrument/product	Amount (Rs. Lacs)	% of Total Liabilities
1	Non Convertible Debenture	3,016.95	1.22%
2	Bank Loans	233,193.61	94.48%

(v) Stock Ratios:

Particulars	%
(a) Commercial papers as a % of total public funds	0.00%
(b) Commercial papers as a % of total liabilities	0.00%
(c) Commercial papers as a % of total assets	0.00%
(b) Non-convertible debentures (original maturity of less than one year) as a % of total public funds	0.00%
(c) Non-convertible debentures (original maturity of less than one year) as a % of total liabilities	0.00%
(d) Non-convertible debentures (original maturity of less than one year) as a % of total assets	0.00%
(c) Other short-term liabilities, if any as a % of total public funds	0.00%
(c) Other short-term liabilities, if any as a % of total liabilities	25.95%
(c) Other short-term liabilities, if any as a % of total assets	21.97%

(vi) Institutional set-up for liquidity risk management

The Company's Board of Directors has the overall responsibility for the establishment and oversight of the risk management framework. The Board of Directors has established the Asset and Liability Management Committee (ALCO), which is responsible for developing and monitoring risk management policies. The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. The risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.



48 Disclosure of details as required by Notification No. RBI//DOR/2025-26/359 DOR.FIN.HFC.CC.No. 278/21.04.018/2025-26 dated November 28, 2025 under Master Direction-Non-Banking Financial Company - Housing Company (Reserve Bank) Directions, 2025.

48.1 Sectoral exposure

Particulars	2025-26			2024-25		
	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 offbalance sheet exposure)	Gross NPAs	Percentage of Gross NPAs to total exposure in that sector
1. Agriculture and Allied Activities	-	-	-	-	-	-
2. Industry	-	-	-	-	-	-
3. Services						
i. Commercial Real Estate	742.72	742.72	100.00%	1,440.38	1,263.38	87.71%
Total of Services	742.72	742.72		1,440.38		
4. Personal loans						
i. Individual Housing (Including Priority Sector Housing)	200,672.12	5,083.67	2.53%	185,807.63	4,699.78	2.53%
ii. Loan Against Property	70,848.37	1,161.29	1.64%	39,634.30	593.68	1.50%
iii. Loan to Employees	44.09	-	0.00%	68.95	-	0.00%

48.2 Related Party

i) For the period April 2025 to March 2026

Particulars	Holding Company	Subsidiary	Associate / Joint Ventures	Key Managerial Personnel (KMP)	Relative of KMP	Others	Total	Maximum outstanding during the year
Borrowings	-	-	-	-	-	-	-	-
Deposits	-	-	-	-	-	-	-	-
Placement of deposits	-	-	-	-	-	-	-	-
Advances	-	-	-	-	-	-	-	-
Investments	-	-	-	-	-	-	-	-
Purchase of fixed / other assets	-	-	-	-	-	-	-	-
Sale of fixed / other assets	-	-	-	-	-	-	-	-
Interest paid	-	-	-	-	-	-	-	-
Interest received	-	-	-	-	-	-	-	-
Others								
Inter Corporate Deposit Given	-	-	-	-	-	-	-	-
Inter Corporate Deposit received	-	-	-	-	-	-	-	-

ii) For the period April 2024 to March 2025

Particulars	Holding Company	Subsidiary	Associate / Joint Ventures	Key Managerial Personnel (KMP)	Relative of KMP	Others	Total	Maximum outstanding during the year
Borrowings	-	-	-	-	-	-	-	-
Deposits	-	-	-	-	-	-	-	-
Placement of deposits	-	-	-	-	-	-	-	-
Advances	-	-	-	-	-	-	-	-
Investments	-	-	-	-	-	-	-	-
Purchase of fixed / other assets	-	-	-	-	-	-	-	-
Sale of fixed / other assets	-	-	-	-	-	-	-	-
Interest paid	-	-	-	-	-	-	-	-
Interest received	-	-	-	-	-	-	-	-
Others								
Inter Corporate Deposit Given	-	-	-	-	-	-	-	-
Inter Corporate Deposit received	-	-	-	-	-	-	-	-



