

The Architecture of Outcomes

Phase 1: How eight years of deliberate design produced a ₹10,000 crore franchise

The architecture of OUTCOMES

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Every enduring structure begins with a sound blueprint.

SBFC's was drawn at inception: lend to India's small business owners in the ₹5 to ₹30 lakh secured segment, with the credit discipline and return standards a quality institution demands. FY2026 is the year that blueprint produced its defining outcome. We crossed ₹10,000 crore in AUM, closing PHASE I of our growth plan. The milestone reflects a repeatable operating system built on sound unit economics and rigorous credit discipline, compounding steadily across eight years.

Good architecture is proven under load.

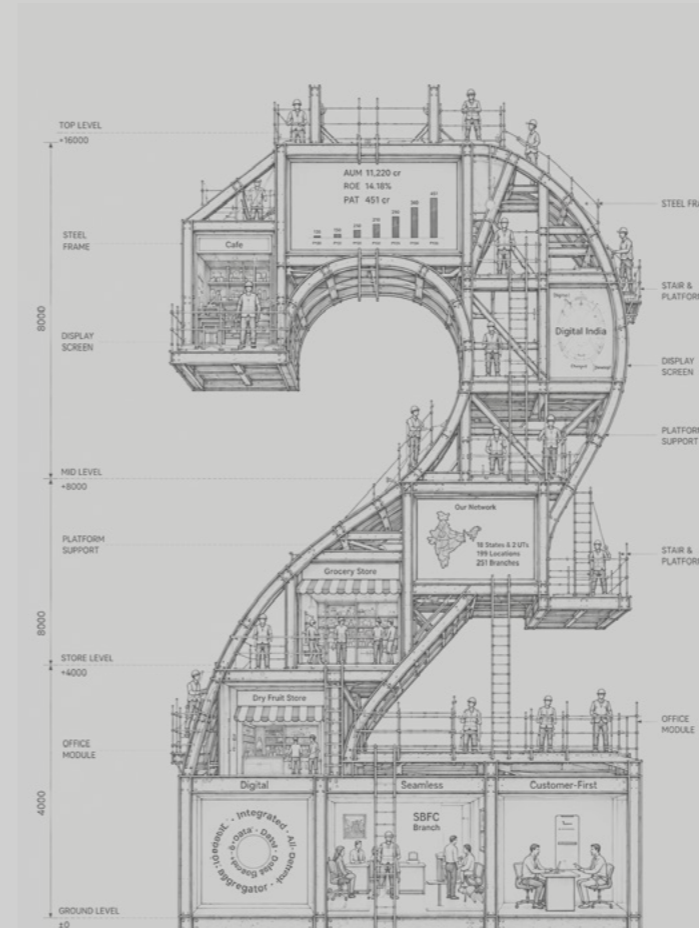
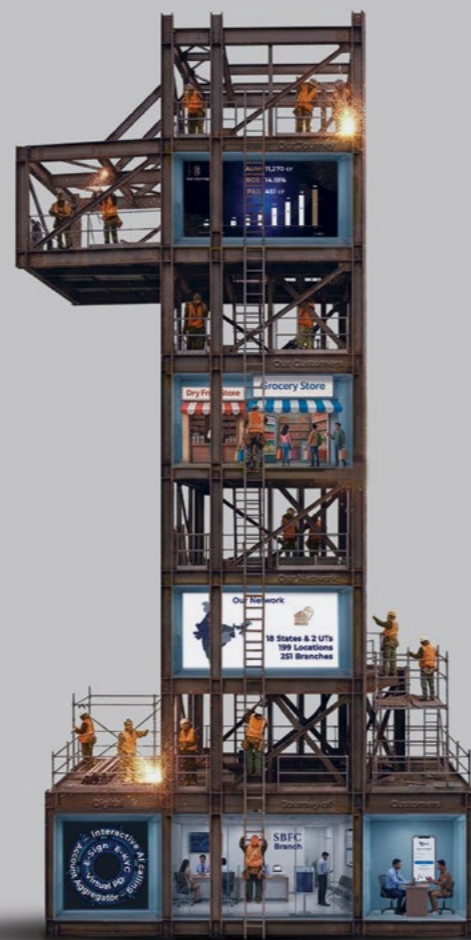
In FY26, we delivered a Return on Equity of approximately 14.18% and a Return on Average AUM of 4.58%. Our business model protected spreads, managed credit costs and converted scale into operating leverage. In a demanding credit environment, we strengthened underwriting filters and maintained a fully secured loan book. This is proof that our structure carried the weight it was designed to carry.

The most important elements in any structure are the ones built into its walls.

Over the past 8 years, SBFC has systematically reinforced its execution engine. Standardised credit assessment, centralised risk oversight and data-backed decision frameworks have improved consistency and reduced dependence on individual judgment. The organisation operates through defined accountability layers led by experienced BFSI professionals across businesses, risks, and operations. This depth is what makes performance predictable across geographies and through credit cycles.

Phase II is about adding floors to a structure that is already standing strong.

The next phase of growth moves the franchise from ₹10,000 crore to ₹20,000 crore with the same discipline that built the foundation. We will continue to work for productivity gains and branch maturity, strengthening operating leverage as the network scales. Capital will be deployed with discipline, keeping leverage well within our structural capacity as we scale. Each increment of growth is designed to enhance unit economics, ensuring that scale translates into stronger returns.



SBFC enters phase II designed for steady compounding. The architecture is in place. The blueprint is proven. The priority now is to build higher, to the same standard, with the same materials that brought us here.

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Company Overview

SBFC Finance Limited is a secured MSME lender founded in 2017 with a focused mandate: to provide formal credit to India's self-employed small business owners, a segment central to India's economic fabric.

Who we are

We offer secured loans in the ₹5 lakh to ₹30 lakh range to proprietors, traders, and micro-entrepreneurs with income that extends beyond standard forms of documentation. Our lending is anchored in the physical environment, every loan is secured against residential or commercial property, and our credit assessment is grounded in local relationship and verified cash flow.

Eight years since inception, SBFC has grown from a ₹778 crore portfolio to a ₹11,270 crore franchise. We are listed on both the BSE and the NSE, carry a credit rating of AA- (Stable), and operate across 18 states and 2 Union Territories. In FY2026, we delivered a Profit after Tax of ₹451 crore, a 31% increase over the prior year, on a tangible net worth of ₹3,465 crore. Our return metrics, a Return on Average AUM of 4.58% and a Return on Equity of 14.18%, reflect a business model that has held its shape through credit cycles, through a pandemic, and through the demands of post-IPO institutional scrutiny.

We enter FY2027 at the start of Phase II: our journey from an AUM of ₹10,000 Cr to ₹20,000 Cr, with the same segment focus, the same credit discipline, and the operating infrastructure now in place to scale with confidence.

At a glance, FY2026

<p>₹11,270 Cr ASSETS UNDER MANAGEMENT</p>	<p>251 Branches</p>	<p>18+2 UTs STATES & UNION TERRITORIES</p>	<p>2,02,683 Active Customers</p>
<p>5,055 EMPLOYEES</p>	<p>4.58% Return on Average AUM</p>	<p>14.18% RETURN ON EQUITY</p>	<p>AA-Stable CREDIT RATING</p>

Company Overview

(continued)

Our products

SBFC offers two secured lending products, designed to serve different credit needs.

Secured MSME loan

For self-employed small business owners requiring growth or working capital, secured against residential or commercial property.

- **Ticket size:** ₹5 lakh – ₹30 lakh (average ₹9.93 lakh)
- **Loan-to-value:** up to 42.6% of property value
- **Collateral:** self-occupied residential or commercial property (94% of AUM)
- **Co-borrower:** spouse or parent on all loans
- **Sourcing:** 100% in-house

Loan against gold

For immediate liquidity needs, secured against gold jewellery, short tenure, quick disbursement.

- **Ticket size:** average ₹1.23 lakh
- **Loan-to-value:** up to 59.9%
- **Sourcing:** 100% in-house

100% of SBFC’s loan book is secured. Our AUM is backed by tangible collateral. This is a structural commitment, not a market condition.

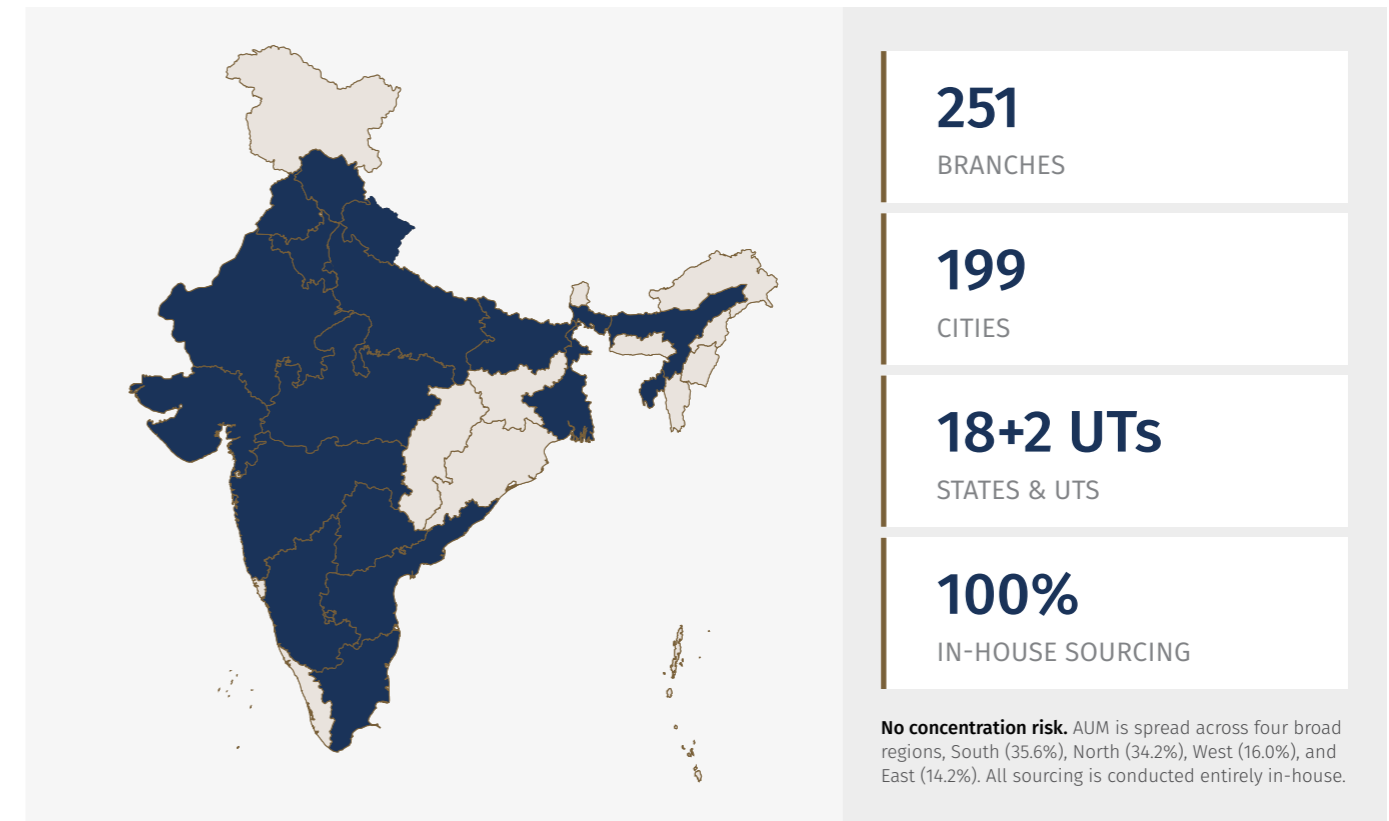
Who we serve

Our customers are India’s self-employed, proprietors of small trading, services, and retail businesses, operating in semi-urban markets. They are often first-time commercial borrowers. Their income is consistent but largely informal. Their collateral is real but locally valued. They are creditworthy in practice, if not always on paper.

Borrowers Profile

Business Type	Trading · Services · Retail
Monthly Income	₹40,000–₹1,50,000
Credit History	Limited commercial; some consumer credit
Cibil Score	>700 (89.2% of secured MSME book)
Collateral	Self-occupied residential / commercial property
Co-Borrower	Spouse or parent · 95% are women

Our geographic footprint



What makes us different

Five structural characteristics distinguish SBFC’s model. Each has been consistent since inception; each has strengthened as the business has scaled.

Segment focus

One segment. One ticket range. For eight years, SBFC has been focussed on the ₹5–₹30 lakh secured MSME space, where our underwriting expertise, branch relationships, and technology are all pointed.

24% CAGR MSME market growth opportunity

Credit discipline

Every loan is secured. Underwriting is based on verified income at the household level. Over 89% of our MSME book carries a CIBIL score above 700. Average LTV on the secured MSME book is 42.6%.

**GNPA 2.61%
NNPA 1.54%**

PhyGital model

Branch officers develop genuine local knowledge of the market, collateral, and customer. That human judgement is augmented by our proprietary technology: the Sahayak onboarding platform, AI-driven credit models, and predictive collections tools.

100% in-house sourcing

Operating leverage

Scale translates structurally into improved returns. Branch maturity drives AUM per branch. Technology reduces cost per loan processed. We have reduced our operating expense ratio as the network matured.

ROAAUM 4.58% · ROE 14.18%

Institutional Foundation

Governed by a professional Board with experienced independent directors, and supported by marquee investors including the Clermont group. Strategic governance enhancements have further strengthened oversight, consistency of execution, and transparency across geographies and credit cycles.

AA- (Stable)

The whole market for ₹5–₹30 lakh secured MSME lending is at ₹4 lakh crore, growing at 24% CAGR, against the significant credit gap for the structural demand that formalised, which well-capitalised lenders are uniquely placed to serve.

The ₹10,000 Crore Milestone.

Eight years. One mission.

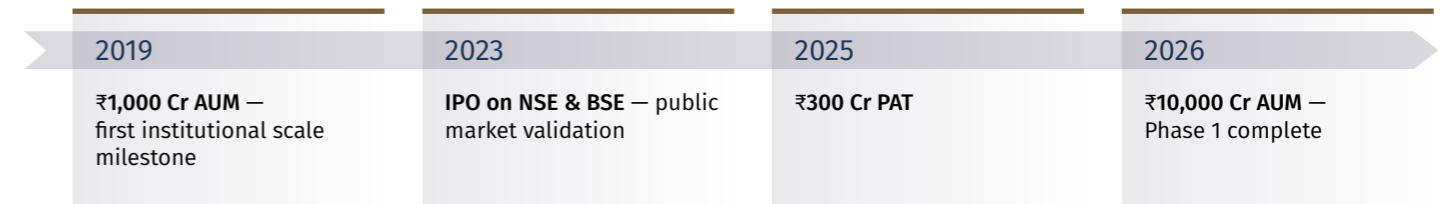
In FY2018, SBFC Finance opened its doors with ₹778 crore of assets under management, a founding team, and a single conviction: that India's small business owners deserved formal credit on terms that reflected their real creditworthiness. Eight years later, in the third quarter of FY26, that conviction produced a number. SBFC crossed ₹10,000 crore of AUM — closing Phase I of our growth plan and becoming one of India's newer ₹10,000 crore NBFC franchises.

It is the output of a model built to last – fully secured, relationship-led, technology-augmented, and disciplined in its lending philosophy, applying the same principles to every loan, from the first one disbursed to those yet to come.

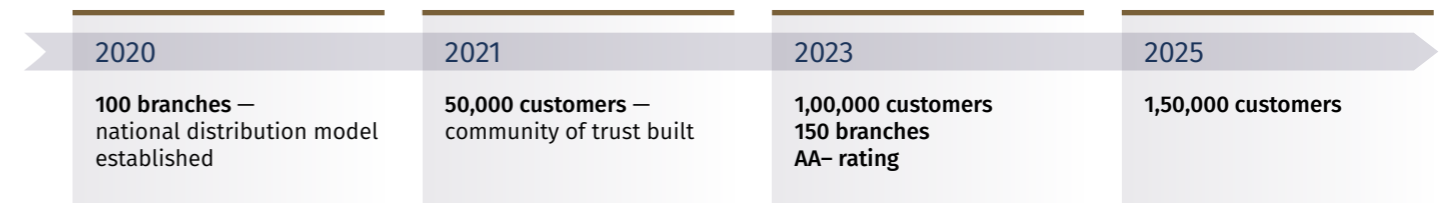
The journey: ₹778 crore to ₹10,000 crore



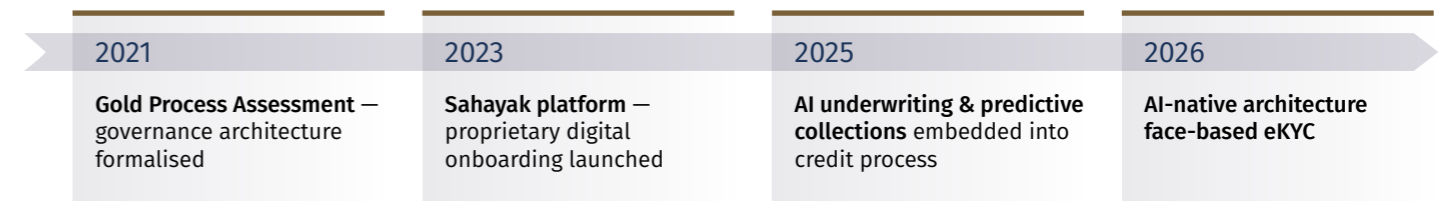
Financial Milestones



Operational Milestones



What We Built Alongside



The ₹10,000 Crore Milestone.

(continued)

Three milestones that shaped the franchise

Not every year on SBFC's journey carried the same significance. While the Company's growth story continues to unfold, three milestones stand out for the role they played in strengthening its foundations and creating a broader platform for future growth. Each expanded the possibilities available to SBFC and helped shape the path that followed.

01.

2019

Crossing ₹1,000 crore

The first thousand crore proved the model could work at scale. It validated that the credit framework held, that branches could be replicated, and that the customer existed in the numbers we had projected.

What Happened

Within eighteen months of opening, SBFC crossed ₹1,000 crore of AUM — a milestone that served less as a financial target and more as proof of concept. Institutional investor Clermont and Arpwood had backed the founding vision; this was the first external validation that the operating model could deliver. Disbursals were tracking to plan, early asset quality was holding, and the branch network was beginning to show replicable unit economics.

What We Built

Branch playbook codified from early pilots. In-house loan origination system operational. First cohort of credit officers trained on the SBFC underwriting methodology. Foundational credit data accumulating.

02.

2023

The IPO and the AA- journey

Listing changed the accountability surface of the business. It also marked the point at which the governance architecture we had been building became visible to the market and the market responded

What Happened

SBFC's equity listing on the NSE and BSE in 2023 was not simply a liquidity event. It marked SBFC's formal entry into the institutional investor conversation — and with it, a step-change in governance standards, disclosure discipline, and external scrutiny. In the same period, India Ratings upgraded SBFC to AA-, followed by CARE and ICRA in Q2 FY25. MSCI inclusion in the Global Small Cap Index followed. The franchise had earned independent third-party endorsement on two dimensions simultaneously: equity market and debt market.

What We Built

Governance and operating frameworks established prior to listing were further strengthened following the IPO. This included the introduction of quarterly financial reporting and audit processes, regular investor communication through quarterly investor calls, and enhanced engagement across Board committees. The six-vertical operating model (Business, Credit, Operations, Risk, Audit, Technology) continues to support structured execution, alongside ongoing independent assessments and continued investment in digital platforms.

03.

2026

Crossing ₹10,000 crore

The ₹10,000 crore milestone closes Phase 1. It is the proof of load: confirmation that what was designed to last, does.

What Happened

SBFC crossed ₹10,000 crore of AUM in October 2025 and closed FY2026 with an AUM of ₹11,270 crore. The year ended with return ratios intact — ROAAUM of 4.58% and ROE of 14.18% The loan book remained 100% secured. Asset quality improved, with GNPA declining to 2.61%. Credit costs were within the structural range the business had consistently operated in — confirming that growth had not been purchased at the expense of quality.

What We Built

AI-native technology stack fully operational: Sahayak (onboarding), Samarth (AI data platform), Sangrah (reporting), Sahyogi (servicing). Face-based eKYC in deployment. Centralised enterprise data architecture live. Predictive collections and AI underwriting embedded in the standard credit process.

The four metrics that tell the story

A franchise is not built on a single number. The AUM arc is the headline, but the PAT progression, the branch build-out, and the customer count each tell an independent and necessary part of the story. Together they show a business that scaled its revenues, its profitability, its distribution, and its customer base in proportion.

Year	AUM (₹CR)	PAT (₹CR)	BRANCHES	CUSTOMERS
FY18	778	3	65	<25,000
FY21	2,221	85	124	56,500
FY23	4,943	150	152	1,02,722
FY25	8,747	345	205	1,64,220
FY26	11,270	451	251	2,02,683

The ₹10,000 Crore Milestone.

(continued)

What we built alongside the numbers

The AUM and PAT numbers are outputs. Behind them, across eight years, SBFC was simultaneously building three other things: a technology stack capable of lending at scale without linear cost growth; a governance and ratings architecture capable of earning institutional confidence; and a people organisation capable of performing consistently across geographies and credit cycles. The table below maps those three dimensions across the four eras of the journey.



Phase 2: building higher

Phase II represents the next stage of the Company's development, extending the franchise from ₹10,000 crore to ₹20,000 crore of AUM over time. This phase will test the strength of the operating model at greater scale, including the delivery of operating leverage, consistency of performance, and the ability to sustain credit quality. The focus remains on growing the franchise in a measured and disciplined manner, with equal emphasis on the quality of the balance sheet and the strength of the institution.

Return Ratios

SUSTAINED

PROTECT RETURN RATIOS AS LEVERAGE INCREASES AND SCALE COMPOUNDS

The blueprint established at inception has been validated through execution, and the structure has demonstrated its strength at scale. Phase II focuses on building further on this foundation, extending the franchise with the same discipline, standards, and operating approach that have shaped the business to date.

Scale

OVERTIME

DOUBLE THE PHASE I OUTCOME WITH THE SAME PROVEN BUSINESS MODEL

Operating Efficiency

ONGOING

ANNUAL REDUCTION IN OPERATING EXPENSE RATIO THROUGH BRANCH MATURITY AND TECHNOLOGY LEVERAGE

Ratings

TARGET

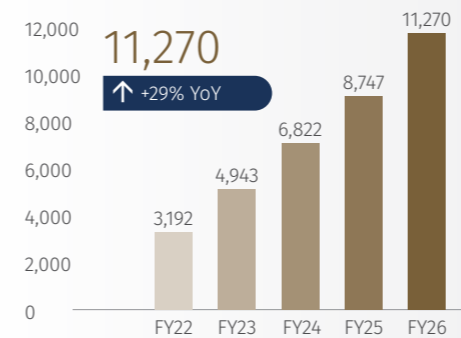
FURTHER CREDIT RATING IMPROVEMENT AS THE FRANCHISE MATURES AND GOVERNANCE DEEPENS

Five years. The matrices that matter.

The five years from FY2022 to FY2026 capture SBFC's transition from a scaling NBFC to a ₹10,000 crore franchise. Together they show a business that grew without compromising on any of the dimensions that institutional investors rightly scrutinise.

Assets under management

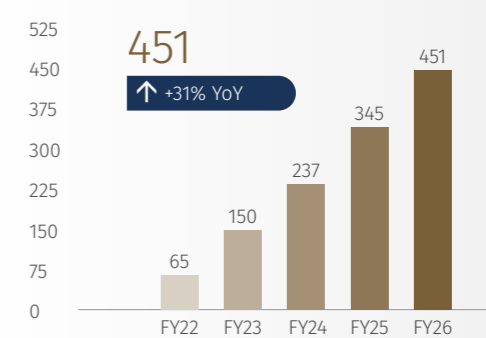
(in ₹crore)



AUM has compounded at 39.7% CAGR since inception — every year, every cycle.

Profit after tax

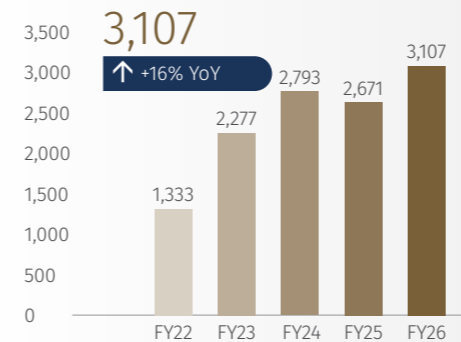
(in ₹crore)



Profitability has grown in lockstep with scale; growth is not being bought.

Disbursements (Secured MSME)

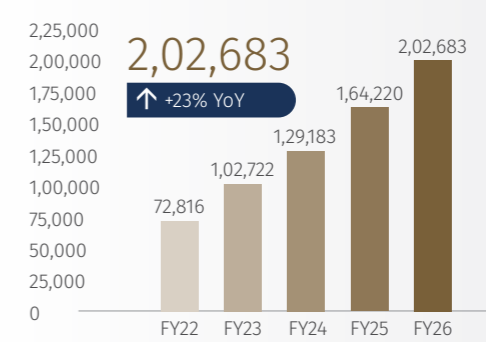
(in ₹crore)



Disbursements continue to scale with distribution expansion and sourcing productivity, reflecting sustained demand in the core segment.

Active Customers

(in ₹crore)



Customer growth reflects deeper penetration within targeted segments as the branch network matures.

Five years. The metrics that matter.