48.3 Disclosure of complaints

1. Summary information on complaints received by the NBFCs from customers and from the Offices of Ombudsman

Particulars	As at 31 March 2026	As at 31 March 2025
Complaints received by the NBFC from its customers		
1) Number of complaints pending at beginning of the year	0	0
2) Number of complaints received during the year	573	17
3) Number of complaints disposed during the year	573	17
Of which, number of complaints rejected by the NBFC	0	0
4) Number of complaints pending at the end of the year	0	0
Maintainable complaints received by the NBFC from Office of Ombudsman		
5) Number of maintainable complaints received by the NBFC from Office of Ombudsman	NA	NA
Of 5, number of complaints resolved in favour of the NBFC by Office of Ombudsman	NA	NA
Of 5, number of complaints resolved through reconciliation/mediation/advisories issued by Office of Ombudsman	NA	NA
Of 5, number of complaints resolved after passing of Awards by Office of Ombudsman against the NBFC	NA	NA
Number of Awards unimplemented within the stipulated time (other than those appealed)	NA	NA

2. Top five grounds of complaints received by the NBFCs from customers as at 31 March 2026

Grounds of complaints, (i.e. complaints relating to)	Number of complaints pending at the beginning of the year	Number of complaints received during the year	% increase/decrease in the number of complaints received over the previous year	Number of complaints pending at the end of the year	Of 5, number of complaints pending beyond 30 days
1	2	3	4	5	6
Loan amount	-	7	250%	-	-
Documents related (Loan statement, Original Documents)	-	78	7700%	-	-
Others	-	485	4309%	-	-
CLSS Subsidy not received	-	6	100%	-	-

Top five grounds of complaints received by the NBFCs from customers as at 31 March 2025

Grounds of complaints, (i.e. complaints relating to)	Number of complaints pending at the beginning of the year	Number of complaints received during the year	% increase/decrease in the number of complaints received over the previous year	Number of complaints pending at the end of the year	Of 5, number of complaints pending beyond 30 days
1	2	3	4	5	6
Loan amount	-	2	0%	-	-
Documents related (Loan statement, Original Documents)	-	1	-67%	-	-
Others	-	11	450%	-	-
CLSS Subsidy not received	-	3	0%	-	-



- 49 Disclosure of details as required by Notification No. RBI//DOR/2025-26/359 DOR.FIN.HFC.CC.No. 278/21.04.018/2025-26 dated November 28, 2025 under Master Direction-Non-Banking Financial Company - Housing Company (Reserve Bank) Directions, 2025.

A Details of stressed loans transferred during the year (to be made separately for loans classified as NPA and SMA) ended 31 March 2026

(Amount is in Rs. 'Lacs')

Particulars	To ARCs	To permitted transferees	To other transferees (NBFC)
No. of accounts	-	-	-
Aggregate principal outstanding of loans transferred	-	-	-
Weighted average residual tenor of the loans transferred	-	-	-
Net book value of loans transferred (at the time of transfer)	-	-	-
Aggregate consideration	-	-	-
Additional consideration realized in respect of accounts transferred in earlier years	-	-	-
There are no Loans acquired during the year from Lenders and ARC			

Details of stressed loans transferred during the year (to be made separately for loans classified as NPA and SMA) ended 31 March 2025

(Amount is in Rs. 'Lacs')

Particulars	To ARCs	To permitted transferees	To other transferees (NBFC)
No. of accounts	-	-	1.00
Aggregate principal outstanding of loans transferred	-	-	230.00
Weighted average residual tenor of the loans transferred	-	-	-
Net book value of loans transferred (at the time of transfer)	-	-	207.00
Aggregate consideration	-	-	230.00
Additional consideration realized in respect of accounts transferred in earlier years	-	-	-
There are no Loans acquired during the year from Lenders and ARC			

B Details of loans (not in default) transferred through assignment

Particulars	FY 2025-26	FY 2024-25
Retention of beneficial economic interest (MRR)*	10%	-
Number of accounts assigned through direct assignment	628	-
Amount of loan account assigned (in crore)	2,530.98	-
Weighted average residual maturity (in months)	64	-
Weighted average holding period (in months)	15	-
Coverage of tangible security	100%	-
Rating-wise distribution of rated loans	unrated	-



Disclosure of details as required by Notification No. RBI/DOR/2025-26/359 DOR.FIN.HFC.CC.No. 278/21.04.018/2025-26 dated November 28, 2025 under Master Direction-Non-Banking Financial Company - Housing Company (Reserve Bank) Directions, 2025.

50 Capital to risk assets ratio ('CRAR')

The following table sets forth, for the periods indicated, the details of capital to risk assets ratio under NHB Guidelines:

Particulars	As at 31 March 2026	As at 31 March 2025
i) CRAR (%)	29.12%	31.93%
ii) CRAR – Tier I Capital (%)	28.20%	30.43%
iii) CRAR – Tier II Capital (%)	0.91%	1.50%
iv) Amount of subordinated debt raised as Tier - II capital	800.00	1,400.00
v) Amount raised by issue of Perpetual Debt Instruments	-	-

51 Reserve fund under section 29C of NHB Act, 1987

Particulars	As at 31 March 2026	As at 31 March 2025
(Amount in Rs. 'Lacs')		
Balance at the beginning of the year		
a) Statutory reserve u/s 29C of NHB Act, 1987	46.89	46.89
b) Amount of special reserve u/s 36(1) (viii) of Income Tax Act, 1961 taken into account for the purposes of Statutory Reserve under Section 29C of the NHB Act, 1987	3,456.72	2,741.60
	3,503.61	2,788.49
Addition/ Appropriation/ Withdrawal during the year		
Add:		
a) Amount transferred u/s 29C of NHB Act, 1987	-	-
b) Amount of special reserve u/s 36(1) (viii) of Income Tax Act, 1961 taken into account for the purposes of Statutory reserve under Section 29C of the NHB Act, 1987	280.00	715.12
Less:		
a) Amount appropriated from Statutory reserve u/s 29C of the NHB Act, 1987	-	-
b) Amount withdrawn from the special reserve u/s 36(1) (viii) of Income Tax Act, 1961 which has been taken into account for the purposes of provision u/s 29C of the NHB Act, 1987	-	-
Balance at the end of the year		
a) Statutory Reserve u/s 29C of NHB Act, 1987	46.89	46.89
b) Amount of special reserve u/s 36(1) (viii) of Income Tax Act, 1961 taken into account for the purposes of Statutory reserve under Section 29C of the NHB Act, 1987	3,736.72	3,456.72
c) Total	3,783.61	3,503.61

52 Investments

Particulars	As at 31 March 2026	As at 31 March 2025
Value of investments		
i) Gross value of investments		
(a) In India	-	-
(b) Outside India	-	-
ii) Provision for depreciation		
(a) In India	-	-
(b) Outside India	-	-
iii) Net value of investments		
(a) In India	-	-
(b) Outside India	-	-
Movement of provision held towards depreciation on investments		
i) Opening balance	-	-
ii) Add: Provision made during the year	-	-
iii) Less: write off / written back of excess provision during the year	-	-
iv) Closing balance	-	-

53 Derivatives

53.1 Forward rate agreement (FRA) / Interest rate swap (IRS)

The Company has not entered into any transaction in forward rate agreements and interest rate swaps during the year ended on 31 March 2026 and 31 March 2025.

53.2 Exchange traded interest rate (IR) derivative

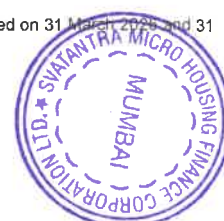
The Company has not entered into any transaction in exchange traded interest rate derivatives during year ended on 31 Mar 2026 and 31 Mar 2025.

53.3 Securitisation

The Company has not entered into any Securitisation during year ended on 31 March 2026 and 31 March 2025.

54 Unsecured advances

There are no unsecured advances against intangible securities such as rights, licenses, authority as collateral security during the year ended on 31 March 2026 and 31 March 2025.



Disclosure of details as required by Notification No. RBI/DOR/2025-26/359 DOR.FIN.HFC.CC.No. 278/21.04.018/2025-26 dated November 28, 2025 under Master Direction-Non-Banking Financial Company - Housing Company (Reserve Bank) Directions, 2025.

55 Disclosures on Risk Exposure in Derivatives

The Company has not entered into any derivative transaction during the year 31 March 2026 and 31 March 2025

56 Disclosure of penalties imposed by NHB/RBI and other regulators

During the year ended on 31 March 2026 and 31 March 2025, the Company has not paid any penalty for non-compliance of any provision of the Housing Finance Companies (NHB) Directions, 2010.