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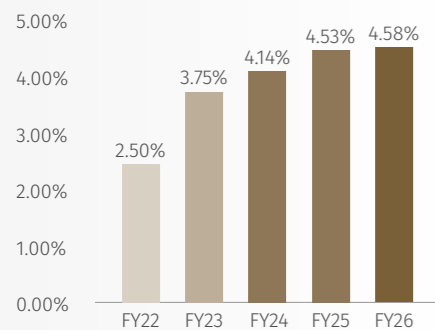
Returns — Profitability Ratios

Return on Average AUM*

% of avg. AUM

4.58%

↑ +5 bps YoY



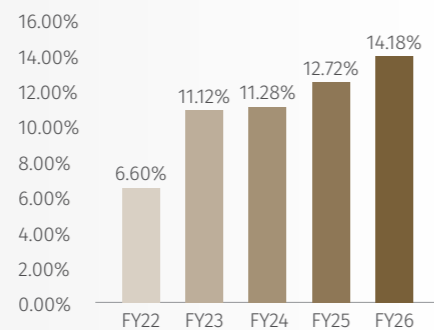
ROAAUM has expanded every year since FY22 — structural, not cyclical.

Return on Equity#

% of avg. tangible equity

14.18%

↑ +146 bps YoY



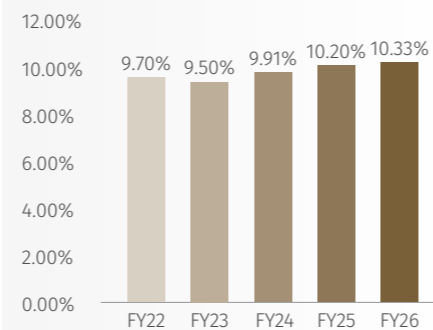
Rising leverage and improving profitability compounding the ROE.

Net Interest Margin*

%

10.33%

↑ +13 bps YoY



NIM has widened as yields improved and funding cost ease.

Our five-year journey reflects consistent growth, improving profitability and disciplined risk management, demonstrating the strength of our business model and our commitment to creating sustainable long-term value.

Five-year summary

METRIC	FY22	FY23	FY24	FY25	FY26
Assets under management	3,192	4,943	6,822	8,747	11,270
Profit after tax	65	150	237	345	451
Return on average AUM	2.50%	3.75%	4.14%	4.53%	4.58%
Return on equity	6.60%	11.12%	11.28%	12.72%	14.18%
Net interest margin	9.70%	9.50%	9.91%	10.20%	10.33%
Gross NPA	2.90%	2.57%	2.43%	2.74%	2.61%
Operating expenses / AUM	6.80%	5.77%	5.34%	4.65%	4.19%
Credit cost	1.80%	0.80%	0.82%	0.97%	1.27%
Capital adequacy (CRAR)	26.20%	31.90%	40.52%	36.10%	32.84%

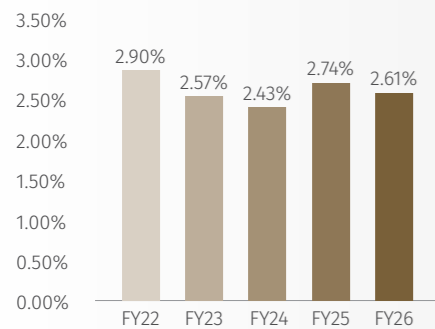
Asset Quality & Operating Efficiency

Gross NPA

% of gross loan book

2.61%

↓ -13 bps YoY



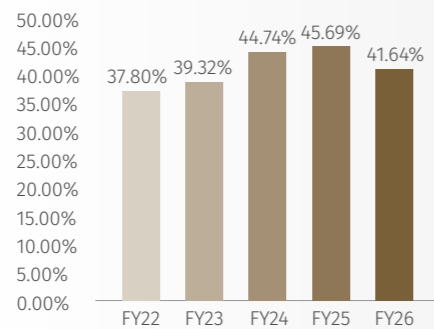
Stable through a demanding credit environment; 100% secured book is the anchor.

Provision Coverage Ratio

% of stage 3 assets

41.64%

↓ -405 bps YoY



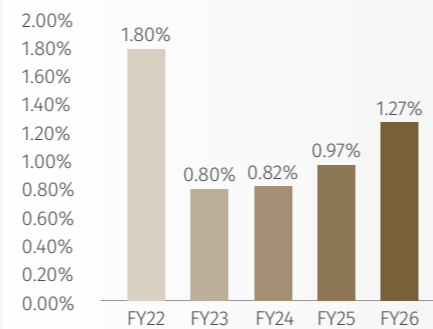
Provision coverage remained healthy at 41.64% in FY26 after FY25 of 45.69%

Credit Cost*

% of avg. AUM

1.27%

↑ +30 bps YoY



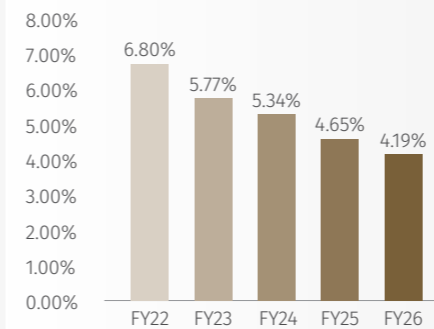
Modest rise reflects prudent provisioning stance during tough cycles.

Operating Expenses / AUM*

% of avg. AUM

4.19%

↓ -46 bps YoY



Operating leverage taking effect: OpEx ratio improved 261 bps in 4 years.

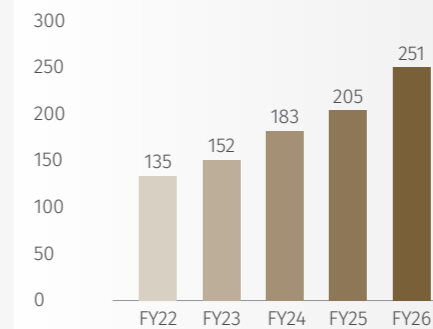
Distribution — Reach & Network

Total number of Branches

Numbers

251

↑ +46 branches YoY



Expansion has been calibrated, with presence built in markets where underwriting and collections capabilities can be consistently executed.

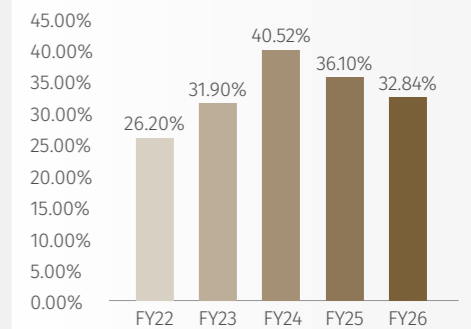
Capital Adequacy

Capital Adequacy (CRAR)

%

32.84%

↓ -326 bps YoY



Well above regulatory minimum; ample headroom to support Phase 2 AUM growth.

* based on daily averages

based on monthly average

Chairman's message

The **architecture** of a stronger institution



Neeraj Swaroop
Chairman

“

Because growth was built on disciplined risk management and institutional controls, we delivered ₹11,270 crore AUM and ₹451 crore profit after tax while sustaining portfolio quality.

Dear Shareholders,

SBFC's progress has been shaped by choices made consistently over time.

From the beginning, the Company has focused on a market where formal credit can have meaningful economic value, but where the ability to lend well requires discipline, proximity and judgement. We chose a secured model. We chose granular exposure. We chose to build local underwriting capability. We chose to grow through process, governance and credit culture rather than through balance sheet expansion alone.

Those choices have defined the Company's journey. They have influenced how SBFC enters markets, builds branches, assesses customers, manages collateral, funds growth and protects asset quality. They have also helped the Company navigate different operating environments with consistency.

FY2026 was another important proof point in that journey.

During the year, AUM increased to ₹11,270 crore, crossing the ₹10,000 crore milestone in the third quarter. Profit after tax grew to ₹451 crore. Return on average AUM remained strong at 4.58%, while return on average tangible equity improved to 14.18%. Gross NPA reduced to 2.61%.

Highlights 2026

- ₹11,270 crore AUM IN FY2026.
- 14.18% Return on Average Tangible Equity.
- 2.61% Gross NPA.

These outcomes are significant because they were delivered together. Growth was accompanied by stronger profitability, improved operating efficiency and controlled asset quality. That combination is central to the quality of SBFC's franchise.

Outcomes by design

The theme of this year's report, **The Architecture of Outcomes**, reflects how the Board views the Company's progress.

In financial services, durable outcomes are rarely accidental. They are the result of design choices that compound over time: where the Company lends, how risk is assessed, how branches are scaled, how people are trained, how funding is diversified, how technology is embedded and how governance is applied.

SBFC's architecture has been built with this long-term orientation. The Company has created a platform that combines local market understanding with institutional controls. It has built a secured and granular loan book, an in-house sourcing model, a disciplined underwriting framework and a technology-enabled operating structure. The result is a business that has become more productive as it has grown.

This is important for the next phase. A larger balance sheet requires stronger systems, deeper management capacity and sharper governance. The foundations built over the past several years give SBFC the ability to approach the next phase from a position of strength.

Governance and continuity

For the Board, growth is valuable only when it is consistent with the Company's risk appetite, capital strength and long-term responsibilities. Our oversight therefore remains focused on the quality of growth as much as the pace of growth.

During the year, the Board continued to engage closely with the Company's asset quality, liquidity, liability profile, capital position, internal controls, technology governance and management depth. This becomes increasingly important as SBFC scales. The operating environment for MSME credit can change quickly, and the resilience of the institution depends on the discipline with which it is governed.

FY2026 was also a year of leadership transition. Aseem Dhru, who has played a defining role in shaping SBFC's strategy, culture and institutional character, elevated to the role of Executive Vice Chairman. Mahesh Dayani assumed the role of Managing Director and Chief Executive Officer.

This transition reflects continuity. SBFC has been built as an institution, supported by a professional management team, clear operating principles and a strong governance framework. Aseem Dhru, in his new role, will continue to provide strategic directions alongside ensuring that the processes, controls and governance continue to be at the level of a premier institution. Mahesh Dayani brings deep familiarity with the business, its customers, its credit model and its long-term priorities. The Board has confidence in the management team's ability to carry the Company into its next phase with discipline.

The wider responsibility of the business

SBFC's social relevance is embedded in its business model. The Company serves small business owners who are often underrepresented in formal credit channels, but who are central to local enterprise, employment and economic mobility.

This responsibility requires care. The purpose of the Company is not simply to extend credit, but to do so in a manner that is sustainable for the customer and prudent for the institution. The strength of SBFC's processes, controls and credit culture is therefore essential to the value it creates.

Beyond the lending business, the Company continued to support programmes in education, skilling, healthcare, rural infrastructure and community development. These initiatives reflect the same institutional belief: that access, capability and opportunity can change outcomes when they are supported with intent.

Building the next phase

SBFC has completed an important phase of its development. The Company has crossed ₹10,000 crore of AUM, strengthened its return profile and continued to build a franchise with strong asset quality and governance discipline.

The next phase is about building higher on the same foundation.

The Company aims to grow towards ₹20,000 crore of AUM, while protecting return ratios and asset quality. This will require continued discipline in capital allocation, underwriting, funding, technology investment and execution. It will also require the Company to retain the culture that brought it here.

On behalf of the Board, I thank our customers, employees, lenders, regulators, shareholders and partners for their trust. FY2026 was a strong year for SBFC, but its real importance lies in what it confirms: the institution has been designed with care, and it has the capacity to scale with the same discipline.

The architecture is in place. Our responsibility is to keep building to the same standard.

Neeraj Swaroop
Chairman

Managing Director & CEO's message

Executing with **discipline** at greater scale



Mahesh Dayani,
Managing Director & Chief Executive Officer

Dear Shareholders,

FY2026 was a milestone year for SBFC Finance. The Company crossed ₹10,000 crore in Assets Under Management (AUM), delivered a Profit After Tax of ₹451 crore, and reported a strong Return on Average AUM of 4.58%. Return on Average Tangible Equity improved to 14.18%, with a healthy fourth-quarter exit rate of 14.48%. Gross NPA stood reduced at 2.61%. These results reflect disciplined execution and the strength of our operating model.

The foundation has been laid strong; now every brick we add must reinforce the structure. Our milestone year is not the peak, but the confirmation that the architecture we built can support far greater heights.

Growth with Improving Economics

AUM grew 29% during the year to ₹11,270 crore. This growth was accompanied by superior unit economics: Opex to average AUM improved from 4.65% to 4.19%, Cost-to-Income ratio declined from 39.98% to 36.16%, and Spreads widened by 57 basis points to 8.99%. Return on average AUM improved despite a higher credit cost environment.

True growth is not just adding more tracks, but ensuring the train moves faster, smoother, and with greater efficiency. We have grown the engine while simultaneously strengthening every bolt.

Our branch network remains the cornerstone of this operating leverage. We added 46 branches, taking the total to 251 across 199 cities, 18 states, and 2 Union Territories. Vintage productivity continues to be strong - branches older than 36 months carry an average AUM of ~₹66 crore, compared to ₹26 crore for 12-36-month branches and ₹7 crore for newer ones. Employee productivity also rose, with AUM per employee increasing from ₹2.04 crore to ₹2.23 crore.

Branches are the roots of our tree. The deeper and stronger they grow, the higher and wider the canopy of our impact spreads across Bharat.

Funding Quality and Credit Discipline

We maintained a stable yield of 17.84% while reducing the cost of borrowing to 8.85%. Our AA- Stable rating, diversified funding sources, and prudent liability management supported this healthy spread. On the asset quality front, Gross NPA improved to 2.61% and Net NPA stood at 1.54%. We continued to maintain conservative underwriting with a secured MSME Loan-to-Value of 42.6%, high CIBIL scores, and strong collateral coverage.

Discipline in credit is like a lighthouse - it does not move with the waves of the market, yet it guides every ship safely to shore.

“

By scaling with discipline and investing in productivity, technology and analytics, we aim to progress towards ₹20,000 crore AUM while protecting returns and asset quality.

Technology as Execution Infrastructure

Technology has become central to our operating model - enhancing consistency, speed, auditability, and control across origination, underwriting, servicing, and collections. It allows us to retain the strengths of our relationship-led approach while scaling efficiently.

Technology is not replacing the human hand; it is giving it precision, reach, and memory - turning relationships into a scalable, enduring force.

Leadership Transition and Continuity

FY2026 also marked a planned leadership transition. Mr. Aseem Dhru moved into the role of Executive Vice Chairman, and I assumed the position of Managing Director and Chief Executive Officer. This change represents continuity of vision and execution. The core principles that built SBFC - secured lending, in-house sourcing, disciplined underwriting, local understanding, strong governance, and measured growth remain unchanged.

Like a relay race where the baton is passed without breaking stride, our transition ensures the momentum not only continues but accelerates with renewed focus.

Re-evaluating Our Walls

In a competitive landscape where banks, fintechs, and peers are all eyeing the MSME segment, we do not rely on easy protections. We deliberately strengthen our own fortress through structural discipline. We delivered robust growth in FY26 while improving asset quality and profitability, proving that disciplined, high-quality expansion is the only sustainable path.

In a crowded battlefield, the strongest fortress is not built by walls alone, but by the character of the people defending it and the discipline with which they march.

As we scale beyond ₹10,000 crore, we remain committed to operating with the same entrepreneurial spirit. It is always Day 1 at SBFC. We refuse to chase short-term applause and remain focused on long-term value creation for the entrepreneurs we serve and our shareholders.

Fostering a “Learn-it-All” Phygital Culture

Our unique phygital model - combining local relationships with technology and data-driven insights - continues to differentiate us. We are building a learning organisation that blends digital efficiency with deep customer empathy, ensuring we stay agile and relevant in a fast-changing environment.

In the phygital world, we do not choose between heart and mind - we train both. Empathy guided by data and relationships powered by technology create an unbeatable combination.

Looking Ahead

We enter FY27 with clear priorities: scaling our secured MSME franchise responsibly, driving further productivity gains across branches and employees, strengthening our liability franchise, and investing in technology and analytics - all while protecting our credit culture and return ratios. Our ambition is to move towards the ₹20,000 crore AUM milestone with the same discipline that has served us well.

The theme of this year's report, “**The Architecture of Outcomes**”, truly captures how SBFC creates enduring value - through a robust operating model, strong governance, and a culture of execution and discipline.

We are not merely building a larger company; we are constructing an institution whose outcomes will outlast all of us - one disciplined decision at a time.

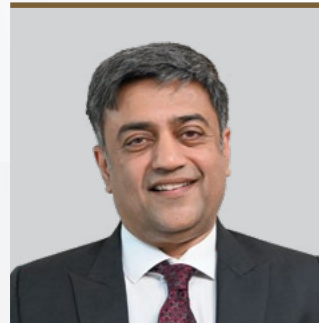
I would like to thank our employees for their dedication, our customers for their trust, our lenders and partners for their continued support, our Board for its guidance, and you - our shareholders for your confidence.

We remain committed to disciplined, sustainable growth and to fuelling the dreams of India's underserved entrepreneurs.

Behind every number in this report are thousands of dreams funded, families supported, and entrepreneurs empowered. Thank you for believing in our shared journey.”

Mahesh Dayani
Managing Director & Chief Executive Officer

Our Leadership Team



Mr. Aseem Dhru
Executive Vice-Chairman
28+ Years of experience



Mahesh Dayani
Managing Director & CEO
23+ Years of experience



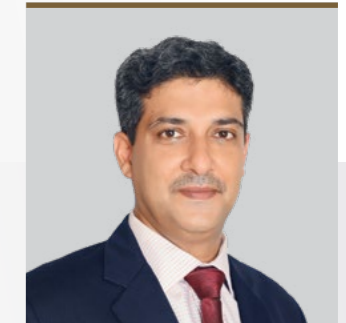
Mr. Narayan Barasia
Chief Financial Officer
23+ Years of experience



Akruti Mashkaria
Head - Internal Audit
15+ Years of experience



Pragnesh Soneji
CBO - Gold Loans
23+ Years of experience



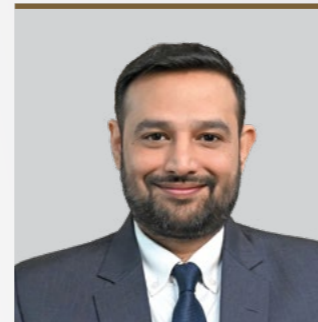
Ish Chawla
CBO - North & West
17+ Years of experience



Sanket Agrawal
Chief Strategy Officer
13+ Years of experience



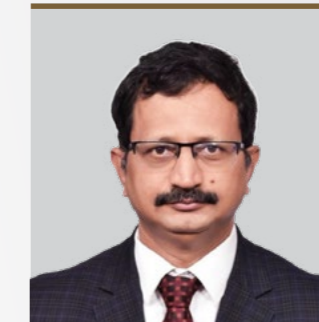
Rajeev Thakker
Chief Risk Officer
26+ Years of experience



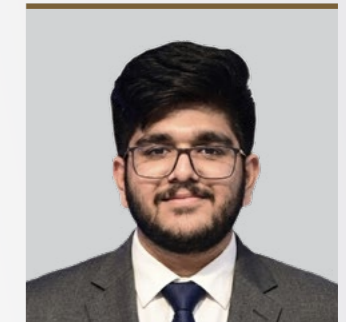
Sumeet Ghai
Chief Human Resources Officer
23+ Years of experience



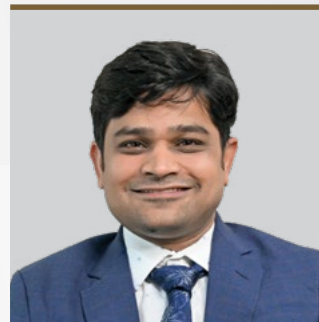
Ashish Singh
CBO - South & East
15+ Years of experience



Sreenivas Mylavaram
Chief Credit Officer
30+ Years of experience



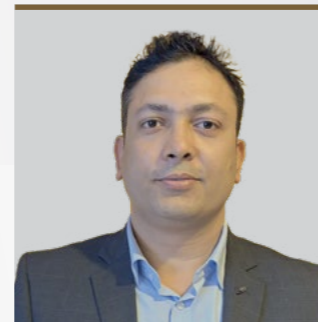
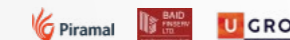
Siddharth Sharma
Head - BIU & Analytics
6+ years



Ganesh Vaidya
Chief Technology Officer
17+ Years of experience



Namrata Sajjani
CS & Chief Compliance Officer
12+ Years of experience



Agnivesh Kumar
Head - Operations
15+ Years of experience



Arup Bhattacharya
Head - Treasury
22+ Years of experience



Five pillars, One system.

PILLAR 01

Focused Segment

One Segment. One Ticket Range.

PILLAR 03

Credit Underwriting

The methodology that makes this possible

PILLAR 05

Team

Cycle-tested professionals

PILLAR 02

Pan-India Footprint

Disciplined distribution

PILLAR 04

Unit Economics

Returns & efficiency

These five pillars form the operating architecture of the Company. Over eight years, they have been tested through multiple external and internal milestones – including two credit cycles, the pandemic period, the transition to public markets, and the achievement of ₹10,000 crore in AUM.

Their strength lies in the way they work together as an integrated system. The Focused Segment defines the customer universe and informs the Company's credit underwriting model. That

model is delivered through a pan-India footprint built on local market knowledge and proximity. Geographic reach expands access to underserved borrowers and deepens the addressable opportunity. Capturing that opportunity consistently and at scale depends on the quality, capability and discipline of the team. The team, in turn, reinforces the Company's ability to remain sharply focused on its chosen segment.



Five pillars at a Glance

PILLAR	STRATEGIC COMMITMENT	FY26 PROOF METRIC
01 Focused Segment	Stay in the ₹5-₹30 lakh secured MSME segment through every environment	AUM ₹11,270 Cr · 100% secured book
02 Pan-India Footprint	Expand distribution selectively, into geographies where the credit model is proven	251 branches · 18 states + 2 UTs
03 Credit Underwriting	Maintain the underwriting standards that define SBFC's credit quality	GNPA 2.61% · LTV 42.6% · PCR 41.64%
04 Unit Economics	Drive operating leverage through profitable branch-level economics and disciplined cost management	Opex-to-AAUM 4.19% Mature branches generating >15% ROE
05 Team	Build and retain a professional, cycle-tested leadership organisation	5,055 employees Leaders from renowned organisation

FY26 figures are full-year (April 2025 – March 2026).

Five pillars, One system.

(continued)

01

One segment. One ticket range.

Objective: To lend exclusively in the ₹5 to ₹30 lakh secured MSME segment, with pricing, underwriting, and product design optimised for that customer and no other.

Why this is a strategic choice

The ₹5 to ₹30 lakh secured MSME segment is the fastest-growing within MSME lending, expanding at 24% CAGR and representing a ₹4 lakh crore pool of credit. It is systematically underserved by banks, which face structural constraints in assessing informal income and locally valued collateral. Serving this customer profitably requires a specific kind of credit officer, a specific technology stack, and a specific collections approach. SBFC has designed the entire organisation around it.

The discipline of focus compounds over time. Eight years in one segment means eight years of proprietary data on borrower behaviour, collateral dynamics, and collection patterns. That data advantage deepens annually.

The market and the customer

India's MSME sector accounts for approximately 30% of GDP, 45% of exports, and over 11 crore jobs. Within SBFC's specific focus segment — borrowers seeking ₹5 to ₹30 lakh — the lending market is already at ₹4 lakh crore, growing at 24% per year. A huge structural credit gap persists across MSME financing, the result of stringent collateral requirements, limited credit histories, and the inability of standard credit infrastructure to assess informal-income borrowers.

SBFC's customers are precisely those borrowers: proprietors of small trading, services, and retail businesses whose income is consistent but largely undocumented. They are often first-time commercial borrowers, with prior consumer credit records but no formal business credit history. SBFC's model was designed



specifically for this profile — to see the creditworthiness that standard frameworks miss. Lending to these customers is commercially sound because they have genuine repayment capacity, secured collateral, and strong motivation to maintain formal credit relationships. It is socially important because their access to formal credit reduces dependence on informal lenders, enables business investment, and generates employment in the communities where SBFC operates. The commercial return and the social impact are the same outcome expressed in two different languages.

Strategic actions in FY2026

01

Maintained average secured MSME ticket size at ₹9.93 lakh – no upward drift into larger, less defensible ticket sizes where competition is more intense

02

Held sector concentration below 15% for any single industry, ensuring granularity across the portfolio and limiting exposure to any single business cycle

03

Continued 100% in-house sourcing with no channel partners or DSAs – eliminating information asymmetry at origination and maintaining full control over underwriting quality

04

Grew active customer base from approximately 1,64,220 to 2,02,683 by March 2026, a 23% increase – each new customer represents formal credit access for a business that previously had none, and a commercial credit history that will persist beyond the SBFC relationship

FY2026 Key Performance Indicators

₹11,270 Cr

TOTAL AUM

100%

SECURED BOOK

₹9.93 L

AVG TICKET (MSME)

No sector >15%

CONCENTRATION LIMIT

2,02,683

ACTIVE CUSTOMERS

Five pillars, One system.

(continued)

02 Disciplined distribution

Objective: To build a branch network that is pan-India, with no concentration risk, in geographies where SBFC's credit model has been tested across a full cycle.

The Discipline of selective expansion

SBFC has built its branch network through a disciplined approach to expansion. New branches are added only where local market density is visible, the collateral landscape is well understood, and the target segment offers a sufficient pool of creditworthy customers. Over time, this has created a network whose productivity strengthens with maturity. Branches that have operated for more than 36 months average ₹66 crore of AUM, versus ₹7 crore for branches under 12 months. The progression illustrates the operating leverage that geographic expansion can deliver when executed with discipline.

The regional composition of the portfolio reflects the same philosophy. AUM remains well distributed across geographies, with each region maintained within a balanced range, South 35.6%; North 34.2%; West 16.0%; East 14.2%. This distribution supports resilience by limiting concentration and helping the franchise perform with greater consistency across regional economic cycles.