57 Rating assigned by credit rating agency and migration of rating

As at 31 March 2026

(i) Date of Rating	30-Mar-26	30-Jan-26	02-Sep-25
(ii) Name of Rating Agency	CRISIL Ratings Limited	CARE Ratings Limited	ICRA Limited
(iii) Rating of Products			
(a) Long term Bank facilities	CRISIL AA/Stable	CARE AA/Stable	-
(b) Debentures	CRISIL AA/Stable	-	-
(c) Short term debt	-	CARE A1+	ICRA A1+

As at 31 March 2025

(i) Date of Rating	31-May-24	04-Oct-24
(ii) Name of Rating Agency	CRISIL Ratings Limited	CARE Ratings Limited
(iii) Rating of Products		
(a) Long term Bank facilities	CRISIL A+/Stable	CARE AA-/Stable
(b) Debentures	CRISIL A+/Stable	CARE AA-/Stable
(c) Short term debt	-	CARE A1+

58 Provisions and contingencies

58.1 Break up of 'Provisions and Contingencies' shown in the Statement of Profit and Loss	(Amount in Rs. 'Lacs')	
	As at 31 March 2026	As at 31 March 2025
Impairment on financial Asset		
Provision for Standard Asset - Stage I	174.32	53.39
Provision for Standard Asset - Stage II	54.43	202.99
Provision for non-performing asset (Stage-III)	185.57	789.78
Provision on Loan commitment	0.37	(1.06)
Tax expense:		
- Current tax	213.79	824.23
- Deferred tax	10.90	(243.84)
-Earlier year tax adjustment	-	-
Employee benefit		
Gratuity expense	256.45	119.39
Leave encashment	149.99	78.67

58.2 Break up of loan and advances and provisions thereon

Particulars	(Amount in Rs. 'Lacs')			
	Housing Loan		Non Housing Loan	
	As at 31 March 2026	As at 31 March 2025	As at 31 March 2026	As at 31 March 2025
Standard assets				
a) Total outstanding amount	195,588.44	181,284.85	69,731.18	39,040.61
b) Provisions made	827.20	712.46	229.41	115.40
Sub - Standard assets				
a) Total outstanding amount	2,338.67	3,145.13	745.93	371.71
b) Provisions made	630.67	851.01	202.79	96.45
Doubtful assets – Category-I				
a) Total outstanding amount	1,441.05	1,575.31	252.04	130.24
b) Provisions made	336.56	442.22	66.96	33.82
Doubtful assets – Category-II				
a) Total outstanding amount	1,473.31	826.53	137.92	77.10
b) Provisions made	506.63	215.80	37.44	20.04
Doubtful assets – Category-III				
a) Total outstanding amount	573.36	416.19	25.40	14.62
b) Provisions made	169.12	108.82	7.39	3.82
Loss assets				
a) Total outstanding amount	-	-	-	-
b) Provisions made	-	-	-	-
Total				
a) Total outstanding amount	201,414.83	187,248.01	70,892.47	39,634.30
b) Provisions made	2,470.18	2,330.31	543.99	269.54



Disclosure of details as required by Notification No. RBI/DOR/2025-26/359 DOR.FIN.HFC.CC.No. 278/21.04.018/2025-26 dated November 28, 2025 under Master Direction-Non-Banking Financial Company - Housing Company (Reserve Bank) Directions, 2025.

58.3 Contingent liabilities

Particulars	(Amount in Rs. 'Lacs')	
	As at 31 March 2026	As at 31 March 2025
Contingent Liabilities*	99.71	99.71
Capital Commitments (PPE and Intangible)	-	-
Undrawn Commitment given to Borrowers	21,051.06	11,847.44
Bank guarantee issued by Bank Limited favoring the NHB for refinance facilities	2,175.00	2,175.00
Total	23,325.77	14,122.15

* Disputed income tax demand against which the Company has preferred an appeal before Commissioner of Income Tax (Appeals)

59 Draw down reserves

The Company has not made any draw down from reserves during year ended 31 March 2026 and 31 March 2025.