Strategic actions in FY2026

01 Added 46 net new branches in FY26, expanding from 205 to 251 branches and entering one additional state (now 18 states + 2 UTs, covering 199 cities)

02 Maintained balanced regional distribution with no single region exceeding 37% of AUM – South 35.6%; North 34.2%; West 16.0%; East 14.2%

03 Drove steady improvement in AUM per branch as the network matures: branches older than >36 month branches average ₹66 crore, up from ₹59 crore in FY25, confirming the productivity trajectory

FY2026 Key Performance Indicators

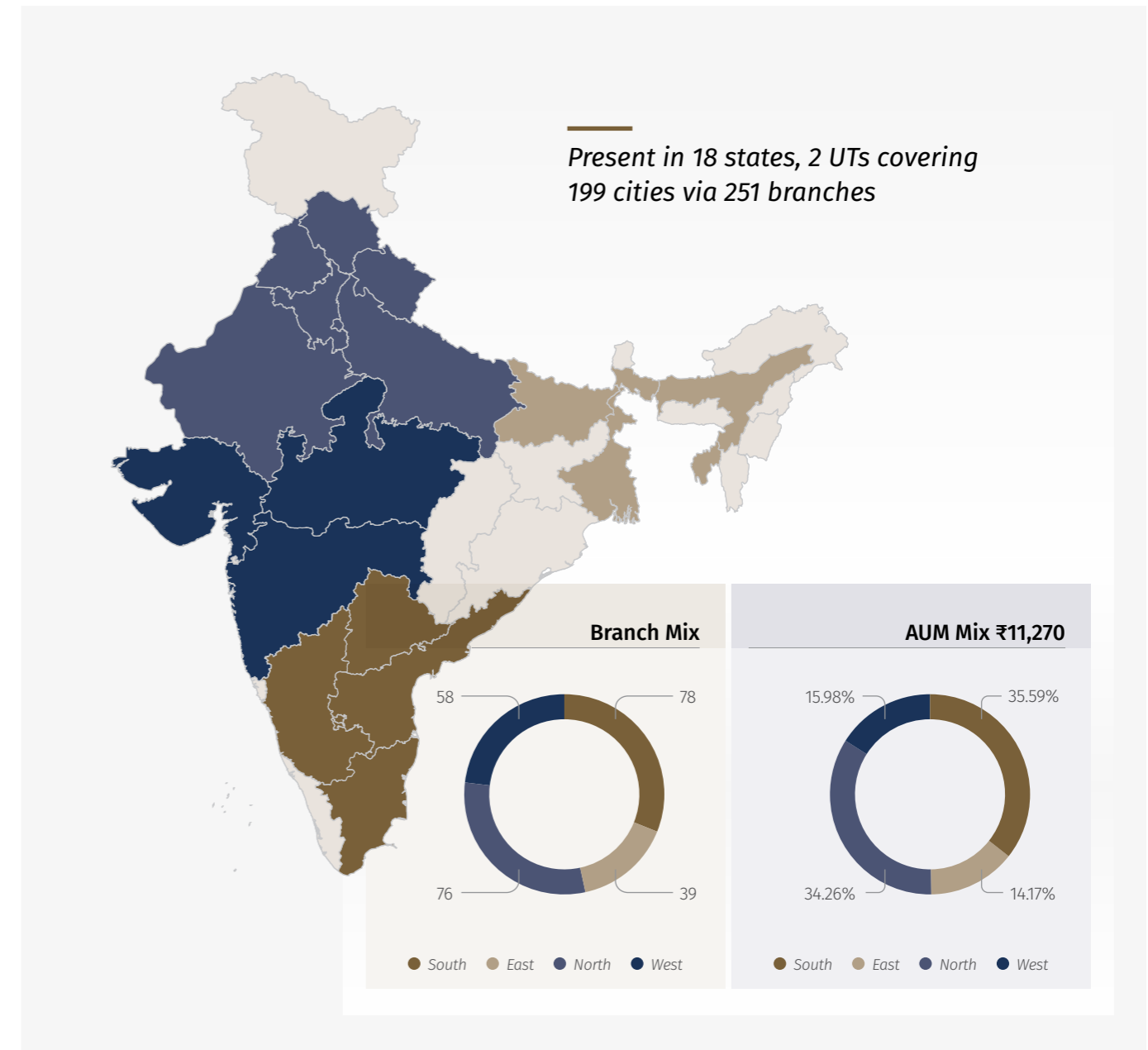
251
TOTAL BRANCHES

18 + 2 UTs
STATES & UTs

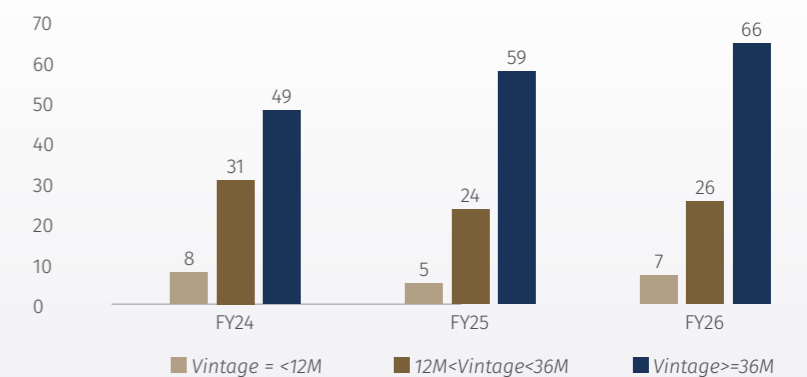
199
CITIES

₹66 Cr
AUM / BRANCH (>36M)

Business Momentum



Driven by steady rise in AUM per branch



Five pillars, One system.

(continued)

03

The methodology that makes this possible

Objective: To assess repayment capacity accurately for borrowers whose income is largely informal, through a methodology combining local officer judgment, analytics, and verified family-level cash flow.

Why Standard Credit Assessment Fails This Customer

Most small businesses in SBFC's target segment present with partial income proof, limited commercial credit history, bank statements with thin transaction volumes, and collateral that has local nuances that a centralised assessor cannot understand. Standard scorecards built for salaried or formally documented borrowers produce systematic false negatives for these customers – declining credit to people who would repay it. Equally, they produce false positives in segment adjacent to SBFC's, where informal income is claimed but cash flow does not support the repayment.

SBFC's credit methodology was designed specifically for the informal-income borrower. It begins with time spent – a credit officer who visits the customer's premises, speaks to neighbours, customers, and suppliers, understands the household income at the household level (encompassing the business and family finances together), and evaluates historical asset creation as a proxy for savings discipline. This is combined with analytics: credit segmentation, triangulation of income from multiple data points, and bureau scoring that gives appropriate weight to consumer credit history in the absence of commercial credit history.

The Structural Protections built into every Loan

Every secured MSME loan at SBFC carries three structural protections that reduce default probability beyond what the credit assessment alone provides.

First, collateral: 94% of AUM is secured against self-occupied residential or commercial property, with an average LTV of 42.6%.

Second, co-borrower: a spouse or parent acts as co-borrower on 100% of loans, making the household the credit unit, not solely the business.

Third, sector selection: SBFC focuses on essential-services businesses in trading, retail, and services, which are demonstrably more resilient through macro down-cycles than discretionary or small sized manufacturing businesses.

Strategic actions in FY2026

01

Maintained CIBIL score above 700 for 89.2% of the secured MSME book in FY26, up from 86.9% in FY25 – the credit quality of new origination continues to improve

02

Strengthened provisioning stance: Provision Coverage Ratio at 41.64% for FY26, reflecting a prudent and consistent approach to provisioning

03

Held Gross NPA at 2.61% in FY26, broadly flat year-on-year despite a demanding credit environment for the broader NBFC sector, validating the essential-services borrower selection

FY2026 Key Performance Indicators

2.61%

GROSS NPA

1.54%

NET NPA

42.6%

AVG LTV (MSME)

41.64%

PROVISION COVERAGE RATIO

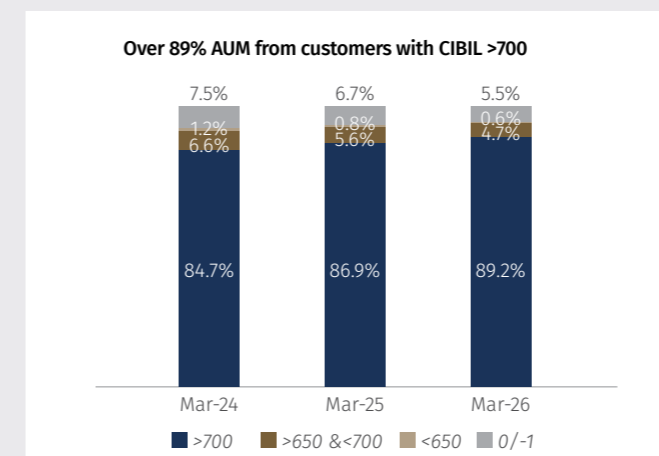
Credit Methodology

Tailored to service underserved, underbanked informal customers

Most small business in India have challenges	SBFC's business model backed by experience in this segment
Partial income proof	<ul style="list-style-type: none"> Credit officers spent time to understand income & cash flow (documented + non-documented) at family level Evaluation of historical asset creation
Limited commercial credit history	<ul style="list-style-type: none"> SBFC customers are often first-time commercial borrowers with past consumer loans Reference check from the neighbourhood, locality and their customers and suppliers
Collateral with local nuances	<ul style="list-style-type: none"> Local team with knowledge of local nuances and local collateral dynamics Spouse or parent act as co-borrower on all loans
Bank statements with limited transactions	<ul style="list-style-type: none"> Analytics driven 'customer segmentation' Triangulation of income sources from multiple data points
Small Scale businesses lack resilience	<ul style="list-style-type: none"> Focus on services/ trading/ retailing businesses Customer with businesses in essential services - less impacted by macro down-cycles
Deep understanding of customer behaviour & strong knowledge of local markets	

Credit Underwriting

Quality borrowers with credit score above 700



Granular loan book with high quality collateral

94%

AUM SECURED BY SELF OCCUPIED RESIDENTIAL / COMMERCIAL PROPERTY

42.6%

LTV

100% co-borrower

SPOUSE, PARENT ACTING AS ONE

95% women

BORROWERS / CO-BORROWERS

No industry > 15%

SECTOR EXPOSURE NOT MORE THAN 15% OF OUR LOAN PORTFOLIO

Five pillars, One system.

(continued)

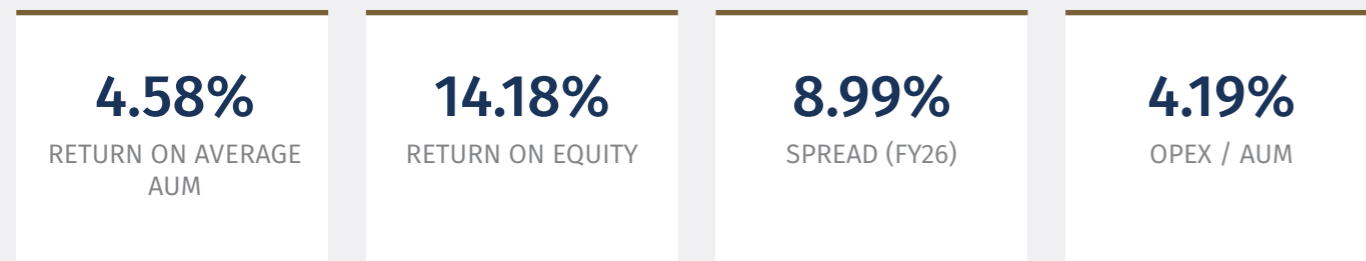
04 Returns and efficiency

Objective: To demonstrate that SBFC’s focused, disciplined lending model generates strong and improving returns – and to sustain those returns as the franchise scales through Phase II.

Why returns are a strategic pillar

For SBFC, the financial outcomes the business generates are the proof that the strategy is working. Return on Average AUM above 4.50% for five consecutive quarters. Return on Equity rising from 11.28% in FY24 to 14.18% in FY26. Spread expanding 149 basis points over three years as the AA– rating upgrade lowered borrowing costs. Operating expenses as a share of AUM declining 261 basis points since FY22. These are not coincidental results – they are the financial expression of every other pillar working as designed.

The significance of SBFC’s return profile lies in its source. ROAAUM above 4.5% in a segment where many lenders do not operate reflects a credit methodology that prices risk correctly, a cost base that improves with scale, and a fully secured loan book that limits credit losses. It demonstrates that serving India’s underserved small business owners is the basis for returns, not a compromise on them.



The Returns Architecture

SBFC’s return on equity is built from four compounding elements. Yield on loans at 17.84% in FY26 reflects disciplined pricing within the target segment. Borrowing cost at 8.85% – declining as the credit rating improves and the lender base diversifies – converts into a spread of 8.99%, the widest in the Company’s history. Operating expenses at 4.19% of AUM reflect six years of technology investment and branch maturity, down from 6.80% in FY22. Credit cost at 1.27% reflects the structural protections in every loan – full security, low LTV, essential-services borrower selection – working as designed through a more demanding credit environment for the broader NBFC sector.

Operating Leverage: Scale Improving Unit Economics

As AUM has grown, the productivity of the people and branch infrastructure supporting it has improved. AUM per employee has risen from ₹1.70 crore in Q1 FY24 to ₹2.23 crore in FY26, a 31% improvement. AUM per branch has increased from ₹32.88 crore to ₹44.90 crore over the same period, up 37%. AUM grew at nearly twice the rate of headcount and branch additions. The result is a franchise generating more output from each unit of investment, operating leverage in its structural form.

AUM growth through branch maturity provides the second driver: older branches carry denser customer ecosystems, stronger referral flows, and lower marginal cost per new account. Both forces compound as the network grows – and both are structural rather than cyclical.

Strategic actions in FY2026

- 01** Delivered ROAAUM of 4.58% in FY26, highest in the SBFC’s history, and Return on Average AUM of 14.18%, demonstrating that the financial model strengthens as the franchise scales
- 02** Expanded spread to 8.99% in FY26, 129 basis points wider than FY24, driven by the AA– credit rating upgrade from all three agencies and improved access to diversified, longer-tenor borrowings
- 03** Reduced operating expense ratio to 4.19% of AUM in FY26, down 261 basis points since FY22, through technology-driven productivity gains and the natural maturation of the branch network



Five pillars, One system.

(continued)

05

Cycle-tested professionals

Objective: To build and retain a professional, cycle-tested leadership organisation that can operate in this segment and through every credit environment.



What ‘Cycle-Tested’ Means In Practice

SBFC’s leadership team has guided the business through multiple periods of stress, including the COVID-19 disruption, the liquidity tightening and the pressures seen across the microfinance sector during the period. In each case, core credit discipline was preserved. Underwriting standards remained consistent even when looser filters may have supported faster growth. Collections execution stayed firm, and provisioning was strengthened where conditions called for greater caution. These responses demonstrate a team that has fully absorbed the Company’s credit culture and applies it with consistency across business cycles.

The six-vertical operating model — Business, Credit, Operations, Risk, Audit and Collection — provides clear accountability across the organisation and supports continuity in execution. It also strengthens the institutional framework by reducing dependence on individual decision-makers. This framework has been reinforced further through Board strengthening and the formalisation of risk committee processes. The result is a more resilient operating model and greater predictability in performance.

What “cycle-tested” delivers

What a cycle-tested team protects against a leadership team that has operated through multiple stress periods builds protections that go beyond process.

First, consistency: underwriting standards held firm through COVID-19 (FY21) and the liquidity tightening, even when looser filters would have allowed faster growth.

Second, discipline: collections execution and provisioning were strengthened where conditions called for caution, rather than relaxed for short-term gains.

Third, continuity: SBFC focuses on essential-services businesses in trading, retail, and services, which are demonstrably more resilient through macro down-cycles than discretionary or small sized manufacturing businesses.

Strategic actions in FY2026

01

Maintained the six-vertical operating model with experienced BFSI professionals at the head of each vertical – Business, Credit, Operations, Risk, Audit and Collection

02

Continued to develop internal technology capability: the Samarth AI data platform, face-based eKYC, and GenAI NPA prediction models were all deployed in FY26 by SBFC’s own teams

03

Grew total headcount to 5,055 while maintaining sourcing at 100% in-house, ensuring that productivity and credit quality is maintained with employee count

FY2026 Key Performance Indicators

5,055

TOTAL EMPLOYEES

6

OPERATING VERTICALS

100%

IN-HOUSE SOURCING

AA-
Stable

CREDIT RATING

Unit Economics & The Returns.

Over the past three years, SBFC has demonstrated an encouraging operating pattern: scale has been accompanied by stronger economics. As the franchise has expanded, productivity has improved, indicating that the Company is generating more from each unit of organisational capacity over time. This reflects a business whose operating model is becoming more efficient as it grows.

Returns tell a similar story. Profitability on the asset base has remained healthy and has strengthened over the period, while returns to shareholders have also moved upward. The significance of this lies in the quality of growth. Expansion has been supported by discipline, with the business continuing to perform through a broader credit environment that has at times been more challenging.

The strengthening of spread adds further evidence. SBFC has preserved the earning power of the portfolio while scaling, supported by sound pricing, funding discipline and portfolio mix. Together, these trends point to a franchise where growth is translating into stronger productivity, sustained profitability and improving operating efficiency.

Scale is strengthening the economics of the business

FY2026 was an important year in the evolution of SBFC's operating model. The Company crossed ₹10,000 crore of AUM and grew profit after tax by 31%, while returns on both assets and tangible equity moved higher, the fourth-quarter exit rate pointing to continued momentum.

What matters is the composition behind these numbers. AUM grew far faster than operating cost, translating directly into improved efficiency: the cost-to-AUM ratio fell, spread widened on the back of a stable yield and lower cost of borrowing, and asset quality strengthened even as the book expanded. The detailed movement is set out in the table alongside.

This is the operating pattern that strengthens SBFC. Scale is valuable only when it improves the quality, efficiency and earning power of the balance sheet, and in FY2026 the franchise grew with discipline, using a larger platform to drive stronger productivity, protect asset quality and lift shareholder returns.

Metric	FY2025	FY2026	Movement
AUM	₹8,747 crore	₹11,270 crore	+29%
Profit after tax	₹345 crore	₹451 crore	+31%
Return on average AUM	4.53%	4.58%	+5 bps
Return on average tangible equity	12.72%	14.18%	+146 bps
Spread	8.42%	8.99%	+57 bps
Opex to average AUM	4.65%	4.19%	-46 bps
Gross NPA	2.74%	2.61%	-13 bps

The year's performance shows that SBFC is improving the economics of the assets it adds.



The returns bridge: stronger spread, lower cost and disciplined leverage

Return on average tangible equity improved meaningfully in FY2026, driven by three linked factors: a wider spread, better operating efficiency and more effective use of the capital base.

The most important movement was in spread. With yield broadly stable, a lower cost of borrowing did the work, widening the spread and lifting the return the book earns on every rupee deployed. The full movement across each driver is set out in the table alongside.

This is a high-quality form of margin improvement. It reflects funding discipline, balance sheet strength and the ability

to access a broader and more efficient liability base as the Company scales.

The second driver was operating leverage. Operating expenses reduced from 4.65% of average AUM to 4.19%. This 46 basis point improvement is meaningful in a secured MSME model, where branch expansion and investment in people is central to the growth strategy. SBFC is demonstrating that a relationship-led business can scale with improving efficiency when the operating platform is designed well.

The third driver was disciplined balance sheet utilisation. Average AUM to average tangible equity increased from 2.81 times to 3.10 times. This helped translate stable asset profitability into higher shareholder returns, while capital adequacy remained strong at 32.84%.

Driver	FY2025	FY2026	Movement
Yield	17.75%	17.84%	+9 bps
Cost of borrowing	9.33%	8.85%	-48 bps
Net interest margin to average AUM	10.20%	10.33%	+13 bps
Opex to average AUM	4.65%	4.19%	-46 bps
Credit cost to average AUM	0.97%	1.27%	+30 bps
Leverage	2.81x	3.10x	+0.29x

SBFC improved returns despite a higher credit cost. The Company absorbed normalising credit cost through better spread, improved cost efficiency and disciplined balance sheet utilisation.

Unit Economics & The Returns.

(continued)

Productivity is compounding as the network matures

SBFC ended FY2026 with 251 branches across 199 cities, 18 states and two Union Territories. During the year, the Company added 46 branches and increased AUM by ₹2,523 crore.

The simple productivity metrics show progress. AUM per employee improved from approximately ₹2.04 crore in FY2025 to approximately ₹2.23 crore in FY2026. AUM per branch improved from approximately ₹42.7 crore to approximately ₹44.9 crore, despite the addition of new branches during the year.

The more important point is the maturity profile of the branch network. Branches older than 36 months had average AUM of

approximately ₹66 crore. Branches between 12 and 36 months had average AUM of approximately ₹26 crore. Branches below 12 months had average AUM of approximately ₹7 crore.

This shows a clear productivity curve. New branches begin with a smaller book, build local relationships, deepen sourcing networks and improve operating familiarity. As they mature, they contribute more meaningfully to the earning base of the Company.

At the end of FY2026, 143 branches were older than 36 months, while 108 branches were still below 36 months. This gives the existing network embedded productivity headroom. The Company does not need every future gain to come from new branch additions. A meaningful part of the opportunity sits within the branch base already in place.

Metric	FY2025	FY2026	Movement
Branches	205	251	+46
Employees	4,294	5,055	+18%
AUM per employee	₹2.04 crore	₹2.23 crore	+9%
AUM per branch	₹42.7 crore	₹44.9 crore	+5%

As the network grows larger, it is becoming more productive. As branches season, local knowledge, customer familiarity and referral depth improve the economics of the distribution platform.

Funding quality is visible in the spread

The widening of spread was one of the most important developments in FY2026. Spread increased from 8.42% to 8.99%, while the fourth quarter exit stood at 9.09%.

This improvement was achieved with a broadly stable yield profile. Annual yield increased by 9 basis points, while the cost of borrowing reduced by 48 basis points. The movement therefore reflects an improvement in the liability side of the balance sheet as much as it reflects asset-side discipline.

This is important for a secured MSME lender. Higher spread created through sharper pricing can carry risk if not supported by borrower quality and credit discipline. SBFC's spread improvement was supported by a stronger borrowing profile, diversified sources of funding and a AA- Stable credit rating.

A diversified liability base also improves resilience. The Company's borrowings are spread across banks, financial institutions, foreign currency sources, non-convertible debentures, securitisation, co-origination and development finance institutions. This reduces dependence on any one channel and supports the tenor discipline required for a growing secured loan book.

Metric	FY2025	FY2026	Movement
Yield	17.75%	17.84%	+9 bps
Cost of borrowing	9.33%	8.85%	-48 bps
Spread	8.42%	8.99%	+57 bps
Net interest margin to average AUM	10.20%	10.33%	+13 bps

SBFC's spread improved because the balance sheet became more efficient. That is a stronger foundation for sustained returns than a model dependent only on higher lending rates.

Operating leverage is becoming more visible

SBFC's operating expenses increased in absolute terms as the franchise expanded. This is expected in a branch-led model. The more relevant measure is whether the cost base is becoming more efficient relative to the AUM it supports. On that measure, FY2026 showed clear progress. Opex to average AUM improved from 4.65% to 4.19%. Cost-to-income improved from 39.98% to 36.16%.

This matters because SBFC's model is deliberately relationship-led. The Company serves small business owners, many of whom have partial income documentation, limited formal credit history and collateral with local nuances. The model therefore requires local presence, in-house sourcing, credit judgement and on-ground collections. These are not temporary costs. They are part of the credit architecture of the business.

The improvement in cost intensity shows that the Company is scaling this architecture efficiently. Technology is helping reduce friction across lead generation, onboarding, underwriting, disbursal, servicing and collections. Digital verification, eKYC, rule-based underwriting, eNACH, eSign, digital disbursal, electronic document storage and digital collection workflows, all support greater consistency and control.

The benefit is not only lower cost. It is lower operational drag. A more digitised process reduces rework, improves auditability and allows the organisation to handle larger volumes without adding complexity at the same pace.

Asset quality remained controlled through growth

FY2026 growth was delivered with stable asset quality. Gross NPA improved from 2.74% to 2.61%. Net NPA stood at 1.54%. Provision coverage ratio was 41.64%.

The secured nature of the book remains central to this performance. The Company's secured MSME loans are backed by granular collateral, with 94% of AUM secured by self-occupied residential or commercial property and loan-to-value at 42.6%. The portfolio also remains diversified, with no single industry accounting for more than 15% of the loan book.

Borrower quality continued to strengthen. More than 89% of secured MSME AUM came from customers with CIBIL scores above 700. All loans had a co-borrower, typically a spouse or parent. This strengthens underwriting, improves repayment accountability and supports collections discipline.

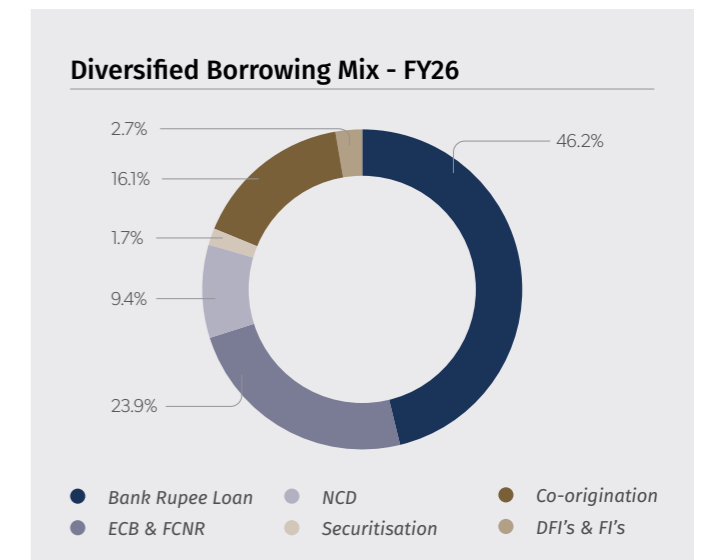
Credit cost increased from 0.97% of average AUM to 1.27%. This increase should be read alongside the improvement in RoAAUM. The Company was able to absorb higher credit cost and still improve profitability. That is an important indicator of the depth of the earnings engine.

Operating leverage is being created without moving away from the core credit model. SBFC is retaining local underwriting discipline while improving process efficiency.

Metric	FY2025	FY2026
Gross NPA	2.74%	2.61%
Net NPA	1.51%	1.54%
Provision coverage ratio	45.69%	41.64%
Credit cost to average AUM	0.97%	1.27%
AUM from customers with CIBIL above 700	86.9%	89.2%

The treasury function is broadening and lowering the cost of funding

SBFC's liability base has diversified well beyond traditional bank lines, drawing on rupee bank loans, external commercial borrowings, NCDs, co-origination, securitisation and development finance institutions. Marquee global lenders — including IFC and British International Investment (BII), now sit alongside leading public and private sector banks, reflecting the strength of the franchise. This breadth, supported by an AA- (Stable) rating, helped reduce the cost of borrowing to 8.85% in FY2026. A positive asset-liability profile across every maturity bucket keeps funding both stable and efficient as the book continues to scale.



Technology - From Digitisation to Intelligence.

Over the past year, SBFC has undergone a fundamental shift in how technology operates within the organisation. The journey has moved from digitisation – automating existing processes – to intelligence, where systems learn, predict, and optimise outcomes in real time. The organisation now stands as an AI-native NBFC: one where technology is embedded in governance, operations, learning, and culture, rather than deployed as a layer on top of them.

Re-architecting the enterprise

At the core of this transformation is a cloud-native, API-first, microservices-driven architecture. This enables seamless orchestration across the loan origination system (LOS), loan management system (LMS), customer interfaces, and enterprise data platforms. Each component can be updated independently. AI models can be retrained and deployed without disrupting the whole system. New capabilities can be added without rebuilding the base.

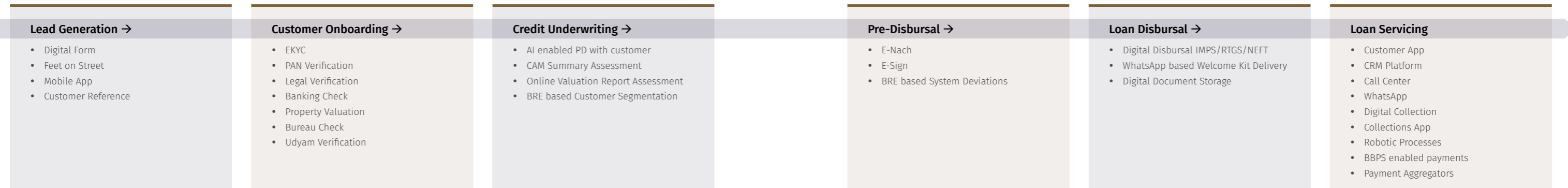
Capabilities including eKYC, eSign, Account Aggregator (AA) integration, PAN validation, and real-time account verification together deliver end-to-end paperless journeys across origination, underwriting, and servicing. The result is the elimination of friction and manual redundancy at every stage of the loan lifecycle.

Simultaneously, SBFC is building a centralised enterprise data architecture with domain-driven data marts – Customer, Asset, and Operations – ensuring real-time analytics, reconciliation control, and decision intelligence at scale. This marks the shift from process automation to cognitive intelligence: systems that execute, and also learn, predict, and optimise.



The lending lifecycle: six stages, fully digital

Every loan SBFC originates moves through six stages, each supported by specific technology capabilities, all connected through the cloud-native architecture.



Technology - From Digitisation to Intelligence.

(continued)

Operational excellence through AI and automation

SBFC's operating model has been redefined through automation at scale and AI at core, embedding intelligence across every stage of the lending lifecycle.

01

AI-based underwriting and PD models enable faster, data-backed credit decisions by assessing probability of default at origination.

02

Predictive collection systems optimise customer engagement timing, improving recovery outcomes by identifying the right channel and moment for each borrower.

03

GenAI-driven NPA prediction models provide proactive early-warning signals before loans enter formal delinquency, enabling provisioning and outreach ahead of classification.

04

AI-powered dialer optimisation enhances connect rates and reduces the cost of collections outreach across the portfolio.

These AI capabilities operate alongside process-level automation: QR-based collections, IMPS disbursals, automated audit trails, bureau-triggered validations, and deduplication frameworks. Together, they have delivered measurable improvement in turnaround time (TAT), first-time-right (FTR) ratios, and cost efficiency per loan processed. The result is a highly scalable, low-cost operating model capable of supporting rapid AUM growth without proportional cost expansion.

By embedding AI and automation across the lending lifecycle, we improve credit decisions, collections effectiveness and operating efficiency, creating a scalable platform for sustainable growth.

Four platforms. One internal innovation engine.

The lending lifecycle is supported by four internally developed platforms, each built by SBFC's own engineering teams for SBFC's specific operational context. The choice to build in-house rather than deploy vendor software delivers faster iteration, lower long-term cost, and full architectural control. Capabilities built in-house compound in value over time; licensed tools remain static.

Sahayak Onboarding Platform
Zero-touch, 100% paperless origination from lead to disbursal

- Face-based eKYC: OTP-less, works in low-connectivity scenarios
- PAN, ITR, bureau, legal, property, Udyam in one unified flow
- E-Nach, E-Sign, IMPS/RTGS/NEFT disbursal integrated
- Instant, real-time, UIDAI-compliant onboarding

Sangrah Reporting Platform
Data warehouse, management information, and audit infrastructure

- End-to-end data quality checks within DWH pipelines
- Automated audit trails replacing manual tracking
- Regulatory dashboards and compliance reporting
- Decision intelligence delivered at scale

Samarth AI Data Platform
Centralised intelligence layer powering credit and collections decisions

- Domain data marts: Customer, Asset, Operations
- AI probability-of-default underwriting models
- GenAI NPA prediction and early-warning signals
- Real-time analytics and reconciliation control at scale

Sahyogi Servicing Platform
Post-disbursal customer lifecycle management and digital collections

- Customer app: EMI payments, statements, service requests
- CRM, WhatsApp, and call centre integration
- QR-based and BBPS-enabled digital collections
- Collections app with real-time field officer tracking

The four platforms share a cloud-native, API-first, microservices-driven foundation. Each component updates independently – essential when deploying AI models that require frequent retraining. Account Aggregator (AA) integration and real-time account verification layers deliver end-to-end paperless journeys compliant with all applicable RBI frameworks.

The Human + AI operating philosophy

SBFC's operating model has been redefined through automation at scale and AI at core, embedding SBFC's technology journey as much cultural as it is architectural. The organisation has embraced a Human + AI operating philosophy – a fundamental shift in how work is understood and executed. Technology amplifies human capability rather than replacing human judgment. AI systems make people more effective; they augment rather than substitute for the decisions that require genuine expertise and relationship-based insight.

Freshers as contributors

With AI-assisted development tools, fresh talent contributes at levels once requiring years of experience. The knowledge gap narrows when the system carries institutional context. Expertise is amplified through AI assistance rather than constrained by its absence.

End of expert dependency

Reliance on niche technical experts is replaced by AI-augmented development, where productivity is driven by problem-solving and tool leverage. The organisation scales capability without scaling specialist headcount.

Internal capability over vendor dependency

SBFC has consciously moved away from vendor-heavy models to build a strong in-house development ecosystem, delivering faster innovation, lower long-term cost, and full architectural control. Sahayak, Samarth, Sangrah, and Sahyogi reflect this internal innovation engine.



Technology - From Digitisation to Intelligence.

(continued)

The intelligent learning ecosystem

Training at SBFC has undergone its own transformation – from static modules and periodic classroom sessions to an AI-powered, intelligent learning platform that operates in continuous, contextual, and personalised mode.

01	Personalised learning journeys based on each employee’s role, performance, and behavioural patterns.	04	AI-driven insights on learning gaps productivity trends, and skill readiness, surfaced continuously rather than at annual review.
02	Real-time knowledge assessment with adaptive content delivery that adjusts to the individual as they learn.	05	Integration with operational systems enabling contextual, on-the-job learning rather than learning that occurs separately from work.
03	Multilingual training modules enabling reach across a diverse, geographically distributed workforce of 5,055 employees.		

The outcomes: faster onboarding of new hires, measurable improvement in functional execution quality, and reduced dependency on physical training infrastructure. The deeper consequence is the democratisation of knowledge – capability is amplified through AI assistance rather than constrained by individual experience. An organisation where every employee operates with AI-augmented knowledge is structurally different from one where capability depends on who happens to hold institutional memory.



Governance, compliance, and security: built into the architecture

Compliance and governance at SBFC are system-enforced rather than manually verified. The technology stack embeds compliance controls, audit frameworks, and security architecture at the infrastructure level – transforming compliance from a reactive obligation into a proactive, continuously verified standard that enhances accuracy, audit readiness, and regulatory confidence.

<p>Compliance controls</p> <ul style="list-style-type: none"> • AML categorisation at origination • Automated audit modules replacing manual tracking • End-to-end data quality checks in DWH pipelines 	<p>Regulatory alignment</p> <ul style="list-style-type: none"> • Open Banking and Account Aggregator (AA) integrated • RegTech-driven compliance automation at origination • UIDAI-compliant eKYC including face-based verification • Compliance transformed from reactive to proactive standard
<p>Security architecture</p> <ul style="list-style-type: none"> • PII and Aadhaar masking across all systems • Multi-factor authentication (MFA) and identity governance • Layered architecture: endpoint, network, IAM, data • ISO 27001:2022 compliant security posture 	

Aligning with industry evolution

SBFC’s technology transformation aligns precisely with the direction of the Indian BFSI ecosystem. The sector is moving toward open banking and Account Aggregator frameworks, AI-led credit underwriting and collections, digital-first customer journeys, RegTech-driven compliance, and cloud-native architectures. SBFC has successfully implemented all of these capabilities while going further.

Where most lenders deploy industry-standard vendor tools – the same tools available to every competitor – SBFC has built differentiated in-house AI platforms and intelligent systems. The Samarth AI platform, trained on SBFC’s own eight-year dataset, produces underwriting and collections intelligence that no off-the-shelf system can replicate. This positions SBFC as a leader in the next wave of digital lending transformation, rather than a participant within it.

<p>ISO 27001:2022 COMPLIANT SECURITY POSTURE For a resilient IT infrastructure</p>	<p>99% COLLECTIONS DIGITAL Zero cash handling</p>
<p>261 bps IMPROVEMENT IN OPEX SINCE FY22 In-house IT professionals</p>	<p>100% PAPERLESS ONBOARDING Instant, real-time, UIDAI compliant</p>

The Control Environment

AA-

CREDIT RATING - CARE, ICRA & INDIA RATINGS
Stable outlook

2021

GOLD PROCESS ASSESSMENT
First structured external benchmark

2025

IFC ASSESSMENT + STRENGTHENED RCM/SOP
Full control framework institutionalised



The one who defines the risk, owns the outcome.

Risk as the Foundation of Predictable Growth

For SBFC, risk management is a core operating principle that shapes how the business originates, underwrites and manages credit. It is the mechanism through which asset quality is protected, financial outcomes are stabilised, and lender confidence is strengthened.

This approach becomes more important as the business expands across geographies, customer segments and operating cycles. A model built on individual judgement cannot sustain this expansion. A model built on institutionalised processes can. SBFC's evolution over the past several years reflects this shift – from a business that relied on experience and judgement to one anchored in defined processes, embedded controls and auditable systems.

The Evolution of the Control Environment

The control environment has been built deliberately over time. In the early phase, credit decisions and operational execution were closely tied to leadership oversight and individual experience. As the business scaled, processes were standardised to ensure consistency across branches and teams, creating the foundation for the next stage: full institutionalisation.

Today, the operating model is characterised by clearly defined processes, documented controls and system-led execution. This transition has been supported and validated through structured external assessments, including the Process Assessment conducted in 2021 and the SOP/RCM assignment completed in 2025, by Deloitte.

2021 Gold Process Assessment

The first structured external benchmark of SBFC's processes and controls. Governance architecture formalised and benchmarked against industry standards, establishing the baseline for subsequent institutionalisation.

2025 IFC Gap Assessment + RCM/SOP

A comprehensive review of the control environment covering FY2025, followed by end-to-end process mapping, Risk Control Matrices and Standard Operating Procedures across all critical business functions.

Building an Institution.

(continued)

Institutionalising the Control Framework: IFC, RCMs and SOPs

The most significant milestone in this journey was the comprehensive institutionalisation of SBFC's control framework, delivered through two interconnected work streams conducted with Deloitte.



RISK MAPPING ACROSS ALL CRITICAL PROCESSES



CONTROL POINTS EMBEDDED IN WORKFLOWS



STANDARDISED SOPs ACROSS ALL LOCATIONS

IFC Gap Assessment

The IFC Assessment identified key risks across financial and operational processes and evaluated the adequacy of existing controls. The Internal Financial Controls framework covers all critical areas of the lending lifecycle – credit underwriting, disbursement, collections, and financial reporting – with controls designed to ensure that transactions are authorised, recorded accurately, and monitored consistently.

Together, these two work streams established a single, integrated control architecture. Credit decisions are guided by defined frameworks. Operational processes follow consistent pathways. Variability across branches is reduced, making the business easier to train, easier to monitor and easier to audit. The strengthening of the Internal Financial Controls framework enhances the reliability of financial reporting and the integrity of the loan book; the RCM and SOP architecture embeds that discipline into the day-to-day execution of every process.

RCM and SOP Assignment

Through the RCM and SOP assignment, also conducted with Deloitte, the Company mapped its key processes end-to-end. At each stage, risks were identified, controls were defined, and responsibilities were clearly assigned. The output was a structured mapping of risks across all critical processes, clearly defined control points embedded within workflows, and standardised operating procedures applied consistently across locations.

Embedding Controls into Everyday Execution

Institutionalisation delivers value only when embedded into day-to-day operations. Across the branch network and central functions, processes are executed through defined workflows supported by system checks and approval hierarchies. Key control points are integrated into the operating cycle, reducing reliance on manual intervention.

This enables:

- Consistency in underwriting and disbursement practices
- Standardisation of collections and monitoring processes
- Improved visibility into operational performance

As branches mature, this consistency translates into predictable productivity and stable asset quality. It also allows the Company to expand its footprint without introducing disproportionate operational risk.

Governance and Oversight

The control framework is supported by a structured governance architecture. Oversight begins at Board level, with defined responsibilities for risk management and controlled effectiveness, complemented by management-level monitoring of processes and controls on an ongoing basis. Independent assurance is provided through internal audit and external assessments, creating a continuous feedback loop in which control gaps are identified, addressed and re-evaluated.

This layered approach ensures that the control environment evolves alongside the business and remains aligned with regulatory expectations and industry practice.



Institutionalisation as a Driver of Financial Performance

The value of a structured control environment is ultimately reflected in financial outcomes.

- Stable asset quality through consistent underwriting
- Controlled credit costs through disciplined monitoring
- Predictable branch productivity as processes mature
- Improved lender confidence, supporting access to diversified funding

These outcomes contribute directly to the stability of Return on Average AUM and the expansion of Return on Equity over time.

Institutionalisation is a structural driver of the quality of financial performance.

The Next Phase

As the Company continues to scale, the focus shifts from building the control framework to deepening and enhancing it. The next phase is expected to include greater use of data and technology to strengthen monitoring, improve early warning capabilities and enhance decision-making. Process automation and analytics will play an increasing role in supporting risk management.

The objective remains unchanged: to ensure that growth is supported by discipline, and that scale strengthens, rather than dilutes, the quality of the business.

A model built on institutionalised processes can sustain – consistent performance across geographies, cycles, and scale.

Our Business is Our Impact

Converting **institutional capital** into **formal credit access** for underserved enterprise



SBFC's impact is created through the business it conducts.

The Company mobilises capital from credible institutional sources and deploys it through a secured, branch-led and technology-enabled lending model to smaller entrepreneurs who are often underrepresented in formal credit channels. The result is a direct capital-to-customer pathway: institutional capital becomes accessible, documented and responsible credit for business owners whose needs are real, but whose financial profiles may not always fit conventional lending templates.

This is what makes SBFC's impact different. It is built into the way the business works.

In FY2026, this pathway reached more than two lakh live customers through a network of 251 branches across 199 cities, 18 states and 2 Union Territories. The Company's secured MSME average ticket size of ₹9.93 lakh and Loan Against Gold average ticket size of ₹1.23 lakh show the relevance of its credit offering to smaller entrepreneurs and lower-income business households.

Access at scale

2,02,683

LIVE CUSTOMERS

199

CITIES

251

BRANCHES

18+2

STATES AND UNION TERRITORIES

The capital-to-customer pathway

SBFC's development role is best understood through the movement of capital.

Capital enters the Company's balance sheet from banks, financial institutions, capital markets and development finance institutions. It is then governed through the Company's risk appetite, credit policies, internal controls and underwriting standards before being deployed through an in-house sourcing network and branch-led operating model.

At customer level, that capital becomes formal credit: underwritten, secured, documented and reported. Over time, the loan creates more than immediate liquidity. It builds a repayment record, improves the borrower's visibility to the financial system and supports future access to continuous institutional finance.

This is the core impact pathway of the business: capital mobilised at institutional scale, deployed through disciplined credit architecture, and translated into formal financial participation for smaller entrepreneurs.



Institutional capital becomes impact only when it reaches the right borrower, in the right ticket size, through the right credit discipline.

Our Business is Our Impact

(continued)



Development finance as external validation

SBFC's development finance relationships provide external validation of the Company's inclusion model.

In February 2025, the Company secured ₹4,000 million from British International Investment, the UK's development finance institution and impact investor. The proceeds are intended to support low-income MSMEs and women borrowers, aligning institutional capital with the customer segments SBFC was built to serve.

The investment of US\$50 million from the International Finance Corporation carries a similar purpose. It is directed towards growing SBFC's MSME loan book, including women MSMEs, with a portion allocated to targeted borrower groups in certain geography.

These relationships are significant because they assess more than balance sheet growth. Development finance institutions look for responsible deployment, governance quality, customer relevance and the ability to deliver inclusion without weakening credit discipline. Their participation reinforces the credibility of SBFC's model: institutional capital is being converted into formal, documented credit access for smaller entrepreneurs, including borrowers in lower-income and underpenetrated markets.

Development finance validates the quality of the pathway: capital, governance, customer relevance and responsible deployment.

₹4,000 million

BII FINANCING INTENDED TO SUPPORT LOW-INCOME MSMES AND WOMEN BORROWERS

US\$50 million

IFC INVESTMENT INTENDED TO GROW THE MSME LOAN BOOK, INCLUDING WOMEN MSMEs



Why ticket size matters

Credit sized for the customer

In FY2026, the secured MSME average ticket size was ₹9.93 lakh. Loan Against Gold average ticket size was ₹1.23 lakh. They define the customer segment the Company reaches.

A ₹9.93 lakh secured MSME loan is sized for the working capital, stock purchase, shop improvement, or business expansion needs of a smaller entrepreneur. A ₹1.23 lakh Loan Against Gold ticket often addresses more immediate liquidity requirements for households and micro-enterprise owners. Both products bring customers into a formal, documented credit relationship at a scale that is relevant to their economic reality.

The Company is building inclusion through many granular formal credit relationships, rather than through a small number of large exposures.

Average ticket size is an impact indicator. It shows whether credit is reaching the customers for whom access is most constrained.

₹9.93 lakh

SECURED MSME AVERAGE TICKET SIZE

₹1.23 lakh

LOAN AGAINST GOLD AVERAGE TICKET SIZE

Where we work, we BUILD.

Community Programmes & Corporate Social Responsibility



SBFC lends to small business owners. But every branch in a new city, every loan to a first-time formal borrower, and every officer who builds a relationship in a community creates something absent from any financial statement. It creates proximity. And with proximity comes the understanding of what a community actually needs.

Four programmes, active across India, reflect what SBFC has chosen to build with that proximity:

- | | | | |
|----|---|----|---|
| 01 | Gurukul
which turns ambition into careers | 03 | Aarogya
which brings healthcare and mental wellbeing to those who would otherwise may not have access to them |
| 02 | Shiksha
which transforms underfunded schools into places where children want to learn | 04 | Vikas & Paryavaran
which brings clean energy and infrastructure to underserved villages |



- | | |
|---|---|
| 908
YOUNG PEOPLE · GURUKUL PROGRAMME
48% absorbed into SBFC | 1,101
CHILDREN · MENTAL HEALTH COUNSELLING FY26
31 BMC schools, Mumbai |
| 13,360
CHILDREN · AAROGYA EYE SCREENING (2-YEAR)
477 pairs of glasses provided | 4
CSR PROGRAMMES ACTIVE
Across 4+ states and 30+ locations |

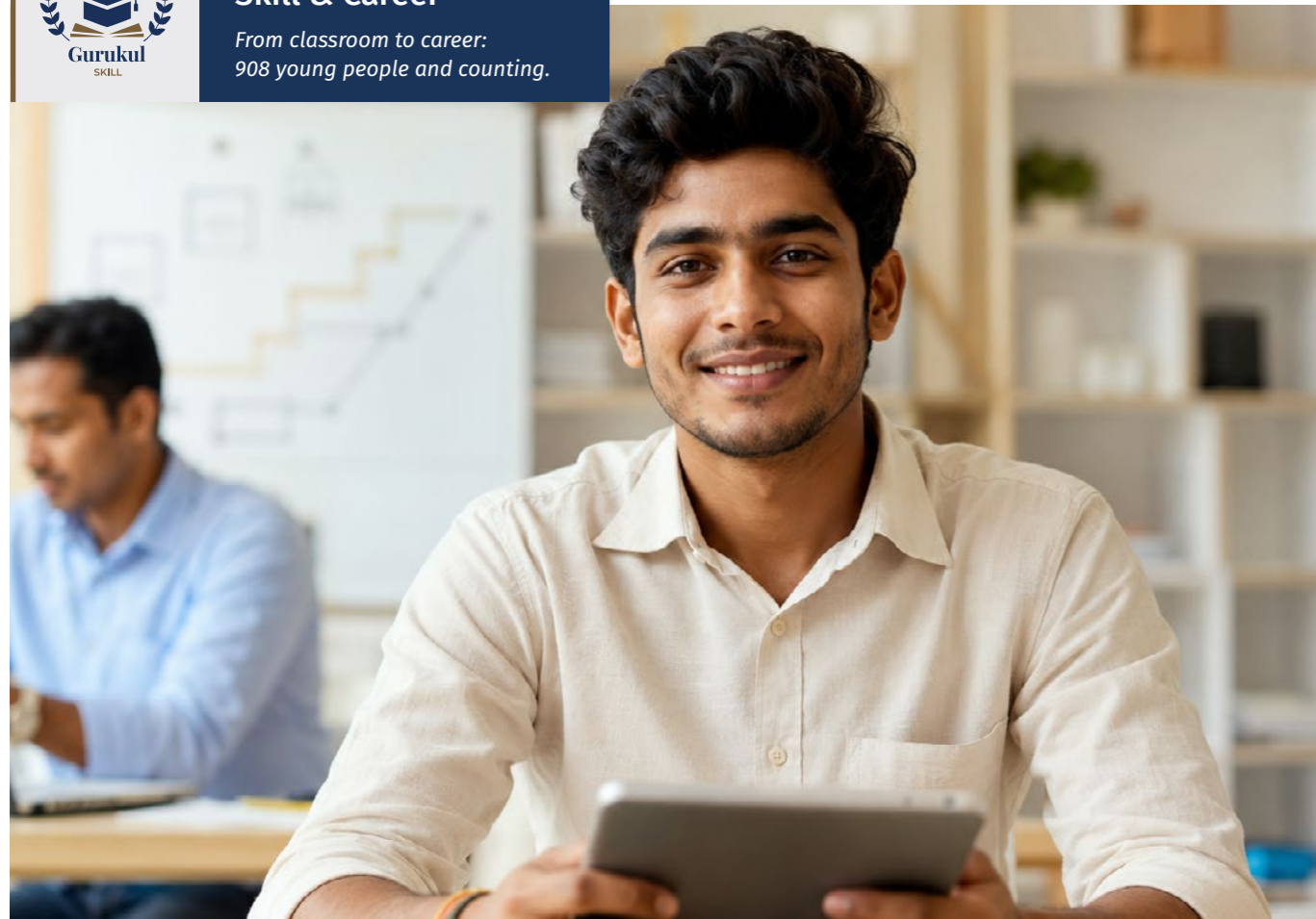
Where we work, we BUILD.

(continued)



Gurukul – Skill & Career

From classroom to career: 908 young people and counting.



Gurukul is a partnership with the National Apprenticeship Promotion Scheme (NAPS) that places young talent inside SBFC's own operations. Trainees are selected through a structured assessment, placed in functional roles across SBFC's six operating verticals, mentored by senior professionals, and assessed on real deliverables. Of the 908 total beneficiaries to date, 538 have been certified and 370 are currently active in the programme. Of those certified, 48% have been absorbed into permanent SBFC roles. 38% of all participants are women.

908
TOTAL BENEFICIARIES

538
CERTIFIED TO DATE

370
CURRENTLY ACTIVE

259
ABSORBED INTO SBFC

48%
ABSORPTION RATE

38%
FEMALE PARTICIPANTS

Where they go: Gurukul alumni across SBFC

The programme's measure is what happens after certification. Gurukul alumni now work across every part of SBFC – from technology development and credit assessment to HR operations and loan file audit. The twelve profiles below represent the programme's reach across the organisation.

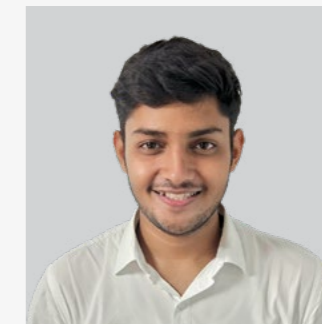
“Sahil came to us as a fresher. Today he leads development on Sahayak and Credit Flow – the two platforms at the heart of our origination stack.”