60 Concentration of public deposits, advances, exposures and NPA's

60.1 Concentration of Public Deposits (for public Deposit taking/holding HFCs)

The Company does not accept any public deposits and hence the same is not applicable.

60.2 Concentration of loans and advances

Particulars	(Amount in Rs. 'Lacs')	
	As at 31 March 2026	As at 31 March 2025
Total loans and advances to twenty largest borrowers	1,382.77	1,922.86
Percentage of Loans and Advances to twenty largest borrowers to total advances of the HFC	0.51%	0.85%

60.3 Concentration of all exposures (including off - balance sheet exposure)

Particulars	(Amount in Rs. 'Lacs')	
	As at 31 March 2026	As at 31 March 2025
Total exposure to twenty largest borrowers / customers	1,384.82	1,997.86
Percentage of exposures to twenty largest borrowers / customers to total exposure of the HFC on borrowers / customers	0.51%	0.84%

60.4 Concentration of Non performing assets (NPA)

Particulars	(Amount in Rs. 'Lacs')	
	As at 31 March 2026	As at 31 March 2025
Total exposure to top ten NPA accounts*	905.81	1,408.01

* The exposure is disclosed at customer level.

60.5 Sectorwise Non performing assets(NPAs)

Sectorwise percentage of NPAs to total advances in that sector	(Amount in Rs. 'Lacs')	
	As at 31 March 2026	As at 31 March 2025
A Housing loans :	2.89%	3.18%
1 Individuals	2.53%	2.53%
2 Builders/Project loans	100.00%	87.71%
3 Corporates	Nil	Nil
4 Others	Nil	Nil
B Non housing loans :	1.64%	1.50%
1 Individuals	1.64%	1.50%
2 Builders/Project loans	Nil	Nil
3 Corporates	Nil	Nil
4 Others	Nil	Nil



60.6 Movement of Non performing assets(NPAs)

	(Amount in Rs. 'Lacs')	
	As at 31 March 2026	As at 31 March 2025
(I) Net NPAs to net advances (%)	1.87%	2.13%
(II) Movement of NPAs (Gross)		
a) Opening balance	6,556.83	4,257.46
b) Additions during the year (net)	3,080.36	3,397.87
c) Reductions during the year	(2,649.51)	(1,098.50)
d) Closing balance	6,987.68	6,556.83
(III) Movement of Net NPAs		
a) Opening balance	4,784.85	3,230.01
b) Additions during the year (net)	2,149.97	2,358.40
c) Reductions during the year	(1,904.69)	(803.57)
d) Closing balance	5,030.13	4,784.85
(IV) Movement of provisions for NPAs (excluding provisions on standard assets)		
a) Opening balance	1,771.99	1,027.45
b) Provision made during the year (net)	930.39	1,039.47
c) Reductions during the year	(744.82)	(294.93)
d) Closing balance	1,957.56	1,771.99

61 Overseas Assets & Off-balance Sheet special purpose vehicle (SPVs) sponsored

The Company does not own any overseas assets as at year ended 31 March 2026 and 31 March 2025.

There are no off-balance sheet SPVs sponsored as at year ended 31 March 2026 and 31 March 2025.

62 Disclosure of complaints

	As at 31 March 2026	As at 31 March 2025
a) No. of complaints pending at the beginning of the year	-	-
b) No. of complaints received during the year	573	17
c) No. of complaints redressed during the year	573	17
d) No. of complaints pending at the end of the year	-	-

63 Asset liability management (Maturity pattern of certain items of assets and liabilities)

	(Amount in Rs. 'Lacs')		
	As at 31 March 2026		
	Borrowings from banks, financial institutions and non-convertible	Loans and Advances	Investments
1 day to 7 days	488.27	2,058.34	-
8 day to 14 days	128.92	-	-
15 days to 30/31 days	-	16.00	-
Over 1 month and upto 2 months	7,460.30	1,913.01	-
Over 2 months and upto 3 months	6,441.62	1,714.89	-
Over 3 months and upto 6 months	16,735.29	4,256.24	-
Over 6 months and upto 1 year	32,793.90	8,004.86	-
Over 1 year and upto 3 years	109,748.26	38,232.41	-
Over 3 years and upto 5 years	56,408.22	40,128.49	-
Over 5 years	12,905.35	172,968.89	-
Total	243,110.13	269,293.13	-