Raj Berde
CPA – Team Leader
Leading 6 CPAs



Shivani Mishra
Branch Credit Manager
Ajmer credit function



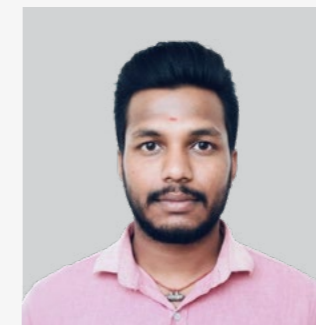
Sahil Agarwal
Lead Developer
Sahayak & Credit Flow



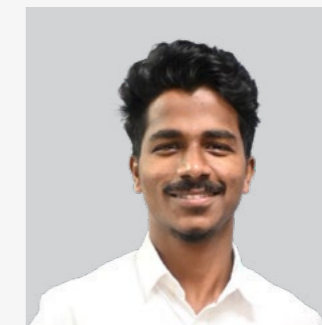
Mansi Mahale
Quality Analyst
Training & Execution



Aniket Singh
CPA – Team Leader
Leading 12 CPAs



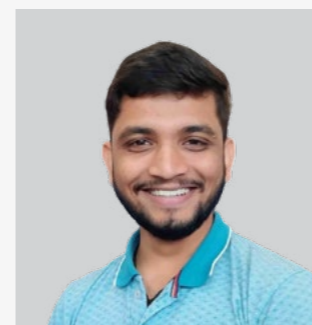
Vinodha
Senior Officer – Operations
Collateral document validation



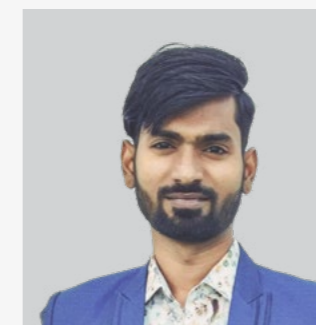
Amol Khadye
Senior Officer – Finance
Reimbursement process automation



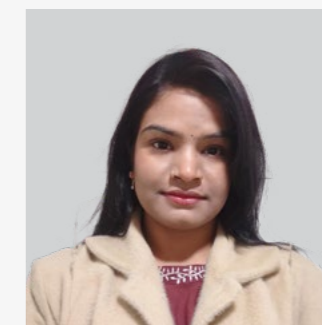
Kadasi Nikhil
HR Partner
Leading HR function in Telangana



Rohit Jadhav
Senior Officer – Analytics
Portfolio efficiency automation



Rupesh Maurya
Officer – Audit
Audits & risk mitigation



Priyanka Kumari
Senior Officer – FRM
Document management & disbursement



Harish PN
Branch Credit Manager
Yelahanka credit function

Where we work, we BUILD.

(continued)



Shiksha – Education

Smart classrooms, solar rooftops, and spaces where children dream bigger.



Three schools. Three different states. Three different starting points. Each was a school where the physical environment told children their education was an afterthought. None of them look like that anymore. FY2026 added meaningful new investment to each site, deepening the transformation already under way.

3

SCHOOLS TRANSFORMED · GUJARAT, RAJASTHAN, MAHARASHTRA

Ongoing across all three sites

140+

ENROLMENT UPLIFT · SIROHI, RAJASTHAN

From 99 (FY23–24) to 140 (FY25–26)

205

ENROLMENT UPLIFT · MANIPURA, AHMEDABAD

From 54 to 205, girls from 12 to 101

145

STUDENTS TRANSPORTED DAILY · MANIPURA

From 12 villages, incl. 5 specially-abled

Shri Swaminarayan Vidyalaya, Manipura, Ahmedabad – Gujarat

This school is SBFC's flagship Shiksha investment. The ambition is to develop a Model School capable of transforming educational outcomes for underprivileged children in Ahmedabad. The school now offers Classes 9 to 12 – a capability it lacked before this intervention.

FY2026 additions included 2 new smart classrooms (bringing the total to 7), a second school bus, and a solar power system providing uninterrupted electricity. In total, the school has 7 smart classrooms with furniture and value-based murals, playground equipment, and two buses transporting 145 students daily from 12 surrounding villages, including 5 specially-abled students.

What changed	Before → After
Enrolment	54 students → 205 students
Girls' enrolment	12 girls → 101 girls
Smart classrooms	0 → 7 (2 added in FY26)
School buses	0 → 2 (1 added in FY26)
Electricity	Grid-dependent → Solar-powered
Rural reach	145 students from 12 villages daily



“A few years ago, my school building was declared unsafe. Some of us sat on gunny bags on the floor. Today, I travel 7 km from my village in a school bus with my wheelchair to a school that is safe, digital, and full of students dreaming bigger.” –

Kalpesh, Student with Disability, Gujarat Model School



Shri Swaminarayan Vidyalaya, Manipura, Ahmedabad: solar installation (top), school bus, basketball court, and playground equipment. Total enrolment increased from 54 to 205 students.

The programme extends beyond infrastructure. 40 students from Class 9 are enrolled in the Money Smart School Programme run by the National Centre for Financial Education. 40 students from Class 10 have completed a vocational financial education course under Project Swadheen. The school is teaching children the language of money, alongside the formal curriculum.

Where we work, we BUILD.

(continued)

Government Upper Primary School, Tankariya, Sirohi – Rajasthan

Sirohi is a government-designated Aspirational District – one of India’s priority areas for development intervention. This school received a substantial infrastructure upgrade: 4 new smart classrooms (bringing the total from 3 to 7), separate washroom facilities for boys and girls including 2 WCs and 3 urinals, and a covered mid-day meal shed. The result is a school that now functions as a proper educational institution rather than an improvised one.

What changed	Before → After
Enrolment	99 students (FY23–24) → 140 students (FY25–26)
Girls’ enrolment	32 girls → 64 girls (doubled)
Classrooms	3 classrooms → 7 (two classes no longer share one room)
Sanitation	No facility → Separate washrooms for boys and girls
Hygiene practices	Open urination eliminated; handwashing before meals
Mid-day meal	No shelter → Covered MDM shed constructed



School infrastructure enhancements are designed to create safer, more inclusive and conducive learning environments for children.

Suryanagar High School, Waghadi, Palghar – Maharashtra

Suryanagar serves a tribal community in Palghar district, one of Maharashtra’s most underserved regions. The school has 393 students: 253 boys and 140 girls, studying from Class 5 to Class 10 in Marathi medium. SBFC’s investment, delivered in partnership with NGO partner Yuva Unstoppable, is a sustainability project providing 8 smart classrooms. Structural work including excavation and brickwork has been completed, with the project targeted for completion by July 2026.

Suryanagar High School, Palghar FY2026 status

393
TOTAL STUDENTS · BOYS 253, GIRLS 140

8
SMART CLASSROOMS · NEW CONSTRUCTION

July 2026
TARGET PROJECT COMPLETION



Suryanagar High School, Waghadi, Palghar: before (dilapidated structure) and during construction (excavation, slab work). 393 students in a tribal area will have 8 new smart classrooms by July 2026.



Where we work, we BUILD.

(continued)



Aarogya – Health

Taking healthcare to where it has never been: mobile, free, and at scale.



SBFC's Aarogya programme operates three distinct health interventions, each reaching populations that have limited or no access to institutional healthcare: a Mobile Ophthalmic Unit in rural Maharashtra, a Mobile Mental Health Counselling service in Mumbai's underserved schools, and emergency health infrastructure support in Hyderabad and Mumbai.

13,360

CHILDREN SCREENED · 2-YEAR TOTAL
477 pairs of glasses provided

1,101

CHILDREN REACHED FOR MENTAL HEALTH IN FY26
31 BMC schools, Mumbai

Mobile Ophthalmic Unit – Panhala Block, Kolhapur, Maharashtra

A purpose-converted bus carries an ophthalmology team into the remote areas of Kolhapur's Panhala block, where school children have no other route to an eye examination. The unit screens children in batches, identifies refractive errors, and provides corrective glasses free of charge on the same visit. Since FY2025, the programme has screened 13,360 children and provided 477 pairs of corrective glasses.



The SBFC-funded Mobile Ophthalmic Unit in Panhala block, Kolhapur. The dedicated bus brings eye screening and corrective glasses to school children in remote Maharashtra.

Mobile Ophthalmic Unit Panhala Block, Kolhapur FY25-26 cumulative

13,360

CHILDREN SCREENED · 2-YEAR TOTAL

477

PAIRS OF GLASSES PROVIDED · 2-YEAR TOTAL

Where we work, we BUILD.

(continued)



Mental Health Counselling – BMC Schools, Mumbai

Delivered in partnership with Ekam Saksham, this programme supports underserved students in Mumbai’s Mahim areas through a mobile mental health counselling service. In FY2025–26, the programme reached 1,101 children across 31 BMC schools, improving resilience and wellbeing through a structured methodology.

1,101

BENEFICIARIES · FY2025–26
31 BMC schools in Worli & Mahim

186

INDIVIDUAL COUNSELLING SESSIONS
One-on-one therapy

59

PARENTS & TEACHER AWARENESS SESSIONS
During FY26

308

ART & BRAIN GYM THERAPY SESSIONS
Spiral watercolour, focus training



Ekam Saksham mental health counselling van ('Ride to Resilience') and sessions in progress across 31 BMC schools, Mumbai. 1,101 children reached in FY2025–26.

The programme uses a four-track methodology: individual and classroom group sessions; Spiral Watercolour Art Therapy and Brain Gym exercises for focus development; teacher training sessions to identify and refer students; and parent consultations. 59 parent and teacher awareness sessions were conducted during the year. The mobile van — branded 'Ride to Resilience' — serves as a visible symbol of SBFC's presence in these communities.

Where we work, we BUILD.

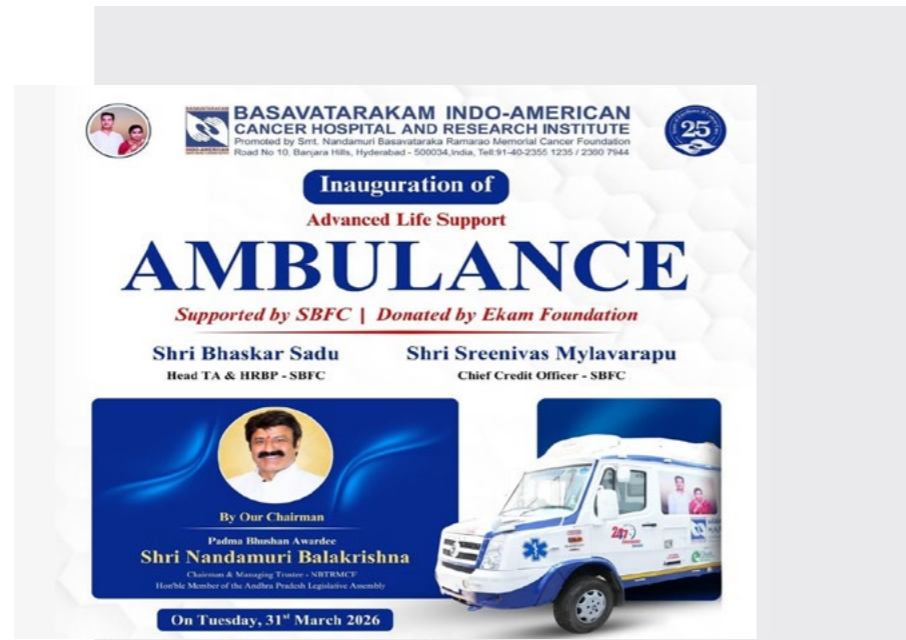
(continued)

Cardiac Ambulance – Hyderabad,

In March 2026, SBFC donated a cardiac ambulance to the Smt. Nandamuri Basava Taraka Ramarao Memorial Cancer Foundation in Hyderabad, delivered through Ekam Foundation. The advanced life support vehicle provides emergency care for critically ill children and adults in one of Hyderabad’s largest cancer hospitals.

Tata Memorial Centre – Mumbai

SBFC provided treatment cost support for 10 economically weaker patients diagnosed with lymphoma or leukaemia at Tata Memorial Centre, Mumbai, one of India’s premier cancer treatment institutions.



Inauguration of the SBFC-funded cardiac ambulance at the Nandamuri Basava Taraka Ramarao Memorial Cancer Foundation, Hyderabad.



Vikas & Paryavaran – Development & Environment

Safer streets after dark, powered entirely by the sun

The Vikas & Paryavaran programme addresses two interconnected development needs: basic infrastructure in underserved villages, and India’s transition to clean energy. In FY2026, SBFC implemented a solar street lighting project for Manipura village in Ahmedabad, a community of approximately 1,700 people across 445,930 sq. metres.

147 new solar street lights are being installed at 70-metre intervals to ensure uniform illumination across all major habitations and routes. The benefits are immediate and compounding: solar panels reduce dependence on the grid, eliminating power cuts; electricity costs for the community fall; village safety improves for residents moving after dark; and the visible use of renewable energy builds a culture of sustainable development in a community where SBFC’s lending operations already have a presence.



Solar street lights in Manipura, Ahmedabad. 147 lights being installed at 70-metre intervals across the village, reducing grid dependence and improving community safety.

147

SOLAR STREET LIGHTS · MANIPURA VILLAGE, AHMEDABAD

At 70-metre intervals, uniform illumination

1,700

POPULATION SERVED · 445,930 SQ. METRES COVERAGE

All major habitations and routes

ZERO

GRID DEPENDENCE FOR STREET LIGHTING AFTER COMPLETION

A step towards reducing carbon footprint

Vikas & Paryavaran connects SBFC’s CSR investment directly to India’s sustainability agenda. Every solar light installed in Manipura reduces carbon emissions and demonstrates that financial inclusion and environmental responsibility are part of the same commitment.

ESG Framework & BRSR Disclosures.

Governance architecture, commitments, environmental baseline, and responsible business conduct

SBFC's ESG framework is the governance architecture that operationalises and verifies the financial inclusion thesis. It provides the policy infrastructure, the committed targets, the environmental and social metrics, and the compliance record that institutional investors and DFI counterparties require. This section is a summary of the Company's Business Responsibility and Sustainability Report for FY2025–26.

9/9

NGRBC PRINCIPLES COVERED BY BOARD-APPROVED POLICIES ALL EXTENDED TO VALUE CHAIN PARTNERS

ISO

27001:2022 CERTIFIED -DATA PRIVACY & CYBERSECURITY MAINTAINED FY26

2

INDEPENDENT DELOITTE ASSESSMENTS SINCE 2021 GOLD PROCESS 2021 - IFC GAP ASSESSMENT 2025

Governance Architecture

Three Board-level committees carry responsibility for sustainability: the CSR Committee, the ESG Management Committee, and the Stakeholders Relationship Committee. Each committee operates under a defined mandate, with sustainability matters reviewed on an annual cycle and escalated to the full Board as required.

Policy Framework	Nine Board-approved policies covering all nine NGRBC principles, extended to value chain partners wherever applicable. Includes Code of Conduct (all employees), Grievance Redressal Policy, CSR Policy, Corporate Governance Policy, Nomination & Remuneration Policy, Whistleblower Policy, and Privacy Policy.
Certifications & Standards	<ul style="list-style-type: none"> • ISO 27001:2022 - Data Privacy & Cybersecurity • RBI Fair Practice Code - NBFC conduct standards • ILO Core Conventions - Aligned labour practices
Independent Assessments	<ul style="list-style-type: none"> • Gold Process Assessment (2021) - First external governance benchmark • IFC Gap Assessment (May 2025) - IFC standards review, FY2025 • RCM & SOP Institutionalisation (2025) - End-to-end process and control mapping

ESG Commitments and FY26 Performance

SBFC has set measurable ESG commitments with defined targets. Four of those targets are reported against below.

Commitment	Target	FY26 Outcome
Women employees at Head Office	25%	✓ 24% - Target sustained
Skill development training coverage	90% of eligible employees	✓ 98% - Target exceeded
Human Rights Training coverage	100% of employees	✓ 100% - Target met
ISO 27001:2022 data privacy compliance	Maintained throughout FY26	✓ Maintained - Target met

ESG Framework & BRSR Disclosures.

(continued)

Material Issues: Risks and Opportunities

Through a structured materiality assessment, SBFC has identified eleven material issues relevant to its business model and stakeholder base. The assessment was reviewed by the Board of Directors.

Financial Inclusion & Capacity Building Opportunity

Directing capital to underserved MSMEs is the core business model. Positive implications: market expansion, customer loyalty, enhanced social licence.

Sustainable Finance Opportunity

Aligning lending with sustainability goals attracts DFI capital, impact investors, and long-term institutional funding partnerships.

Digitalisation & Innovation Opportunity

AI-led underwriting and the PhyGital model improve credit assessment accuracy, reduce cost-to-serve, and open new customer segments.

Customer Experience Opportunity

The PhyGital model and dedicated Grievance Redressal Officers at every branch drive retention, referrals, and competitive differentiation.

Economic Performance Opportunity

Strong financial performance attracts investor confidence, expands access to capital, and supports the lending mandate.

Employee Health & Wellbeing Opportunity

Zero LTIs and comprehensive health coverage support productivity, reduce attrition, and strengthen SBFC's employer proposition.

Diversity & Inclusion Opportunity

A diverse workforce drives innovation and talent retention. Women represent 24% of Head Office employees; 25% of KMPs.

Data Privacy & Cybersecurity Risk

Data breaches carry regulatory, reputational, and financial risk. Mitigated through ISO 27001:2022 certification and defined cyber policy.

Climate Change Risk

Physical and transition risks may affect borrower repayment capacity. Mitigation: exclusion policy on illegal/phased-out activities; mortgage-backed portfolio with low exposure to high-risk sectors.

Business Ethics & Governance Risk & Opportunity

Strong governance reduces regulatory risk and enhances reputation. Board-level Code of Conduct; zero enforcement actions in FY26.

Risk Management Risk & Opportunity

Effective risk management reduces loss, optimises capital allocation, and supports sustainable growth. Embedded through RCM/SOP framework.

People

SBFC's total workforce at year-end FY26 comprised 5,055 employees.

5,055

TOTAL EMPLOYEES FY2025-26
3,302 permanent + 1,753 contract

8.75%

WOMEN TOTAL WORKFORCE
24% at Head Office

11.1%

WOMEN BOARD OF DIRECTORS
25% of KMPs are women

100%

HEALTH & ACCIDENT INSURANCE COVERAGE
All permanent employees

100%

EMPLOYEES TRAINED ON HEALTH & SAFETY
5,055 employees in FY26

98%

EMPLOYEES TRAINED ON SKILL UPGRADATION
Up from 97% in FY25

100%

RETURN-TO-WORK AFTER PARENTAL LEAVE
Male 100% · Female 100%

100%

HUMAN RIGHTS TRAINING COVERAGE
Target met in FY26

Zero

LOST-TIME INJURIES (LTIFR)
Second consecutive year

Zero

RECORDABLE WORK-RELATED INCIDENTS
FY2025-26

Zero

FATALITIES
FY2025-26

ESG Framework & BRSR Disclosures.

(continued)

Environmental Baseline

As a financial services company, SBFC's direct environmental impact is operational rather than industrial. The Company's digital-first model – encompassing paperless onboarding, digital collections processing 99% of EMIs without cash, and cloud-native architecture – materially reduces resource consumption relative to a physical-process lending model.

Total energy consumption increased marginally from 14,918.78 GJ in FY25 to 15,277.19 GJ in FY26, an increase of 2.4%. Energy intensity per employee fell from 5.68 GJ to 4.63 GJ. Total Scope 2 greenhouse gas emissions have increased from 2,942 tCO₂e to 3,013 tCO₂e. Scope 1 emissions are zero – SBFC holds no industrial facilities. Water consumption increased marginally from 2,652 kilolitres in FY25 to 2,664 kilolitres in FY26.

Energy Consumption

Metric	FY2025–26	FY2024–25
Total energy consumed (GJ)	15,277.19	14,918.78
Energy intensity per employee (GJ / permanent employee)	4.63	5.68
Energy intensity per ₹ turnover (GJ / Mn. INR)	0.91	1.14
Renewable energy consumed (GJ)	0	0

Greenhouse Gas Emissions (Scope 1 & 2)

Metric	FY2025–26	FY2024–25
Scope 1 emissions (tCO ₂ e)	0	0
Scope 2 emissions (tCO ₂ e)	3,013	2,942
Total Scope 1 & 2 emissions (tCO ₂ e)	3,013	2,942
GHG intensity per ₹ turnover (tCO ₂ e / Mn. INR)	0.18	0.23
GHG intensity per permanent employee (tCO ₂ e / employee)	0.91	1.12

Water Consumption

Metric	FY2025–26	FY2024–25
Total water withdrawal (kilolitres)	2,664	2,652
Water intensity per ₹ turnover (kl / Mn. INR)	0.16	0.20
Water intensity per permanent employee (kl / employee)	0.81	1.01

An exclusion policy governs the lending portfolio, prohibiting the financing of activities that are illegal under applicable law or subject to internationally agreed phase-outs and bans. SBFC does not finance fossil fuel production, activities subject to the Stockholm Convention on Persistent Organic Pollutants, or other activities identified on exclusion lists within its ESG policy framework.

All energy and water data is derived from electricity bills and facilities management records. Environmental measurement is at an early stage of formalisation. The Company is building a more systematic environmental data collection framework, including an assessment of renewable energy options, and will report against enhanced baselines in subsequent years.

Governance and Compliance Record

SBFC's compliance record in FY2025–26 was clean across every material dimension measured by the BRSR framework

405 customer complaints were received during the year against an active customer base of 2,02,683 borrowers – a rate of 0.20% of customers. All 405 were resolved within the year; zero remained pending at year-end. A dedicated Grievance Redressal Officer is appointed and publicly displayed at every branch. Escalation to the RBI Ombudsman is available to any customer whose complaint is not resolved to their satisfaction.

100% of employees completed training on the Code of Conduct, POSH, KYC & AML, and cybersecurity awareness. Zero whistleblower disclosures resulted in material findings. Performance and career development reviews cover 100% of employees annually.

We are committed to growing responsibly – balancing performance with purpose. As we move forward, we remain focused on empowering entrepreneurs, supporting communities, and creating long-term value in a way that is both sustainable and meaningful.

Management discussion & analysis



We remain confident in our growth journey, as rising investment and resilient demand continue to support expansion, even as geopolitical and trade uncertainties create short-term headwinds.

3.3%

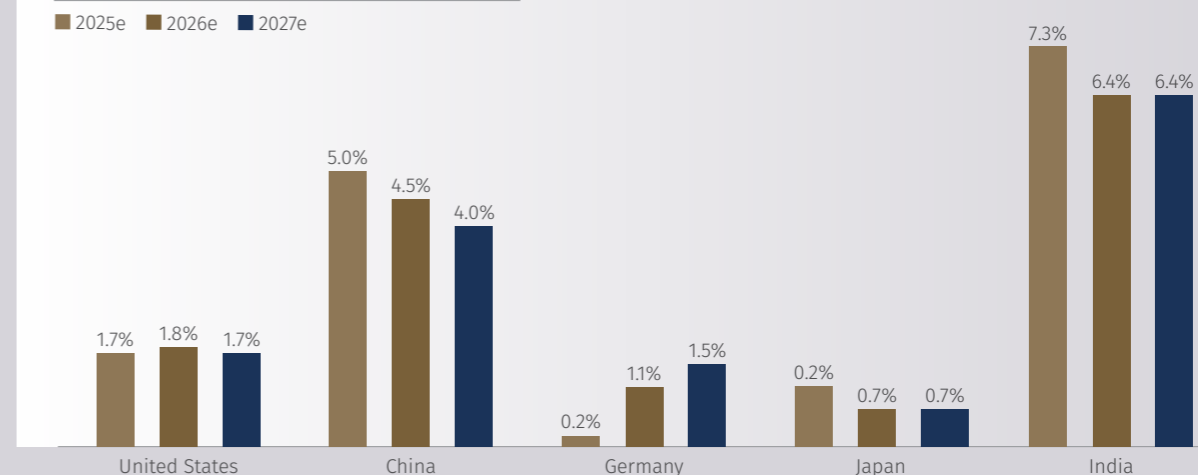
GLOBAL GROWTH FORECAST FOR 2026, SUPPORTED BY RESILIENT DEMAND AND INVESTMENT ACROSS MAJOR ECONOMIES.

Overview of the Global Economy:

The global economy demonstrated resilience during 2025 despite a complex mix of geopolitical tensions, evolving trade policies, and shifting financial conditions. According to the International Monetary Fund (IMF), global economic growth is estimated to have remained steady at around 3.3% in 2025. It is projected to remain broadly stable at approximately 3.3% in 2026, reflecting a balance among multiple opposing economic forces.

However, geopolitical conditions intensified during early 2026, testing the resilience of the global economy. Despite these challenges, the outlook remains

Growth Prospects



Source: World Economic Outlook, IMF, Jan 2026

Link : <https://www.imf.org/en/publications/weo/issues/2026/01/19/world-economic-outlook-update-january-2026>
World Economic Outlook, IMF, Jan 2026

relatively stable, with the Organisation for Economic Co-operation and Development (OECD) maintaining its 2026 growth projections while marginally revising its 2027 outlook downward by 0.1%, indicating continued but cautious economic stability.

While headline growth has remained stable, the underlying drivers of global expansion continue to diverge across regions. Investment in technology, particularly in artificial intelligence and digital infrastructure, has emerged as

a major growth catalyst in advanced economies, especially in North America and parts of Asia. At the same time, fiscal consolidation measures in several economies and uncertainties around global trade policy have created headwinds that moderate the pace of expansion.

Emerging markets and developing economies continue to play a pivotal role in sustaining global growth momentum. These economies benefit from favourable

demographic profiles, rising domestic consumption, and ongoing structural reforms aimed at improving productivity and investment flows. However, growth prospects remain uneven across regions due to differences in macroeconomic stability, financial conditions, and exposure to global trade disruptions. Overall, the global economy in FY2026 can be characterised as stable but uneven, with strong investment activity in certain sectors offset by persistent structural and geopolitical risks.

Global inflation is projected to ease from 4.1% in 2025 to 3.8% in 2026, creating greater room for monetary policy support. However, elevated geopolitical risks and potential energy supply disruptions remain key factors shaping the global interest rate outlook.

Inflation Trends and Monetary Policy

Global inflation continued to moderate during 2025 as the cumulative effects of earlier monetary tightening and easing supply chain pressures helped stabilise price levels across major economies. According to the IMF World Economic Outlook, global headline inflation is projected to decline from an estimated 4.1% in 2025 to 3.8% in 2026 and further to 3.4% in 2027, indicating a gradual return toward central bank targets across most economies.

While inflation has eased across several regions, the pace of moderation varies. Inflation is expected to return to target levels more gradually in the United States than in other major economies due to

relatively strong domestic demand and persistent service inflation.

The inflation outlook, however, remains vulnerable to geopolitical developments. Rising tensions in the Gulf region have increased concerns about potential disruptions to global crude oil and energy supplies. Any sustained increase in energy prices could push inflationary pressures upward, potentially delaying the pace of global monetary easing. Consequently, central banks continue to adopt a cautious, data-dependent approach as they assess the evolving inflation environment.

Interest rate expectations in major advanced economies remain cautious as central banks continue to balance inflation control with economic growth

Management discussion & analysis

(continued)

As geopolitical developments continue to evolve, we recognise that stable energy supplies will remain essential for maintaining growth momentum, moderating inflationary risks and supporting balanced financial conditions across the global economy.

considerations. In the United States, the Federal Reserve has maintained the federal funds rate in the range of 3.5%–3.75%, and current projections suggest that policymakers may keep rates broadly stable through 2026, with any potential easing dependent on sustained moderation in inflation and labour market conditions.

In the United Kingdom, the Bank of England’s policy rate remains the primary tool for controlling inflation, and monetary authorities have indicated that interest rates will likely remain relatively restrictive until inflation sustainably returns to the 2% target, after which

gradual easing may be considered. Together, these policy signals suggest that global financial conditions are expected to remain relatively tight in the near term, with any rate reductions likely to occur gradually and data dependent.

Global Gold Market Dynamics

Gold emerged as one of the strongest-performing asset classes in 2025, reflecting heightened geopolitical uncertainty, currency volatility, and evolving global financial conditions. According to the Gold Outlook 2026 report, gold prices rallied in 2025, delivering returns exceeding 60% for the year.

Several factors contributed to this performance. Persistent geopolitical tensions and economic uncertainty increased the appeal of gold as a safe-haven asset. Central banks across multiple regions continued to increase their gold reserves as part of broader strategies to diversify foreign exchange holdings and reduce exposure to currency volatility.

Investor demand for gold also strengthened amid expectations of easing monetary policy and potential currency depreciation in certain economies. Lower real interest rates generally enhance the attractiveness of gold, as the opportunity

cost of holding non-yielding assets declines.

Additionally, continued demand from jewellery markets and retail investors in emerging economies contributed to sustained physical gold demand. Structural factors, such as financial inclusion and rising incomes in emerging markets, have further supported long-term trends in gold consumption.

Way Forward

The global economic outlook remains broadly stable, although geopolitical developments continue to pose risks to growth and financial stability. Recent tensions in the Middle East have raised concerns about potential disruptions to global energy markets. However, some analysts suggest that even a wider regional conflict involving Iran may have a limited direct impact on the global economy, provided that major oil supply routes remain operational and energy production is not severely disrupted. At the same time, the International Monetary Fund has cautioned that the economic consequences of any Middle East conflict would depend largely on its duration, the extent of damage, and the resulting impact on global energy prices, which could influence inflation and financial conditions worldwide.

As stable inflation and prudent monetary management preserve financial stability, India continues to benefit from strong domestic demand and investment activity, supporting sustainable growth and reinforcing its position among the fastest-growing major economies globally.



Overview of the Indian Economy:

India continued to demonstrate strong economic resilience, maintaining its position as one of the fastest-growing major economies globally. According to the latest projections of the International Monetary Fund, India’s economy is expected to expand by around 6.4% in both 2026 and 2027, supported by sustained domestic demand, infrastructure investments, and continued policy support. At the domestic level, the Reserve Bank of India has also expressed confidence in the country’s growth trajectory, revising its FY26 GDP growth projection upward to approximately 7.3%, reflecting robust consumption demand, resilient services activity, and continued momentum in public capital expenditure. Strong macroeconomic fundamentals, improved financial sector stability, and expanding digital and manufacturing ecosystems have collectively reinforced India’s growth prospects.

7.3%

GDP GROWTH PROJECTED BY THE RBI FOR FY26, SUPPORTED BY RESILIENT CONSUMPTION DEMAND, STRONG SERVICES ACTIVITY AND SUSTAINED PUBLIC INVESTMENT.

Inflation and Monetary Policy

Inflation dynamics in India have remained relatively stable compared with several global peers, supported by prudent monetary management and easing supply-side pressures in key commodities. During FY2026, Consumer Price Index (CPI) inflation remained broadly within the central bank’s medium-term target band of 4% ± 2%, supported by improved food supply conditions and relatively stable core inflation trends. Looking ahead, the RBI projects CPI inflation for FY2027 to rise to 4.6%.

In this backdrop, the Reserve Bank of India has maintained a cautious monetary policy stance, balancing the objective of supporting economic growth with the need to ensure that inflation expectations remain anchored. Stable inflation projections, along with calibrated liquidity management, have helped preserve financial stability while sustaining the flow of credit to productive sectors of the economy.

Management discussion & analysis

(continued)

External Sector and Trade Prospects

India's external sector has remained resilient despite persistent global uncertainties, supported by strong services exports, steady remittance inflows, and increasing integration of Indian businesses into global value chains. The country has also strengthened its trade relationships with key global partners. The landmark Free Trade Agreement (FTA) between India and the European Union, often described as the "mother of all deals," was signed in January 2026, marking a significant step toward deeper economic integration. The agreement is expected to expand market access, strengthen supply chain linkages, and significantly boost trade and investment flows between the two economies.

At the same time, improving economic engagement with the United States, including tariff reductions in certain sectors, is expected to enhance bilateral trade prospects further and support India's export growth. India has also continued to strengthen its investment partnerships; in September 2025, India and Israel signed a new Bilateral Investment Agreement (BIA) to improve investor protection and encourage cross-border investment.

Despite elevated gold prices, domestic demand remained resilient, driving record Gold ETF inflows of ₹430 billion in 2025 and a 60% increase in investor accounts to 10.2 million, reflecting the enduring appeal of precious metals as savings and investment assets.

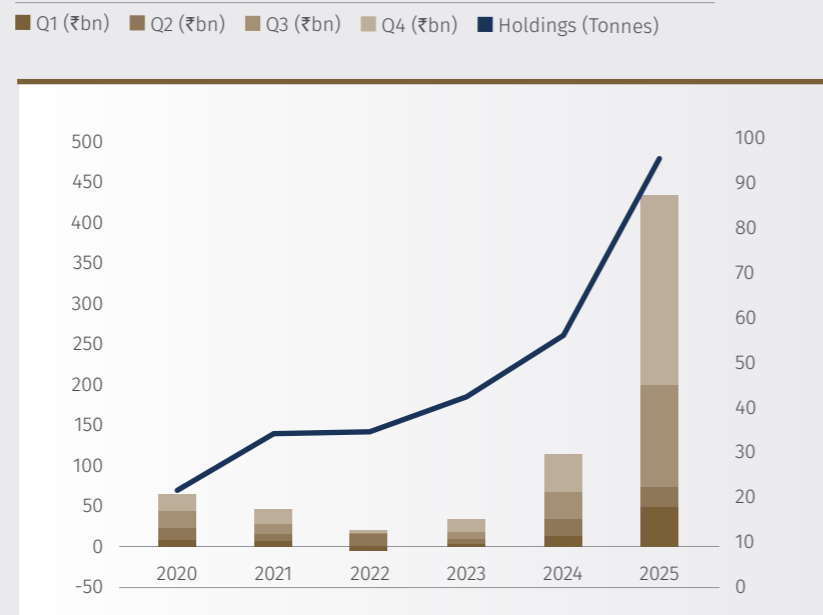
Domestic Consumption of Gold and Silver

India remains one of the world's largest consumers of gold, reflecting its cultural significance and role as a household savings asset. Domestic demand has remained resilient despite elevated prices, supported by steady wedding-related purchases and strong investment interest. Higher prices have moderated jewellery volumes, prompting consumers to shift toward lightweight designs and lower-purity jewellery, such as 18k and 14k. Jewellery exchange activity has also increased significantly, with some retailers reporting that over 40% of sales are driven by exchanges of old jewellery, highlighting value-conscious consumer

behaviour. Listed jewellery retailers reported revenue growth of 37%–51% year-on-year during the October–December quarter, largely driven by higher gold prices and festive demand.

Investment demand has also strengthened through financial instruments. Gold ETFs recorded net inflows of ₹430 billion in 2025, the highest on record, while assets under management increased to ₹1,279 billion and investor accounts rose 60% year-on-year to 10.2 million. Silver demand remains supported by both investment interest and industrial applications, reinforcing the importance of precious metals in India's financial and consumption landscape.

Gold ETF flows in INRbn, and total holdings in tonnes*



* As of End Dec 2025

Source: AMFI, ICRA Analytics, CMIE, World Gold Council.

Way forward

Looking ahead, India's economic outlook remains positive, underpinned by strong domestic consumption, expanding infrastructure investment, and continued structural reforms aimed at improving productivity and competitiveness. While geopolitical uncertainties and energy price volatility may introduce short-term risks, the underlying growth fundamentals of the Indian economy remain robust. With prudent macroeconomic management and a growing role in global trade and supply chains, India is well-positioned to sustain its long-term growth trajectory.

As rising retail credit demand and deeper financial inclusion continue to expand the addressable market, the NBFC sector is expected to grow strongly, with overall AUM projected to increase by around 19% and cross ₹50 lakh crore in the next fiscal year.

₹4 lakh crore

GOLD LOAN NBFC AUM EXPECTED BY FY2027, DRIVEN BY RISING GOLD PRICES AND STRONG DEMAND FOR SECURED BORROWING.



Industry Overview:

Non-Banking Financial Companies (NBFCs) continued to play a vital role in India's credit architecture by extending financing to customer segments and geographies that remain relatively underserved by the traditional banking system. As highlighted in NBFCs – Building the Future of India, the sector has emerged as an important channel for financial inclusion, supporting MSMEs, self-employed borrowers, rural and semi-urban customers, and retail borrowers through faster underwriting, more flexible product design, and deeper customer reach.

According to CRISIL Ratings, the NBFC sector is expected to maintain strong growth momentum, with overall AUM projected to grow by around 19% and cross ₹50 lakh crore in the next fiscal year. This expansion is expected to be driven by sustained demand across retail segments, particularly vehicle finance, MSME loans, and unsecured lending. Asset quality is likely to remain stable, supported by improved underwriting standards and a favourable credit environment, although some pressure may persist in select segments. Overall, the sector is expected to benefit from strong credit demand, improved access to funding, and continued economic growth.

Emphasising the role of retail credit in overall industry development, a recent industry report published by ICRA notes that NBFC retail AUM (excluding HFCs) continues to grow steadily, expanding by 17% YoY in H1 FY2026. However, it has moderated amid asset-quality pressures and macroeconomic uncertainties. The segment is expected to grow at 17–19% in FY2026 and 16–18% in FY2027, reflecting sustained credit demand. Within this, gold loans remain the fastest-growing segment, supported by rising gold prices. In contrast, vehicle finance and personal/consumer loans have benefited from improved domestic demand following GST rate cuts. Profitability is expected to remain healthy at 2.3–2.5% in FY2027, although the sector will require an additional ₹4.1–4.3 trillion in funding to support growth.

According to a CRISIL Report, the gold loan NBFC segment is expected to witness strong expansion, with assets under management projected to cross ₹4 lakh crore by FY2027. Growth is being driven by rising gold prices, which enhance collateral value, and by sustained demand for short-term, secured credit among retail and small-business borrowers. The segment continues to benefit from its low credit risk profile, quick disbursement cycles, and increasing formalisation of gold-backed lending, positioning it as one

of the fastest-growing segments within the NBFC sector.

Sector Outlook

Overall, the Indian NBFC sector entered the second half of FY26 from a position of relative strength, supported by structural drivers such as rising retail credit penetration, product specialisation, digital adoption, and deeper reach into underbanked segments. However, the operating environment is becoming increasingly complex, with heightened global uncertainties, geopolitical tensions, and the risk of rising inflation, particularly due to elevated energy prices, posing potential challenges. These factors could influence funding costs, borrower repayment capacity, and overall credit demand.

In this evolving backdrop, the sector is expected to adopt a more cautious and calibrated approach, with greater focus on liquidity management, asset quality, and risk pricing. While tighter regulation and segment-specific stress, particularly in microfinance, continue to remain areas of concern, well-capitalised NBFCs with strong underwriting standards, diversified funding profiles, and disciplined execution are likely to remain better positioned to navigate potential volatility and sustain growth over the medium term.

Management discussion & analysis

(continued)

Overview of the MSME Sector in India:

The Micro, Small and Medium Enterprises (MSME) sector continues to be a key pillar of India's socio-economic development, contributing significantly to GDP, exports, and employment generation, while also fostering entrepreneurship across semi-urban and rural regions. As of December 17, 2025, the number of registered MSMEs stood at 7.3 crore units, reflecting the scale and depth of the sector. Geographically, the MSME landscape remains concentrated in a few key states, with Maharashtra, Uttar Pradesh, and Tamil Nadu together accounting for nearly 32% of total Udyam registrations. Maharashtra leads with over 90 lakh registrations (~13%), followed by Uttar Pradesh with 77 lakh (~11%) and Tamil Nadu with 57 lakh (~8%), highlighting their strong industrial ecosystems and supportive policy frameworks.

Policy support has remained instrumental in strengthening the MSME ecosystem, particularly through improved access to credit and employment-generation initiatives. Since its inception in 2008-09, the Prime Minister's Employment Generation Programme (PMEGP) has supported over 10.71 lakh micro enterprises, disbursing margin money subsidies of ₹29,249.43 crore and generating employment for more than 87 lakh individuals. In 2025 alone, the scheme facilitated the establishment of 84,034 new micro-enterprises, with subsidies amounting to ₹3,125.35 crore, creating employment for over 6.7 lakh persons and improving accessibility through multilingual application support. Complementing this, the Credit Guarantee Scheme for Micro and Small Enterprises (CGSME) marked a significant milestone by surpassing one crore guarantees since its inception, with ₹3.77 lakh crore in guarantees approved between January and November 2025, thereby reinforcing credit flow and financial inclusion within the sector.

Recent findings by NITI Aayog in its report "Enhancing Competitiveness of MSMEs in India" highlight a gradual improvement in formal credit access across the sector. Between 2020 and 2024, the share of micro and small enterprises accessing credit through scheduled banks increased from 14% to 20%, while for medium enterprises, it rose from 4% to 9%, reflecting the impact of ongoing financial inclusion efforts. Despite this progress,



a significant credit gap of approximately ₹20-25 lakh crore persists, underscoring structural challenges in the MSME financing ecosystem.

This gap is largely attributed to factors such as stringent collateral requirements, limited credit histories among small enterprises, complex documentation processes, and a relatively higher perceived risk due to market volatility and inadequate financial records. In response, the government has strengthened support mechanisms such as the Credit Guarantee Fund Trust for Micro and Small Enterprises (CGTMSE), which enables collateral-free loans of up to ₹5 crore, with guaranteed coverage ranging between 50% and 85%, thereby facilitating improved credit flow and addressing financing constraints in the sector.

Policy and budgetary interventions have increasingly focused on addressing structural bottlenecks in MSME financing, particularly delayed payments and working capital constraints. An estimated ₹8.1 lakh crore remains locked in receivables, impacting liquidity across the sector. To mitigate this, the government has strengthened the Trade Receivables Discounting System (TReDS) by expanding its scope and mandating participation of central public sector enterprises. This is expected to accelerate receivables realisation, improve cash flows, and

reduce financing costs. Since its inception, TReDS has facilitated financing of over ₹5 lakh crore, with transaction volumes rising 69% year-on-year to ₹2.33 lakh crore in FY25, alongside improved participation and a high invoice financing success rate of over 95%, indicating growing adoption and efficiency of the platform.

In addition to receivables financing, broader measures have been introduced to enhance access to growth capital and improve ease of doing business. Initiatives such as enabling invoice discounting under credit guarantee frameworks, integrating TReDS with government procurement systems, and recognising receivables as asset-backed instruments are expected to deepen credit markets for MSMEs. On the equity side, the proposed ₹10,000 crore SME growth fund and the increased allocation to the Self-Reliant India Fund (₹12,000 crore) aim to provide long-term capital to scale enterprises. Complementary reforms, including export facilitation, digital compliance measures, and targeted support for women-led enterprises, further strengthen the ecosystem. Collectively, these initiatives reflect a calibrated policy push to improve liquidity, expand financing avenues, and enable sustainable growth for MSMEs. At the same time, effective implementation will remain critical to realising their full impact.

2,00,000+

CUSTOMERS SERVED AS OF MARCH 2026, UNDERSCORING OUR EXPANDING REACH AND GROWING MARKET PRESENCE.

Company Overview

SBFC Finance Limited is a non-deposit-taking Non-Banking Financial Company (NBFC) registered with the Reserve Bank of India, headquartered in Mumbai, Maharashtra. The Company is classified as part of the Middle Layer under the RBI's Scale-Based Regulation framework. Since its inception in 2008, SBFC has focused on providing secured lending solutions to underserved MSMEs and retail customers, addressing critical credit gaps in India's financial ecosystem. The Company's core product offerings include Secured MSME Loans and Loans Against Gold, supported by a differentiated 'PhyGital' operating model that combines digital efficiency with personalised, on-ground customer engagement.

By expanding our presence to 251 branches across 199 cities and serving over 2,00,000 customers, we strengthened our reach in underserved markets, supporting disciplined portfolio expansion and driving AUM growth to approximately ₹11,270 crore as of March 2026.

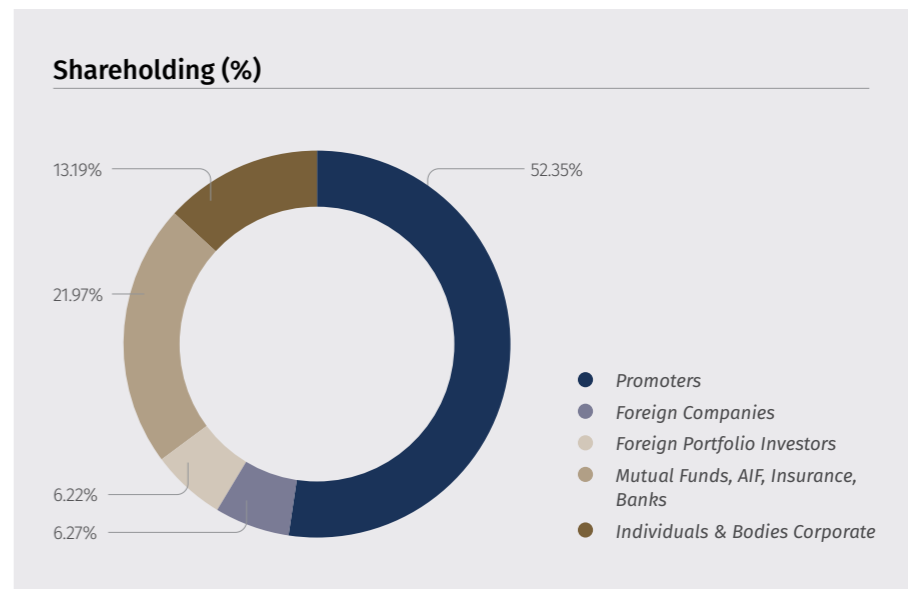
During FY2026, SBFC continued to strengthen its franchise by expanding its operational footprint and deepening customer reach. As of March 2026, the Company serves over 2,00,000 customers through a network of 251 branches across 199 cities, supported by a workforce of 5,000+ employees. Assets Under Management (AUM) stood at approximately ₹11,270 crore, reflecting sustained growth momentum and disciplined portfolio expansion. The Company's continued focus on Tier II and Tier III markets has enabled it to build a strong presence in underpenetrated geographies, aligning with its objective of advancing financial inclusion.

SBFC has remained focused on enhancing operational efficiency, strengthening credit underwriting standards, and improving customer experience through technology-led initiatives. The Company continues to invest in analytics-driven decision-making, streamlined processes, and scalable infrastructure to support long-term growth while maintaining prudent risk management practices. In addition to its lending business, SBFC has also expanded its financial services portfolio through its Corporate Agent (Composite) License from the Insurance Regulatory and Development Authority of India (IRDAI), enabling the distribution

of insurance products and offering more comprehensive financial solutions to its customers.

The Company's shareholding structure reflects strong institutional backing and investor confidence. As of March 31, 2026, the promoter group, Clermont Group, held 52.35% of the shareholding. Among key institutional investors, SBI Mutual Fund held 8.10%, Aditya Birla Sun Life 5.18%, Amansa Capital 4.00%, and Malabar Funds 3.33%. Institutional participation remains significant, with holdings from foreign portfolio investors, mutual funds, and other institutional investors contributing to a diversified ownership base. Additionally, management and employees held approximately 7.2% of the diluted share capital, reflecting alignment with long-term value creation.

Since its listing on the National Stock Exchange (NSE) and the Bombay Stock Exchange (BSE) in August 2023, SBFC has continued to strengthen its governance framework, enhance transparency, and build a scalable, sustainable business model. With a clear focus on secured lending, disciplined growth, and customer-centric innovation, the Company remains well-positioned to capitalise on the structural opportunities in India's MSME and gold lending segments.



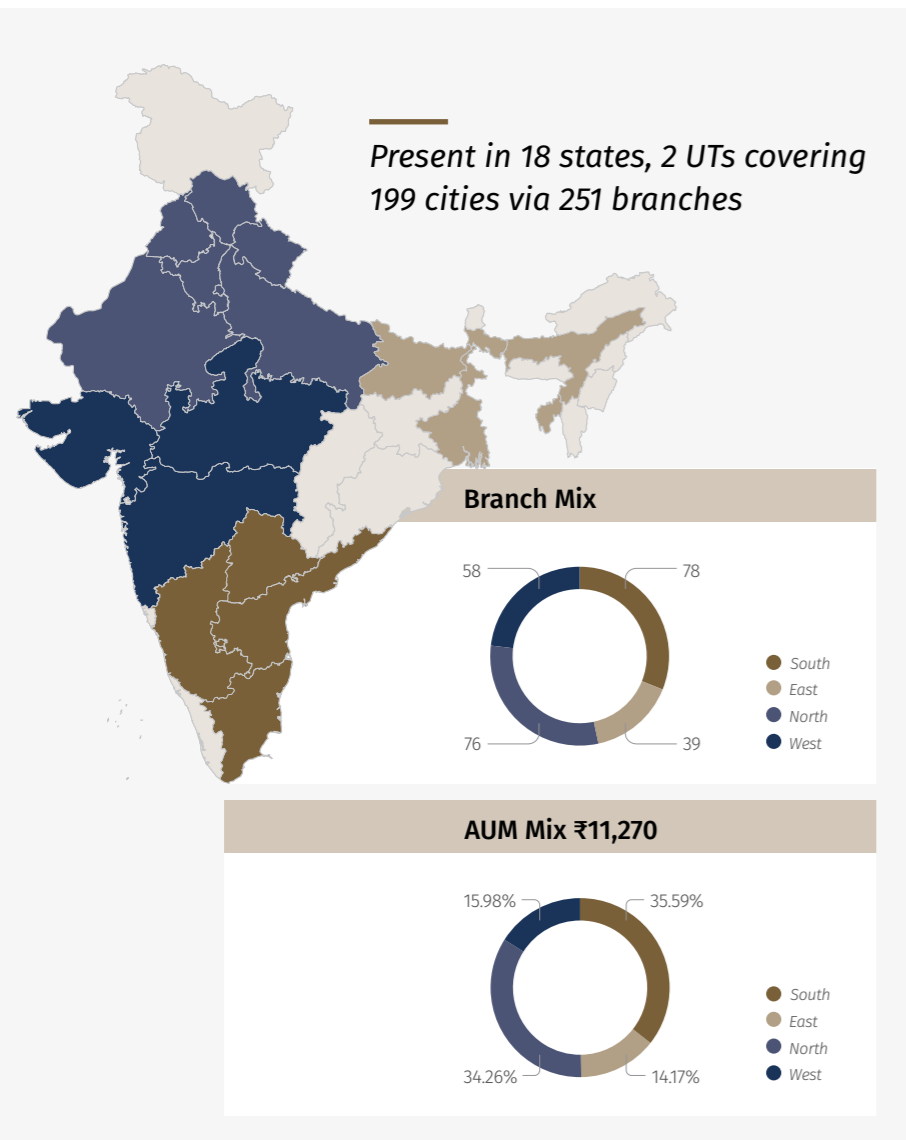
Management discussion & analysis

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Our PhyGital operating model enhanced sourcing efficiency, customer engagement and turnaround times, helping drive ~22% growth in the MSME loan book to ₹8,873 crore in FY2026 while preserving strong credit quality and risk discipline.

Business Overview

Our business model is anchored in diversification across geographies, products, and customer segments, which remains central to our risk management and growth strategy. As of FY2026, we operate across 18 states and 2 Union Territories, covering 199 cities through 251 branches, enabling a wide and balanced distribution footprint. Our branch mix is well spread across regions, with South accounting for 78 branches, North 76, West 58, and East 39, reflecting a diversified physical presence. Similarly, our AUM mix remains geographically balanced, with South contributing ~35.6%, North ~34.2%, West ~16.0%, and East ~14.2% of the total AUM of ₹11,270 crore, reducing concentration risks and enhancing portfolio resilience. This diversification, combined with our focus on secured lending, provides stability across business cycles while enabling consistent growth.