	(Amount in Rs. 'Lacs')		
	As at 31 March 2025		
	Borrowings from banks, financial institutions and non-convertible debentures	Loans and Advances	Investments
1 day to 7 days	331.11	1,419.39	-
8 day to 14 days	127.33	-	-
15 days to 30/31 days	-	17.45	-
Over 1 month and upto 2 months	6,472.43	1,211.88	-
Over 2 months and upto 3 months	4,612.51	1,182.08	-
Over 3 months and upto 6 months	13,464.35	3,431.98	-
Over 6 months and upto 1 year	27,792.54	6,951.49	-
Over 1 year and upto 3 years	86,567.09	31,194.12	-
Over 3 years and upto 5 years	45,465.04	32,061.30	-
Over 5 years	10,587.12	146,812.78	-
Total	195,419.52	224,282.47	-

Above disclosure is given as per NHB Master Circular

Classification of assets and liabilities under different maturity buckets is based on the same estimates and assumptions as used by the Company for compiling the return submitted to NHB.



Disclosure of details as required by Notification No. RBI//DOR/2025-26/359 DOR.FIN.HFC.CC.No. 278/21.04.018/2025-26 dated November 28, 2025 under Master Direction-Non-Banking Financial Company - Housing Company (Reserve Bank) Directions, 2025.

64 Exposure

64.1 Exposure to Real Estate Sector

		(Amount in Rs. 'Lacs')	
Category		As at 31 March 2026	As at 31 March 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;	291,137.16	236,737.68
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;	2,177.11	2,667.34
iii	Investments in Mortgage Backed Securities (MBS) and other securitised exposures -		
	a) Residential	-	-
	b) Commercial Real Estate	-	-
b	Indirect Exposure		
	Fund based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs)	-	-

*Builder loans given for residential project

64.2 Exposure to Capital Market

The Company does not have any Exposure to Capital Market as on 31 March 2026 and 31 March 2025

64.3 Exposure to group companies engaged in real estate business
Nil

65 Disclosure pursuant to Reserve Bank of India notification RBI/2021-22/31 DOR.STR.REC.11/21.04.048/2021-22 dated 5 May 2021 read with Notification no. RBI/2020-21/16 DOR.No.BP.BC/3/21.04.048/2020-21 dated 6 August 2020.

Type of borrower	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of the previous half year 31 March 2025 (A)	Of (A), aggregate debt that slipped into NPA during the half year	Of (A) amount written off during the half year	Of (A) amount paid by the borrowers during the half year	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the half end of this year ^A
Personal Loans*	3,107.48	40.62	-	115.96	2,861.00
Corporate persons	-	-	-	-	-
Of which MSMEs	-	-	-	-	-
Others*	-	-	-	-	-
Total	3,107.48	40.62	-	115.96	2,861.00

As defined in Section 3(7) of the Insolvency and Bankruptcy Code, 2016

*Personal loans includes housing loans & non housing loans



Disclosure of details as required by Notification No. RBI//DOR/2025-26/359 DOR.FIN.HFC.CC.No. 278/21.04.018/2025-26 dated November 28, 2025 under Master Direction-Non-Banking Financial Company - Housing Company (Reserve Bank) Directions, 2025.

Type of borrower	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of the previous half year 30 September 2025 (A)	Of (A), aggregate debt that slipped into NPA during the half year	Of (A) amount written off during the half year	Of (A) amount paid by the borrowers during the half year	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of this year
Personal Loans*	2,861.00	31.02	-	103.03	2,632.08
Corporate persons	-	-	-	-	-
Of which MSMEs	-	-	-	-	-
Others	-	-	-	-	-
Total	2,861.00	31.02	-	103.03	2,632.08

As defined in Section 3(7) of the Insolvency and Bankruptcy Code, 2016

*Personal loans includes housing loans & non housing loans

66 Disclosure in terms of in accordance with Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2025 dated November 28, 2025 issued by the Reserve Bank of India read with RBI Circular No. RBI/2020-21/16 DOR.No.BP.BC/3/21.04.048/2020-21 on Monitoring of frauds in NBFCs

There were 1 case (Previous Year NIL case) of frauds reported during the year where amount involved was 0.90 Lacs (Previous Year NIL) as on the date of identification of fraud. The recovery pertaining to fraud reported during the year is 'Nil' (Previous Year 'Nil'). The nature of fraud involved is cheating and forgery.