MSME Loans

Our MSME lending business continues to be the core driver of our portfolio, reflecting our strong positioning in serving underserved small enterprises across India. During FY2026, the segment maintained steady growth momentum, supported by improving economic activity, deeper geographic penetration, and continued demand for secured credit.

The MSME loan book grew from ₹7,249 crore in FY2025 to ₹8,873 crore in FY2026, reflecting a year-on-year growth of ~22%, and continues to contribute a significant share of our overall AUM. Growth was driven by our focused expansion strategy, strengthening of branch-led sourcing, and continued traction in Tier II and Tier III markets.

Our portfolio remains well-diversified across states and borrower segments, ensuring low concentration risk. We continue to target customers with strong credit profiles, typically maintaining a CIBIL score above 700 at origination, while leveraging a combination of data-led underwriting and on-ground due diligence.

Our 'PhyGital' model remains a key differentiator, enabling faster turnaround times while maintaining strong customer engagement. This has helped improve sourcing efficiency, customer retention, and cross-sell opportunities.

251 branches

ACROSS 18 STATES AND 2 UNION TERRITORIES, ENABLING BROAD MARKET COVERAGE AND BALANCED PORTFOLIO GROWTH.

Asset quality in the MSME segment remained stable during the year, with GNPA at ~3.15% in FY2026 (FY2025: 3.18%) and NNPA at ~1.97% (FY2025: 1.81%), reflecting disciplined underwriting and robust risk monitoring frameworks.

Gold Loans

Our Gold Loan business remains a high-growth, strategically important segment, benefiting from favourable macroeconomic trends, including elevated gold prices and rising customer preference for formal, secured lending channels.

During FY2026, the segment recorded strong growth momentum, with AUM increasing from ₹1,454 crore in FY2025 to ₹2,374 crore in FY2026, representing a year-on-year growth of ~63%. This growth was driven by higher customer acquisition, increased ticket sizes supported by rising gold prices, and the expansion of our branch-led gold loan operations.

Our Gold Loan product remains differentiated by its speed, simplicity, and accessibility, enabling customers to avail loans of up to 75% of the gold value with minimal documentation and quick disbursement. The segment continues to serve a wide range of customers, including small business owners and individuals seeking short-term liquidity.

We have continued to strengthen this segment through process standardisation, technology integration, and operational efficiencies, enabling faster processing and improved customer experience.

Given the product's secured nature and conservative LTV approach, the segment continues to exhibit strong asset quality, with GNPA at ~0.46% in FY2026 (FY2025: 0.37%) and NNPA at ~0.24% (FY2025: 0.29%), thereby maintaining its position as a low-risk portfolio.

The Gold Loan business also provides counter-cyclical stability to our portfolio, particularly during periods of macroeconomic uncertainty. With strong industry tailwinds and increasing formalisation, this segment is expected to remain a key growth driver while enhancing overall portfolio diversification.

Higher loan disbursements and continued portfolio expansion strengthened our earnings profile, contributing to a ~31% increase in interest income on loans to ₹15,323 million and a ~14% rise in fees and other income to ₹1,252 million.

Financial Performance

Particulars	FY 2026	FY 2025	Y-o-Y%
Interest Income on Loans	1,532.34	1,167.42	31%
Interest Income other than on Loans	21.92	28.93	-24%
Fee & Other Income	125.16	109.77	14%
Total Income	1,679.42	1,306.12	29%
Finance Cost	537.37	419.23	28%
Operating Expenses	412.94	354.63	16%
Pre-Provisioning Operating Profit	729.10	532.26	37%
Credit Cost	125.49	73.73	70%
Tax Expense	152.77	113.35	35%
Profit after Tax	450.84	345.18	31%
Basic EPS (₹/ Share)	4.13	3.20	29%
Diluted EPS (₹/ Share)	4.10	3.15	30%

Particulars	FY 2026	FY 2025	Variance
Return on Average AUM (%)	4.58%	4.53%	+5 bps
Return on Average Tangible Equity (%)	14.18%	12.72%	+146 bps
Net Interest Margin (%)	10.33%	10.20%	+13 bps
Operating Expenses to Average AUM (%)	4.19%	4.65%	-46 bps
Borrowings to Tangible Equity ratio	2.07	1.79	+0.28x
Gross NPA (%)	2.61%	2.74%	-13 bps

Analysis of Financial Performance

Interest Income on Loans

Interest income on loans increased from ₹11,674 million in FY2025 to ₹15,323 million in FY2026, reflecting a growth of ~31% year-on-year. This growth was primarily driven by the expansion of the Company's loan book, with Assets Under Management (AUM) increasing from ₹87,474 million as of March 31, 2025, to ₹112,701 million as of March 31, 2026, representing a growth of ~29%. The growth in AUM was supported by continued traction in both the Secured MSME lending segment and the Gold Loan portfolio, as well as by the expansion of the branch network and deeper penetration into existing geographies.

Interest income other than on loans stood at ₹219 million in FY2026, down from ₹289 million in FY2025, reflecting a ~24% year-on-year change. Movement in this income stream was primarily influenced by changes in treasury deployment, including interest earned on bank deposits and investments in financial instruments.

Fees and Other Income

Fees and other income increased from ₹1,098 million in FY2025 to ₹1,252 million in FY2026, registering a growth of ~14% year-on-year. The growth was supported by higher loan disbursements, increased processing fee income, and continued traction in ancillary income streams. Additionally, contributions from insurance distribution under the Company's Corporate Agent (Composite) license continued to support non-interest income during the year.

Management discussion & analysis

(continued)

Total Income

Total income increased from ₹13,061 million in FY2025 to ₹16,794 million in FY2026, reflecting a growth of ~29% year-on-year. The growth in total income was primarily driven by strong expansion in the loan book, stable yields, and continued fee income streams.

Finance Costs

Finance costs increased from ₹4,192 million in FY2025 to ₹5,374 million in FY2026, reflecting a growth of ~28% year-on-year. The increase was primarily attributable to higher borrowings undertaken to support AUM growth. Total borrowings increased from ₹52,643 million as of March 31, 2025, to ₹71,617 million as of March 31, 2026.

The Company maintained a balanced funding profile, comprising bank borrowings, debt securities, and other funding sources. The borrowings-to-tangible equity ratio stood at 2.07x as of March 31, 2026, compared to 1.79x in FY2025, reflecting calibrated leverage aligned with growth.

Operating Expenses

Operating expenses increased from ₹3,546 million in FY2025 to ₹4,129 million in FY2026, reflecting a growth of ~16% year-on-year. The increase was primarily driven

Our focus on profitable growth and cost discipline translated into a ~31% increase in Profit After Tax to ₹4,508 million, while PAT margin improved from 26.4% to 26.8%, demonstrating sustained profitability improvement.

by expansion of the branch network, employee costs, and investments in technology and infrastructure to support business growth.

Despite the increase in absolute costs, operating efficiency improved, with the Operating Expense to Average AUM ratio at 4.19% in FY2026, down from 4.65% in FY2025, indicating the benefits of operating leverage and improved cost management.

Credit Cost

Credit costs stood at ₹1,255 million in FY2026, up from ₹737 million in FY2025, reflecting a ~70% year-on-year increase. Credit cost as a percentage of average AUM stood at 1.27% in FY2026, up from FY2025 levels, reflecting evolving macroeconomic conditions.

Profit Before Tax (PBT)

Profit Before Tax increased from ₹4,585 million in FY2025 to ₹6,036 million in

FY2026, reflecting a growth of ~32% year-on-year. The growth in profitability was supported by strong AUM expansion, stable net interest margins, and operating leverage benefits.

The PBT margin (PBT as a percentage of total income) stood at ~35.9% in FY2026, up from ~35.1% in FY2025, reflecting improved profitability and efficiency.

Profit After Tax (PAT)

Profit After Tax increased from ₹3,452 million in FY2025 to ₹4,508 million in FY2026, reflecting a growth of ~31% year-on-year. The growth was driven by strong operating performance and controlled operating costs.

The PAT margin (PAT as a percentage of total income) stood at ~26.8% in FY2026, up from ~26.4% in FY2025, indicating sustained improvement in profitability.

₹16,794 million

TOTAL INCOME ACHIEVED IN FY2026, UNDERPINNED BY STRONG PORTFOLIO GROWTH AND RECURRING FEE-BASED INCOME.



Risk Management Framework

We have established a robust and dynamic Enterprise Risk Management (ERM) framework that integrates risk management into our strategic planning, operations, and decision-making processes. This framework enables systematic identification, assessment, monitoring, and mitigation of risks across the organisation, ensuring resilience and stability in a continuously evolving financial environment.

During FY2026, the external risk landscape remained complex, shaped by heightened geopolitical tensions, potential escalation of conflicts in the Middle East, volatility in global energy prices, and evolving inflationary pressures. These developments have the potential to influence borrower cash flows, input costs for MSMEs, credit demand patterns, and funding costs across the financial system. In response, we have further strengthened our risk management practices by incorporating macroeconomic scenario analysis, enhanced portfolio monitoring, and proactive risk mitigation strategies.

Our risk management approach is anchored in regulatory compliance, strong governance, market intelligence, technological integration, and a well-embedded risk culture. The Board of Directors oversees the risk management framework, with support from the Risk Management Committee, the Audit Committee, and the Asset-Liability Committee (ALCO). These committees play a critical role in defining risk appetite, approving policies, and monitoring the Company's risk profile, while senior management ensures effective implementation across all levels of the organisation.

Credit Risk

Given our core lending focus on MSMEs and Gold Loan customers, credit risk remains a key concern. We follow a disciplined and risk-calibrated underwriting approach, supported by both traditional credit evaluation and data-driven analytics.

Rigorous Underwriting:

We employ advanced credit assessment models, including bureau-based evaluations, cash-flow analysis, and collateral-backed lending structures. Our focus remains on lending to customers with a strong repayment track record, typically maintaining a CIBIL score above 700 at origination, thereby ensuring high-quality portfolio build-up.

Portfolio Diversification:

Our MSME loan portfolio is well-diversified across geographies, industries, and borrower profiles, reducing concentration risk and enhancing resilience to sector-specific or regional disruptions.

Impact of Macroeconomic Factors:

During FY2026, rising input costs—particularly due to energy price volatility and inflationary pressures—posed potential risks to MSME cash flows. We have incorporated these factors into our risk assessment models and strengthened monitoring of vulnerable borrower segments.

Impairment Assessment:

We follow a three-stage Expected Credit Loss (ECL) framework—Stage 1 (standard), Stage 2 (significant increase in risk), and Stage 3 (credit impaired)—to enable early identification of stress and timely provisioning.

Collateral Management:

For secured lending, including MSME and Gold Loans, we adhere to strict collateral valuation standards. In the Gold Loan portfolio, adherence to RBI-prescribed Loan-to-Value (LTV) limits, along with periodic revaluation of gold collateral, provides strong risk protection against price fluctuations.

By combining disciplined underwriting, diversified portfolios and enhanced risk monitoring, we strengthened our ability to manage evolving macroeconomic risks, helping protect asset quality and maintain resilience across our MSME and Gold Loan businesses.

Management discussion & analysis

(continued)

Operational Risk

Operational risk arises from potential failures in internal processes, systems, or human factors, particularly as the Company continues to scale its operations and expand its branch network.

Internal Controls and SOPs:

We have established well-defined Standard Operating Procedures (SOPs) and internal control mechanisms to minimise process inefficiencies and operational lapses.

Fraud Risk Management:

A robust internal audit framework, coupled with a strong whistleblower policy, enables early detection and prevention of fraudulent activities.

Scalability Risk Management:

As branch expansion and customer acquisition accelerate, we continue to focus on maintaining operational discipline, staff training, and process standardisation across locations.

Business Continuity Planning (BCP):

We maintain comprehensive disaster recovery and contingency planning frameworks to ensure uninterrupted operations in the event of unforeseen disruptions.

Information Technology Risk

With increasing reliance on digital systems, technology risk management remains a key priority.

Cybersecurity Infrastructure:

We have implemented multi-layered cybersecurity measures, including endpoint protection, real-time threat detection, and network monitoring systems, to safeguard our IT infrastructure.

Data Security and Compliance:

Our systems are aligned with industry best practices for data protection, ensuring secure handling of customer information and regulatory compliance.

Digital Transformation Risks:

As we continue to enhance our 'PhyGital' model, we actively manage risks related to system integration, data accuracy, and digital adoption.

eKYC and Automation:

Technology-enabled onboarding processes, including biometric-based eKYC, have improved efficiency, ensured compliance, and reduced operational risks.

Our investment in technology, automation and risk controls helps reduce operational risk, improve efficiency and maintain secure, reliable services across our expanding branch and customer network.

Environmental, Social, and Governance (ESG) Risk

We recognise the increasing importance of ESG considerations in shaping long-term business sustainability.

Environmental Risk:

Climate-related risks, such as extreme weather events and resource constraints, may affect MSME borrowers and their supply chains. We are gradually integrating such factors into our risk assessment framework.

Social Impact:

Our business model promotes financial inclusion by supporting underserved MSMEs, particularly in Tier II and Tier III cities, contributing to inclusive economic development.

Governance:

We maintain high standards of corporate governance, ethical conduct, and transparency, ensuring accountability to all stakeholders.



Compliance and Reputational Risk

We maintain a strong compliance framework to ensure adherence to all regulatory guidelines, including those issued by the Reserve Bank of India and other statutory authorities.

Regulatory Monitoring:

Continuous tracking of regulatory developments ensures the timely implementation of changes and alignment with evolving NBFC regulations.

Ethical Practices:

A well-defined code of conduct, strong governance policies, and transparent reporting safeguard the Company's reputation.

Customer-Centric Approach:

We prioritise fair practices, transparency, and customer grievance redressal mechanisms to maintain trust and credibility.

Continuous Monitoring and Evolution

Our risk management framework is dynamic and continuously evolves in response to emerging risks and changing market conditions. During FY2026, we have enhanced our focus on:

- **Advanced predictive analytics** for credit risk assessment and portfolio monitoring
- **Integration of macroeconomic and geopolitical risk factors** into decision-making
- **Strengthening ALM and liquidity frameworks** in a volatile interest rate environment
- **Enhanced cybersecurity investments** to address evolving digital threats
- **Climate risk integration** into long-term portfolio evaluation

Through our comprehensive and forward-looking risk management framework, we remain committed to maintaining financial stability, safeguarding stakeholder interests, and supporting sustainable growth. Our focus on secured lending, diversification, disciplined underwriting, and proactive risk monitoring positions us well to navigate uncertainties arising from both domestic and global macroeconomic developments.

Management discussion & analysis

(continued)

Fraud Monitoring and Control

We continue to maintain a robust and proactive Fraud Monitoring and Control framework to safeguard the integrity of our operations and ensure adherence to evolving regulatory requirements. With the increasing scale of operations and greater adoption of digital processes, fraud risk management remained a key focus in FY2026.

The Company has a well-defined whistleblower mechanism that enables employees and stakeholders to report suspected fraudulent activities confidentially and securely, without fear of retaliation. This framework promotes a culture of transparency, accountability, and ethical conduct across the organisation.

Fraud investigations are conducted through a structured, rigorous process to identify root causes, systemic gaps, and control weaknesses. Learnings from such investigations are used to strengthen internal processes and implement corrective and preventive actions to minimise recurrence.

We have constituted dedicated Fraud Prevention Committees comprising members of senior management and

Our proactive fraud management framework combines advanced analytics, real-time monitoring and strong governance, helping us detect emerging risks early, strengthen internal controls and safeguard the trust of our customers and stakeholders.

the Board, which periodically review significant fraud cases and emerging risk patterns. These committees play a critical role in strengthening internal controls, enhancing monitoring mechanisms, and ensuring alignment with the Company's risk appetite.

The Internal Audit function continues to play a pivotal role in fraud risk management. Through a risk-based audit approach, periodic audits are conducted to detect anomalies, assess control effectiveness, and ensure compliance with internal policies and regulatory guidelines. Key findings and risk indicators are escalated to senior management and the Board for timely action.

In line with evolving risk dynamics, we have further strengthened our technology-led fraud detection capabilities. Advanced analytics, rule-based engines, and real-time monitoring systems are increasingly being used to

identify unusual transaction patterns and potential fraud indicators early, enabling swift intervention.

Additionally, regular employee training and awareness programmes are conducted to sensitise teams to emerging fraud risks, particularly in digital and remote transaction environments. This continuous focus on capability building enhances the organisation's ability to detect, prevent, and respond effectively to fraudulent activities.

Through strong governance, technology integration, and a proactive risk culture, we remain committed to maintaining a resilient fraud control framework in an increasingly complex operating environment.



Information Technology

During FY2026, we continued to strengthen our technology capabilities, recognising Information Technology (IT) as a key strategic enabler of scalable growth, operational efficiency, and superior customer experience. Our "phygital" operating model remains central to our business, seamlessly integrating digital platforms with personalised, branch-led engagement to support end-to-end processes across loan origination, underwriting, collections, risk management, and audits.



Core Technology Architecture and Infrastructure

During the year, we strengthened our core systems through migration to an Oracle-based database, enhancing scalability, stability, and the ability to handle growing transaction volumes. We also introduced an Intermediate Banking System (IBS) middleware layer that enables seamless, real-time integration with external partners, payment gateways, and compliance systems.

We have also adopted a "frugal tech scale" strategy that balances innovation with cost efficiency. As part of this approach, we have developed and deployed over 200 APIs, enabling seamless integration across internal systems and external vendor platforms. Our proprietary 'Sahayak' CRM platform continues to play a critical role in lead management and operational oversight,

providing real-time dashboards, geo-tagging capabilities, and OTP-based verification to track sourcing effectiveness and branch performance.

Also, we made steady progress in our cloud migration journey, improving system scalability, strengthening data security, and optimising infrastructure costs.

Digital Transformation and Customer Experience

Our digital transformation initiatives continue to focus on enhancing customer convenience while improving operational efficiency. During FY2026, we successfully implemented a fully paperless gold loan process, significantly reducing customer processing time and improving branch-level productivity.

We have also transitioned to digital welcome kits, reducing paper consumption and enabling faster and more efficient onboarding. Customer acquisition processes have been further strengthened through Aadhaar-based eKYC, online PAN verification, and a Business Rule Engine (BRE), enabling real-time customer segmentation and automated underwriting decisions.

Our mobile-enabled platforms and self-service portals have been further enhanced, providing customers with greater control over loan management, repayment tracking, and service requests. These initiatives have contributed to improved customer engagement, faster turnaround times, and a more seamless user experience.

Cybersecurity and Data Governance

With increasing digital adoption, cybersecurity and data governance remain a key priority. During FY2026, we continued to maintain our ISO 27001:2022 certification, reaffirming our commitment to global best practices in information security management.

We operate a 24x7 Security Operations Centre (SOC) to enable continuous monitoring, real-time threat analysis, and risk-based incident response. Our cybersecurity framework has been further strengthened by deploying XDR and Endpoint Detection and Response (EDR) systems, along with enhanced access governance through Active Directory integration.

To ensure business continuity and resilience, we maintain a mirrored data infrastructure between our primary data centre in Mumbai and our disaster recovery (DR) site in Hyderabad. Regular quarterly DR drills are conducted, including full-scale simulations where live operations are shifted to the secondary site, ensuring preparedness for potential disruptions.

Management discussion & analysis

(continued)

Operational Efficiency and Automation

We have continued to leverage technology to drive operational efficiency across the organisation. Robotic Process Automation (RPA) has been deployed across key back-office processes, enabling faster processing, improved accuracy, and reduced manual intervention.

Advanced data analytics have been embedded across the loan lifecycle, from lead generation and underwriting to collections and delinquency management. These analytics capabilities provide early warning signals and support data-driven decision-making, enhancing portfolio monitoring and risk management.

Our continued investments in technology are reflected in increased capital expenditure, with technology and software-related costs rising to ₹35.21 million in FY2026, underscoring our commitment to building scalable, future-ready digital infrastructure.

Future Technology Roadmap

Looking ahead, we remain focused on further strengthening our digital capabilities by adopting automation, selective AI-driven analytics, and scalable cloud-based solutions. We continue to enhance our in-house digital ecosystem and API-driven architecture, enabling deeper system integration, improved operational efficiency, and more effective data-driven decision-making.

Our strategic focus is on building a self-reliant, technology-enabled lending platform where technology, including targeted AI use, supports business transformation while maintaining strong operational discipline. Through continued investments in analytics, process automation, and cybersecurity resilience, we are well-positioned to adapt to evolving customer expectations and sustain our competitive edge in an increasingly digital financial services landscape.

Internal Control System, Adequacy and Compliance

SBFC Finance Limited maintains a robust, well-structured, and adaptive internal control framework designed to ensure operational efficiency, regulatory compliance, and the integrity of financial reporting. The internal control system is commensurate with the scale, complexity, and nature of the Company's operations. It is aligned with the principles outlined in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

The Company has established comprehensive controls across all critical business processes, including loan origination, credit underwriting, collections, risk management, treasury operations, and financial reporting. These controls are designed to safeguard assets, ensure that transactions are properly authorised and recorded, and maintain the accuracy and reliability of financial information.

The Internal Audit function operates under a Risk-Based Internal Audit (RBIA) framework, in line with regulatory expectations. The Audit Committee approves audit plans and focuses on high-risk areas, ensuring continuous evaluation of control effectiveness. The Company continues to leverage data analytics, automation tools, and system-based controls to strengthen real-time monitoring, enhance reporting capabilities, and improve the overall control environment. Audit findings, observations, and recommendations are periodically reviewed by the Audit Committee, which also holds independent discussions with internal auditors to ensure objectivity and transparency.

The compliance framework ensures adherence to all applicable regulatory requirements, including those prescribed by the Reserve Bank of India under the Scale-Based Regulation framework, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, and the provisions of the Companies Act, 2013. The Company utilises a system-driven compliance monitoring tool to track regulatory obligations and ensure timely adherence. Strengthening of Anti-Money Laundering (AML) and Know Your Customer (KYC) processes remains an ongoing focus area, aligned with evolving regulatory expectations.

The Company also maintains strong information security and IT governance practices. As an ISO 27001:2022-certified entity, it follows stringent cybersecurity protocols, with periodic assessments, including Vulnerability Assessment and Penetration Testing

(VAPT), to ensure system robustness and data protection.

In terms of governance and transparency, the Company has a well-defined whistleblower mechanism and vigil framework that enables stakeholders to report concerns confidentially. The effectiveness of this mechanism is demonstrated through its active utilisation and timely resolution of reported cases. The Board of Directors confirms that adequate systems and processes are in place to ensure compliance with all applicable laws and that such systems are operating effectively.

Further, the statutory auditors, M/s. M M Nissim & Co. LLP have issued unmodified opinions on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting for the most recent audited periods. The Company continues to apply its accounting policies consistently, in line with applicable accounting standards and past practices, ensuring transparency and comparability in financial reporting.

Through continuous strengthening of its internal control and compliance framework, SBFC remains committed to maintaining high standards of governance, accountability, and financial discipline.

Through SBFC Gurukul, we have trained over 538 youth and achieved an absorption rate of approximately 48%, helping us build a future-ready talent pipeline while creating meaningful employment opportunities for underserved communities.

Human Resources and Industrial Relations

At SBFC, we recognise that our people are the cornerstone of our growth and long-term success. Our human resources strategy focuses on building a high-performance, customer-centric, and agile workforce that supports our expanding business operations while maintaining strong governance and employee engagement practices.

Workforce Composition and Growth

During FY2026, we continued to strengthen our workforce in line with our branch expansion strategy and growing operational scale. As of FY2026, our employee base stood at approximately 5,055 employees, reflecting a steady increase driven by front-loaded branch expansion during the year. Each new branch addition typically requires 8-10 employees, resulting in a calibrated increase in headcount aligned with business growth.

Despite a cautious macroeconomic environment, we maintained stable hiring momentum to ensure that our distribution network and operational capabilities remain adequately staffed to support future growth.

Employee Ownership and Incentives

During the year, we further strengthened our employee engagement and retention framework through expanded equity-based incentive programmes. The Board approved the SBFC Stock Option Policy 2025 - I, comprising a pool of 12,100,000 stock options, reinforcing our commitment to aligning employee interests with long-term shareholder value creation.

During the FY 2026, the Company granted 9,838,000 stock options to eligible employees under SBFC Stock Option Policy 2025 - I and 4,997,000 stock options under SBFC Stock Option Policy 2024 - I. The grant of stock options has strengthened employee ownership and fostered a culture of long-term value creation.

Capacity Building and Training

We continue to invest in structured training and skill development initiatives to build a future-ready workforce. Our flagship programme, SBFC Gurukul, has trained over 538 youth from underserved backgrounds, with an absorption rate of approximately 48%, enabling the Company to create a sustainable talent pipeline while supporting inclusive growth.

Diversity, Well-being, and Employee Engagement

We remain committed to fostering a diverse and inclusive workplace. Employee well-being remains a key focus area, with initiatives such as regular health check-ups, mental health awareness programmes, and multicultural engagement activities designed to promote work-life balance and strengthen organisational culture. These efforts contribute to higher employee satisfaction and retention.



Management discussion & analysis

(continued)

As we deepen our presence in the large and underpenetrated ₹5 lakh to ₹30 lakh MSME lending segment, we are strengthening our secured lending franchise, enhancing operating efficiency and creating a foundation for sustainable growth and risk-adjusted returns.

Compliance and Industrial Relations

The Company maintains strong adherence to all applicable labour laws and regulatory requirements. During FY2026, we ensured 100% coverage of employees under mandatory training programmes, including POSH (Prevention of Sexual Harassment), cybersecurity awareness, and the Code of Conduct.

The implementation of the Code on Social Security (Labour Code) resulted in a one-time financial impact of approximately ₹3.09 crore during the year, reflecting our commitment to regulatory compliance and employee welfare.

Industrial relations across the organisation remained stable and harmonious throughout the year, with no significant disruptions reported. We continue to engage proactively with employees, fostering a transparent, collaborative, and performance-driven work environment.