67 Details of financing of parent company products

Not applicable

68 Details of Single Borrower Limit (SGL) / Group Borrower Limit (GBL) exceeded by the HFC

The Company has not exceeded the prudential exposure limits during the financial year ended 31 March 2026 and 31 March 2025

69 Registration obtained from other financial sector regulators

The Company is registered with Insurance Regulatory and Development Authority -Corporate agent with registration number CA1091 Valid from 24 November 2025 to 23 November 2028.

70 Revenue Recognition

There are no such circumstances in which revenue recognition has been postponed pending the resolution of significant uncertainties.

71 Net Profit or Loss for the period, prior period items and changes in accounting policies

There are no prior period items and change in accounting policies except as reported in the Financial Statements.

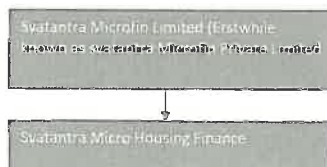
72 Related party Transactions

(i) All material transactions with related parties are disclosed in "Note 33.2" of the Financial Statements.

(ii) The Company has the policy on dealing with Related Party Transactions on its website and it is disclosed on its website

73 Group Structure

The Company is wholly owned subsidiary of Svatantra Microfin Limited w.e.f from 21st March 2026



74 IND AS 110 -Consolidated Financial Statements (CFS)

The Company does not have any subsidiary company and hence, the CFS is not applicable.

75 There are no gold loan outstanding as on 31 March 2026

76 Undisclosed income

There are no transactions which are not recorded in the books of account which have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.

77 Title deeds of immovable properties not held in name of the Company

The Company does not possess any immovable property (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) whose title deeds are not held in the name of the company during the financial year ended March 31, 2026 and March 31, 2025.



Disclosure of details as required by Notification No. RBI/DOR/2025-26/359 DOR.FIN.HFC.CC.No. 278/21.04.018/2025-26 dated November 28, 2025 under Master Direction-Non-Banking Financial Company - Housing Company (Reserve Bank) Directions, 2025.

78 There is no scheme of arrangement of Company which is approved by the Competant Authority in terms of section 230 to 237 of the Companies Act, 2013.

79 There are no Non fund based facilities provided by the company for the year ended 31 March 2026 and 31 March 2025.

80 There are no co-lending arrangement by the company for the year ended 31 March 2026 and 31 March 2025.

81 There are no unhedged foreign currency exposure as on 31 March 2026 and 31 March 2025.

82 The Company has not entered into any currency futures and Options transaction during the year ended 31 March 2026 and 31 March 2025.

83 There are no Intra Group exposures as on 31 March 2026 and 31 March 2025.

84 The Company has not entered into Credit default swaps during the year ended 31 March 2026 and 31 March 25.

85 Disclosure on Liquidity coverage ratio is not applicable for the year ended 31 March 2026 and 31 March 2025.

86 The Company does not have any joint venture and overseas subsidiary during the year ended 31 March 2026 and 31 March 2025.

87 There are no loans restructured during the year ended 31 March 2026 and 31 March 2025.

88 Details of crypto currency or virtual currency

The Company has not traded or invested in Crypto currency or Virtual currency during the financial years ended March 31,2026 and March 31, 2025.

89 Details of benami property held

No proceedings have been initiated or pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder in the financial years ended March 31, 2026 and March 31, 2025.

90 Utilisation of borrowed funds and share premium

During the financial year ended March 31, 2026, other than the transactions undertaken in the normal course of business and in accordance with extant regulatory guidelines as applicable.

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

(ii). No funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

91 Analytical Ratios

	Numerator	Denominator	As at 31 March 2026	As at 31 March 2025	% Variance	Reason for Variance (If above 25%)
i) CRAR (%)	43,751.80	150,272.04	29.12%	31.93%	-8.82%	NA
ii) CRAR – Tier I Capital (%)	42,379.34	150,272.04	28.20%	30.43%	-7.34%	NA
iii) CRAR – Tier II Capital (%)	1,372.46	150,272.04	0.91%	1.50%	-38.95%	Discounting of subordinate debts
v) Liquidity Coverage Ratio*	NA	NA	NA	NA	NA	NA

* The Company is not required to comply with the guidelines on Liquidity coverage ratio (LCR) in line with Master Direction - Non Banking Financial Company-Housing Finance Company (Reserve Bank) Directions, 2021 as at 31 March 2026 and 31 March 2025.

92 Wilful defaulter

The Company has not been declared as a wilful defaulter by any bank or financial institution or other lender in the financial years ended March 31, 2026 and March 31, 2025.

93 Relationship with struck off companies

The Company has not been undertaken any transactions with any company whose name is struck off under section 248 of Companies Act, 2013 or section 560 of Companies Act, 1956 in the financial years ended March 31, 2026 and March 31, 2025.

94 Registration of charges or satisfaction with Registrar of Companies (ROC)

All charges or satisfaction are registered with ROC within the statutory period for the financial years ended March 31, 2026 and March 31, 2025. No charges or satisfactions are yet to be registered with ROC beyond the statutory period.

95 Compliance with number of layers of companies

The Company does not have any investments and accordingly provision of section 186 (1) is not applicable.



Disclosure of details as required by Notification No. RBI/DOR/2025-26/359 DOR.FIN.HFC.CC.No. 278/21.04.018/2025-26 dated November 28, 2025 under Master Direction-Non-Banking Financial Company - Housing Company (Reserve Bank) Directions, 2025.

- 96 **Capital work in progress (CWIP)**
The Company has CWIP during the financial years ended March 31, 2026 (Refer note 10).
- 97 **Disclosure of details as required by Notification No. RBI/DOR/2025-26/359 DOR.FIN.HFC.CC.No. 278/21.04.018/2025-26 dated November 28, 2025 under Master Direction-Non-Banking Financial Company - Housing Company (Reserve Bank) Directions, 2025.**
- 97.1 **Corporate Governance report containing composition and category of directors, shareholding of non-executive directors, etc.**
The Company is a non-listed NBFC and the Corporate Governance Disclosure is covered under the corporate governance/ Director reports in the Annual Report.

97.2 **Breach of covenants**

The Company has complied with the covenants under the terms of major borrowing facilities throughout the year ended 31 March 2026 and 31 March 2025.

97.3 **Loans to Directors, Senior Officers and relatives of Directors**

Particulars	As at 31 March	As at 31 March 2025
Directors and their relatives	-	-
Entities associated with directors and their relatives	-	-
Senior officers and their relatives	-	-

- 97.4 There has been no divergence in asset classification and provisioning requirements as assessed by NHB during the year ended 31 March 2026 and 31 March 2025.

97.5 **Disclosure of modified opinion, if any express by Auditors, its Impact on various financial items and views of management on audit qualifications:**

The statutory auditors have issued unmodified opinion for FY 2025-26 and FY 2024-25. Hence not applicable

98 **Additional information where borrowings are from banks or financial institutions:**

- (i) The quarterly returns filed by the company with banks or financial institutions are in agreement with the books of accounts.
(ii) The Company has used the borrowings from the banks or financial institutions for the purpose for which it was raised as at balance sheet date.

- 99 Previous year's figures have been re-grouped wherever considered necessary to conform to the current year's presentation.

- 100 The Company has not entered into any Project Finance transaction during FY 2025-26 and FY 2024-25. Hence not applicable

- 101 Company is in process of appointment of the Independent Director.

102 **Events after reporting date:**

All events subsequent to the date of the financial statements which require adjustment or disclosure as per the applicable accounting standards have been adjusted or disclosed.

Signature 1 to 102

As per our report of even date attached

For T R Chadha & Co. LLP
Chartered Accountants
Firm's Registration No.: 006711N/ N500028

Prahlad Tilwari
Partner
Membership No: 076650
Place: Mumbai
Date: 04 May 2026



For and on behalf of the Board of Directors of
Svatantra Micro Housing Finance Corporation Ltd.

Vineet Chaturvedi
Additional Director
DIN: 07962531

Deepabh Jain
Additional Director and CEO
DIN: 01111645

Tasneem Rangwala
Company Secretary
Membership No: A34613

Place: Mumbai
Date: 04 May 2026

Anil Chirania

Director
DIN: 01082719

Nitesh Amarnani

CFO
Membership No: 199984