Forward-Looking Statements & Strategic Outlook

Strategic Direction and Growth Outlook

Having successfully transitioned through its initial growth phase, the Company is now entering a more institutionalised and scalable phase of expansion, with a sharper focus on sustainable growth, operating efficiency, and risk-adjusted returns. The strategic outlook for FY2027 and beyond is centred on strengthening the core secured lending franchise, enhancing unit economics, and maintaining portfolio quality.

The Company continues to operate in a large, underpenetrated MSME lending market, particularly in the ₹5 lakh to ₹30 lakh ticket-size segment, where structural demand remains strong. This segment is expected to witness sustained long-term growth, supported by increasing formalisation, improving credit access, and continued economic expansion. SBFC remains well-positioned to capitalise on this opportunity through its focused business model and strong distribution capabilities.

Distribution Strategy and Operating Efficiency

The Company's growth strategy is increasingly focused on enhancing the productivity of its existing distribution network, rather than relying solely on rapid branch expansion. While selective addition of new branches will continue, the emphasis remains on improving branch-level efficiency, deepening market penetration, and optimising customer acquisition.

Operationally, the Company aims to drive operating leverage through disciplined cost management and to leverage its existing infrastructure and technology investments. Continuous efforts are being made to improve cost efficiency, enhance process automation, and optimise resource utilisation, thereby supporting a healthy margin over the medium term.

In parallel, the Company intends to further diversify its funding profile by reducing reliance on traditional bank borrowings and exploring alternative sources, such as capital markets and securitisation, thereby strengthening liquidity and funding resilience.



Product and Credit Strategy

The Company's product strategy remains anchored in secured lending, with MSME loans forming the core portfolio and gold loans providing an important complementary segment. The gold loan business is expected to continue acting as a high-yield, liquid, and counter-cyclical buffer, supporting portfolio stability.

From a credit perspective, the Company has adopted a more calibrated, quality-focused approach, with tighter underwriting filters and enhanced risk-assessment frameworks. Greater emphasis is being placed on borrower quality, collateral strength, and portfolio diversification to mitigate emerging risks. Strategic initiatives such as co-origination partnerships will continue to support growth while optimising capital efficiency.

Technology and Digital Transformation

The Company's technology roadmap for the coming years is focused on further strengthening its "phygital" ecosystem through intelligent automation, advanced analytics, and API-driven architecture. Investments will continue in enhancing digital capabilities across customer onboarding, underwriting, collections, and customer servicing.

Future initiatives include adopting AI-driven credit assessment tools, automated workflows, and advanced customer engagement platforms to improve efficiency, reduce turnaround times, and lower operating costs. These initiatives are expected to strengthen further the Company's competitive positioning in technology-driven financial services.

With a strong foundation, diversified portfolio, disciplined risk management practices, and a scalable operating model, SBFC is well-positioned to sustain its growth trajectory. The Company remains focused on delivering consistent, risk-adjusted growth, strengthening its market position, and creating long-term value for all stakeholders.

By combining a secured lending focus with stronger underwriting, portfolio diversification and technology-led decision-making, we are enhancing portfolio resilience, improving capital efficiency and creating a scalable platform for consistent, risk-adjusted growth and long-term value creation.



Cautionary Statement

This document contains forward-looking statements that reflect the Company's current expectations, beliefs, assumptions, and estimates regarding future business performance and economic conditions. These statements are inherently subject to risks and uncertainties, many of which are beyond the Company's control. Actual results may differ materially from those projected due to a range of factors, including but not limited to global commodity price fluctuations, regulatory changes, climatic conditions, input cost pressures, and changes in consumer behaviour or government policy.

The Company undertakes no obligation to publicly revise or update any forward-looking statements, whether due to new information, future developments, or otherwise. These statements should be read in conjunction with the financial and operating performance data and the risk factors identified in the Risk Management Framework outlined in this Annual Report.

Directors' Report



To the Members of SBFC Finance Limited

Your Directors have the pleasure of presenting the Nineteenth Annual Report on the business and operations of your Company together with the Audited financial statements for the Financial Year (FY) ended March 31, 2026.

Financial Performance

The highlights of the financial results are given below:

Particulars	(₹ in Million)	
	FY 2026	FY 2025
Total Income	16,795.02	13,061.09
Total Expenditure	10,759.09	8,475.93
Profit before Tax	6,035.93	4,585.16
Tax Expense	1,527.60	1,133.48
Profit after Tax	4,508.33	3,451.68
Amount brought forward from the previous year	7,567.15	4,805.81
Amount available for appropriation	4,508.33	3,451.68
Appropriations:		
Transfer to Reserve Fund u/s 45-IC of the RBI Act, 1934	901.67	690.34
Balance carried forward to Balance Sheet	11,173.81	7,567.15

Your Company's total income increased by 29% from ₹13,061.09 million for the year ended March 31, 2025 to ₹16,795.02 million for the year ended March 31, 2026. The Profit after tax has increased by 31% from ₹3,451.68 million for the year ended March 31, 2025 to ₹4,508.33 million for the year ended March 31, 2026.

Material changes from the end of the financial year till the date of this report

No material changes and commitments have occurred after the closure of the FY 2026 till the date of this Report, which would affect the financial position of your Company.

Transfer to Reserves

The Company transferred an amount of ₹901.67 million to the Reserve Fund under section 45-IC of the RBI Act, 1934.

Pursuant to provisions of Companies Act, 2013 ("the Act") read with relevant rules thereunder, the Company, being a NBFC, is exempt from creating debenture redemption reserve in respect of privately placed debentures including the requirement to invest up to 15% of the amount of debentures maturing during the next financial year. However, the Company maintains sufficient liquidity buffer to fulfill its obligations arising out of debentures.

Dividend

The Directors do not recommend payment of any dividend on the Equity Shares for the financial year ended March 31, 2026, to conserve capital for future business expansion.

As stipulated in Regulation 43A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), the Dividend Distribution Policy can be accessed on the Company's website at the web link: <https://www.safc.com/faq>.

Operations

During the financial year, the Company continued to strengthen its presence by expanding to 251 branches across 18 states and 2 union territories in the underserved credit markets of India by focusing on Secured MSME and Gold Loan products, primarily targeting customers in tier II and tier III cities. The Company's approach remained centered on promoting financial inclusion by offering accessible, collateral-backed credit solutions tailored to the needs of micro and small enterprises, as well as individual borrowers seeking short-term liquidity.

Assets Under Management ('AUM') has grown by 29% during the year under review from ₹87,474 million as at March 31, 2025 to ₹1,12,701 million as at March 31, 2026. During the year under review, your Company has disbursed Secured MSME loans of ₹31,067 million against ₹26,707 million during the previous year.

Change in Nature of Business

There has been no change in the nature of business and operations of the Company during the year under review.

RBI Compliances

The Company continues to comply with all the applicable laws, regulations, guidelines, etc. as prescribed by RBI from time to time.

Capital Adequacy

As on March 31, 2026, the Capital to Risk Assets Ratio ("CRAR") of your Company was 32.84% (Tier I- 32.84%) which is well above the minimum requirement of 15% as prescribed by RBI.

Share Capital

The issued, subscribed and paid-up Equity Share Capital of the Company as on March 31, 2026 stood at ₹11,06,41,42,290/-. During the Financial Year under review, the paid-up Equity Share Capital of the Company has increased on account of issuance and allotment of 2,04,15,141 Equity Shares of ₹10/- each pursuant to the exercise of stock options by the eligible employees under Employee Stock Option Schemes of the Company.

No Equity Shares were issued with differential rights as to dividend, voting or otherwise during the year under review. None of the Directors of the Company holds instruments convertible into Equity Shares of the Company.

Equity

Your Company has total equity of ₹37,251.52 million and Goodwill of ₹2,603.92 million as on March 31, 2026. Net of Goodwill, your Company has Tangible Equity of ₹34,647.60 million.

Employee Stock Options

Your Company has in force various Employees Stock Option Schemes viz. SBFC Stock Option Policy I 2018, SBFC Stock Option Policy 2021 -I, SBFC Stock Option Policy 2021 -II, SBFC Stock Option Policy 2021 -III -Special Grant, SBFC Stock Option Policy 2021 -IV, SBFC Stock Option Policy 2021 -V, SBFC Stock Option Policy 2023 -I, SBFC Stock Option Policy 2023 -II, SBFC Stock Option Policy 2023 -III, SBFC Stock Option Policy 2024 -I and SBFC Stock Option Policy 2025 - I.

Based on the recommendation of Nomination and Remuneration Committee and Board of Directors, the Members of the Company at 18th Annual General Meeting held on July 14, 2025 had approved the amendments to the SBFC Stock Option Policy I 2018 ('ESOP 2018-I Policy') and SBFC Stock Option Policy 2021 I ('ESOP 2021-I Policy'). The amendments were with reference to the definition of Eligible Employee, Exercise Period, Relevant Date, SBFC Trust Deed, Vesting Period, Vesting Schedule and Exercise Price details. The proposed amendments to the ESOP 2018-I Policy and ESOP 2021-I Policy were applicable to the Employee Stock Options not yet granted and hence any variation in the ESOP 2018-I Policy and ESOP 2021-I Policy was not considered prejudicial to the interest of the employees.

With a view to attract, retain and motivate talent, align employee interests with long-term growth, and foster a sense of ownership to drive a sustained Company success, your Company with the approval of members through Postal Ballot passed on December 14, 2025, has formulated a SBFC Stock Option Policy 2025 - I, contemplating grant of 1,21,00,000 equity shares, constituting 1.09% of the paid-up share capital of the Company as on March 31, 2026.

In terms of Regulation 14 of the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, (SBEB Regulations) the disclosures with respect to the ESOP Schemes have been provided on the website of the Company at <https://www.safc.com/investors>.

Directors' Report

(continued)

The certificate(s) from secretarial auditor M/s Parikh & Associates, Company Secretaries confirming implementation of the ESOP Schemes in accordance with the SBEB Regulations and shareholders resolutions would be made available for inspection of the shareholders at the ensuing Annual General Meeting.

Internal Capital Adequacy Assessment Policy ('ICAAP')

Pursuant to Reserve Bank of India (Non-Banking Financial Companies – Prudential Norms on Capital Adequacy) Directions, 2025 ('RBI Directions'), NBFCs are required to have an ICAAP in place. The objective of ICAAP is to ensure availability of adequate capital to support all risks in business and also to encourage NBFCs to develop and use better internal risk management techniques for monitoring and managing their risks. Accordingly, your Company has framed an ICAAP policy. This policy is developed considering the requirements of the RBI Directions and is based on the Pillar-2 requirements under Basel III Framework developed by the Basel Committee on Banking Supervision (BCBS). The objective of the policy is to provide an ongoing assessment of the Company's entire spectrum of risks and the methodology to assess current and future capital, reckoning other mitigating factors and also to assist and apprise the Board on these aspects and on Company's internal capital adequacy assessment process and Company's approach to capital management.

Information Technology Governance and Cyber Security

In alignment with the Reserve Bank of India's Master Direction on Information Technology Governance, Risk, Controls and Assurance Practices, the Company has established a robust IT governance structure. An IT Strategy Committee chaired by an Independent Director provide strategic oversight on technology initiatives and the overall cybersecurity posture. The Company has implemented a comprehensive suite of IT and security policies, including those for Information Security, Cybersecurity, Business Continuity, IT Outsourcing, Cyber Crisis Management and Incident Response, ensuring a structured and risk-based approach to regulatory compliance and operational resilience.

Cybersecurity remained a key focus area during the year. The Company successfully retained its ISO 27001:2022 certification, reaffirming its commitment to global standards in information security management. Business Continuity and Disaster Recovery (BC/DR) drills were conducted regularly to validate system robustness and response readiness. Advanced threat detection capabilities were enhanced through the deployment of Extended Detection and Response (XDR) tools, with infrastructure and application logs integrated into a centralized Security Operations Centre (SOC). The SOC operates on a 24x7 basis, enabling real-time threat analysis and risk-based incident response.

To further strengthen the security framework, the Company integrated all endpoints into a unified Active Directory (AD) environment, significantly improving access governance and endpoint control. Key cybersecurity controls including Data Loss Prevention (DLP), email security, and vulnerability management were rigorously assessed, with identified risks promptly mitigated as part of a continuous improvement plan. Periodic Vulnerability Assessment and Penetration Testing (VAPT) exercises were conducted on critical systems and core business applications to ensure ongoing resilience. Furthermore, cybersecurity and privacy awareness across the organization was carried out through structured employee training programs, phishing simulations, and

the dissemination of best practice guidelines, reinforcing a culture of cyber vigilance and shared responsibility.

Mobilisation of funds

Your Company has diversified borrowing profile and has availed Term loans/Cash Credit facilities from Banks, DFIs and financial institutions, issue of Non-Convertible Debentures, External Commercial Borrowings. Your Company continues to further expand and diversify its borrowing profile by tapping new lenders.

Mobilisation of funds as on March 31, 2026 are as under:

		(₹ in million)
Sr. No.	Particulars	FY 26
1	Indian rupee loan from banks	39,339.54
2	Term Loans from Financial Institutions/ Corporates	2,314.74
3	Non-Convertible Debentures	8,000.00
4	Foreign Currency loan from banks	15,620.91
5	Foreign Currency loan from FIs	4,732.71
6	Collateralized Borrowing	1,416.32
Total		71,424.22

As specified in the respective offer documents, the funds raised from issuance of NCDs were utilised for on lending to secured micro, small and medium enterprises and gold loans. Details of the end-use of funds were furnished to the Audit Committee on a quarterly basis. The NCDs are listed on the debt market segment of BSE Limited. During the year, your Company has redeemed NCDs worth ₹5,000 million.

There has been no default in making payments of principal and interest on all the NCDs issued by the Company on a private placement basis. Further, there was no deviation/variation in the use of proceeds raised, from the objects stated in the offer document.

Credit Rating

During FY 2026, the credit rating of your Company was affirmed by rating agencies. It reaffirms the high reputation and trust the Company has earned for its sound financial management and its ability to meet all its financial obligations.

The brief details of the ratings received from the credit rating agencies by the Company for its outstanding instruments are given in '**Annexure -II**'.

Management Discussion and Analysis Report

The information on the affairs of the Company is provided in the Management Discussion and Analysis Report in accordance with the SEBI Listing Regulations and Master Direction issued by the Reserve Bank of India. This report is presented as a separate section, forming part of the Annual Report.

Corporate Governance

Your Company is committed to maintaining the highest governance standards and has also implemented several best governance practices. Pursuant to Regulation 34(3) read together

with Schedule V of the SEBI Listing Regulations, the Company has prepared Corporate Governance Report which forms part of this Report, marked as '**Annexure – V**'. As per Para C and E of Schedule V of the SEBI Listing Regulations, the Company has obtained two certificates from M/s Parikh & Associates, Company Secretaries (a) Certificate on Non-Disqualification of Directors; and (b) Certificate on the compliance of the conditions of the Corporate Governance. These certificates forms part of this Report, marked as '**Annexure – VIII**' and '**Annexure - VI**' respectively.

The Managing Director and the Chief Financial Officer have given their certificate as required under Regulation 17(8) read with Part B of Schedule II of the SEBI Listing Regulations regarding the Annual Financial Statements of the Company for the year ended on March 31, 2026, which forms part of this Report, marked as '**Annexure – IX**'.

Compliance Management

The Company has adopted a compliance management tool viz. Compliance Insights which comprehensively covers all compliances under various regulatory frameworks applicable to the Company and provides system-driven alerts to the respective owners.

Business Responsibility and Sustainability Report

In compliance with Regulation 34(2)(f) of the SEBI Listing Regulations, as applicable, your Company's Business Responsibility and Sustainability Report for the year ended March 31, 2026, forms part of this Annual Report annexed as '**Annexure – XI**'.

Details of subsidiary/ joint ventures/ associate companies

During FY 2025, SBFC Home Finance Private Limited ('SBFC Home Finance') the Company's erstwhile wholly-owned subsidiary had made an application to Reserve Bank of India (RBI) for obtaining a Certificate of Registration for operating as a 'Housing Finance Company'. RBI had not considered the said application, as SBFC Home Finance is a subsidiary of a registered NBFC-ICC, leading to layering of NBFCs. Since the intended objective behind the incorporation of SBFC Home Finance was not achieved, SBFC Home Finance decided to pursue the process of Voluntary Liquidation. The shareholders of SBFC Home Finance at their meeting held on January 27, 2025 had approved the voluntary liquidation process. The liquidator completed the process of realization of assets and liabilities of SBFC Home Finance. Consequently, the net proceeds of the realization were distributed to your Company on March 27, 2025. The liquidator on behalf of SBFC Home Finance has since filed an application before the National Company Law Tribunal for voluntary liquidation of SBFC Home Finance. The voluntary liquidation process is currently in progress.

The erstwhile subsidiary had not commenced any business or conducted any operations since the date of its incorporation. Further, SBFC Home Finance was not a material subsidiary of the Company.

During FY 2026, there was no entity which became or ceased to be subsidiary, joint venture or associate of the Company. Accordingly, the financial statement of subsidiaries or associate companies or joint ventures as required to be provided in Form AOC – 1 is not applicable.

Loans and Advances

During the year under review, your Company has not given any loans and advances to its subsidiaries or to firms/companies in which Directors are interested.

Particulars of Loans, Guarantees or Investments

Your Company, being an NBFC registered with RBI and engaged in the business of giving loans in ordinary course of its business, is exempt from complying with the provisions of Section 186 of the Act with respect to loans.

Pursuant to the provisions of Section 186(4) of the Act, details with regard to the investments made by the Company, as applicable, are given in Notes to the financial statements, forming part of this Annual Report.

Deposits

Your Company being a non-deposit taking Non-Banking Financial Company has not accepted or renewed any amount falling within the purview of provisions of Section 73 of the Act read with the Companies (Acceptance of Deposits) Rules, 2014 during the financial year under review. Hence, the requirement for furnishing the details relating to deposits covered under Chapter V of the Act or the details of deposits that are not in compliance with Chapter V of the Act is not applicable.

Corporate Social Responsibility (CSR)

The Corporate Social Responsibility (CSR) Committee comprises of three members viz., Ms. Surekha Marandi, Chairperson, Mr. John Mescall and Mr. Ravi Venkatraman, members. The CSR interventions for the year focused on skill development, child education, promotion of music, art & culture, environment / development and preventive health care. The CSR Policy, approved by the Board, outlines SBFC's commitment to integrate CSR as a core business process for the sustainable development of society.

The CSR Policy has been hosted on the website of the Company at: <https://www.sbfc.com/faq>.

As per the provisions of Section 135 of the Act read with the Companies (Corporate Social Responsibility Policy) Rules, 2014 ("CSR Rules"), the mandatory CSR spend of the Company for FY 2026 was ₹67.76 million against which your Company has spent ₹71.36 million during the year. Further, in terms of the CSR Rules, Chief Financial Officer has certified that the funds disbursed have been utilised for the purpose and in the manner approved by the Board for FY 2026.

The Annual Report on the CSR activities undertaken by your Company during the year under review, as prescribed in the Companies (Corporate Social Responsibility Policy) Rules, 2014, as amended, is set out in '**Annexure - I**' of this Report.

Annual Return

In accordance with the requirements under Section 92(3) and Section 134(3)(a) of the Act and the applicable rules, the annual return in Form No. MGT-7 as on March 31, 2026 is available on the website of the Company www.sbfc.com.

Directors' Report

(continued)

Board & Its Committees

Board

The Company has an optimum combination of executive, non-executive and independent directors, including an independent woman director. As on March 31, 2026, the Board is comprised of a Non-Executive Chairman, 2 (two) Executive Directors, 3 (three) Non-Executive Non-Independent Directors and 4 (four) Independent Directors including 1 (one) Woman Director.

Committee(s) of Board

Pursuant to various requirements under the Act and the SEBI Listing Regulations, and the requirements under applicable RBI Regulations, the Board of Directors has constituted/re-constituted various committees such as Audit Committee, Nomination and Remuneration Committee, Stakeholders' Relationship Committee, Corporate Social Responsibility Committee, Risk Management Committee and IT Strategy Committee. The details of composition, terms of reference, number of meetings held during the year, attendance there at and other details pertaining to these committees are mentioned in the Corporate Governance Report.

All recommendations made by the Audit Committee during the year were approved and accepted by the Board of Directors of the Company.

As on March 31, 2026, the Audit Committee comprised of the 4 (four) Directors, namely, Mr. Ravi Venkatraman (Chairperson), Ms. Surekha Marandi (Independent Director), Mr. Neeraj Swaroop (Independent Director) and Mr. John Mescall (Non-Executive Non-Independent Director).

Meetings and Postal Ballot

The Board of Directors met 6 (six) times during the year under review i.e., April 26, 2025, June 6, 2025, July 26, 2025, November 1, 2025, January 24, 2026 and February 3, 2026, as against the statutory requirement of at least four meetings. The requisite quorum was present at all the Board Meetings. The maximum time gap between any two meetings was not more than one hundred and twenty days.

During the year under review, no Extraordinary General Meeting of the members was held. The members have passed the following items by way of special resolution through postal ballot:

- On December 14, 2025 approved SBFC Stock Option Policy 2025 - I and;
- On March 8, 2026, approved the re-designation of Mr. Aseem Dhru (DIN: 01761455) as Executive Vice-Chairman of the Company for a term of five consecutive years and re-designation of Mr. Mahesh Dayani (DIN: 06561389) as Managing Director & CEO of the Company for a term of five consecutive years.

Detailed information on the Meetings of the Board, its Committees, Postal Ballot and the AGM is included in the Report on Corporate Governance, which forms part of this Annual Report.

Meetings of Independent Directors

The Independent Directors met during the year under review, on March 13, 2026. The Meeting was conducted without presence of the Whole-time Director(s), the Non-Executive Non-Independent Directors, Chief Financial Officer or any other management personnel to enable the Independent Directors to discuss matters pertaining to, inter-alia, review of performance of Non-Independent

Directors and the Board as a whole, review the performance of the Chairman of the Company, assess the quality, quantity and timeliness of flow of information between the management & the Board and its Committees and free flow discussion on any matter that is necessary for the Board to effectively and reasonably perform their duties.

Directors and Key Managerial Personnel

Appointment of Directors

Based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors, at its meeting held on April 26, 2025, appointed Mr. Leroy James Langeveld (DIN: 11068486) as an Additional and Nominee Director (Non-Executive), liable to retire by rotation, with effect from April 26, 2025. Subsequently, at the Annual General Meeting held on July 14, 2025, the members had approved Mr. Leroy James Langeveld appointment as Nominee Director of the Company by passing an Ordinary Resolution.

During FY 2026, based on the recommendation of Nomination and Remuneration Committee, the Board of Directors, at its meeting held on February 3, 2026, approved the re-designation of Mr. Aseem Dhru (DIN: 01761455) as Executive Vice-Chairman of the Company, for a term of five consecutive years effective from April 1, 2026 to March 31, 2031, liable to retire by rotation, consequent to him ceasing to be the Managing Director & CEO of the Company with effect from close of business hours of March 31, 2026. Subsequently, on March 8, 2026, the members of the Company passed Special Resolution through Postal Ballot for the re-designation of Mr. Aseem Dhru as Executive Vice-Chairman of the Company.

The Board of Directors based on the recommendation of the Nomination and Remuneration Committee at its meeting held on January 24, 2026 had re-designated Mr. Mahesh Dayani (DIN: 06561389) as Managing Director & CEO of the Company for a term of five consecutive years effective from April 1, 2026 to March 31, 2031, liable to retire by rotation. On March 8, 2026, the members of the Company passed Special Resolution through Postal Ballot for the re-designation of Mr. Mahesh Dayani as Managing Director & CEO of the Company.

Cessation

As per the terms of appointment, Mr. Rajesh Mannalal Agrawal (DIN: 00302467), has completed his term of 5 consecutive years as an Independent Director of the Company on November 11, 2025 and accordingly ceased to be the Director of the Company effective from November 12, 2025. The Company places on record its appreciation for the significant contributions made by Mr. Rajesh Mannalal Agrawal during his tenure with the Company.

Re-appointment of directors retiring by rotation

In accordance with the applicable provisions of Section 152 of the Act, Mr. Aseem Dhru (DIN: 01761455), Executive Vice-Chairman and Mr. Jonathan Tatur (DIN: 08639243), Nominee Director of the Company, retires by rotation at the forthcoming Annual General Meeting of the Company. Being eligible, Mr. Aseem Dhru (DIN: 01761455), Executive Vice-Chairman and Mr. Jonathan Tatur (DIN: 08639243), Nominee Director has offered themselves for re-appointment as Director. Brief particulars of Mr. Aseem Dhru and Mr. Jonathan Tatur as required under the Secretarial Standard on General Meetings issued by ICSI have been provided in the notice of the AGM of the Company.

Fit and Proper and Non-Disqualification Declaration by Directors

All the Directors of the Company have confirmed that they satisfy the 'fit and proper' criteria as prescribed under Reserve Bank of India (Non-Banking Financial Companies - Governance) Directions, 2025, and that they are not disqualified from being appointed/re-appointed/continuing as Director in terms of Section 164(1) and (2) of the Act. None of the Directors of the Company are disqualified and/or debarred as per the applicable provisions of the Act and the Securities and Exchange Board of India (SEBI).

Declaration by Independent Directors of the Company

The Company has received declarations under section 149 of the Act and Regulation 16 of the SEBI Listing Regulations from Mr. Neeraj Swaroop, Mr. Ravi Venkatraman, Ms. Surekha Marandi and Mr. Koni Uttam Nayak, Independent Directors and have also confirmed that they are not aware of any circumstance or situation, which exist or may be reasonably anticipated, that could impair or impact their ability to discharge their duties with an objective independent judgment and without any external influence. Further, the Board after taking these declarations/ disclosures on record and acknowledging the veracity of the same, concluded that the Independent Directors hold highest standards of integrity and possess the relevant proficiency, expertise and experience to qualify and continue as Independent Directors of the Company and are Independent of the Management of the Company.

Key Managerial Personnel

Pursuant to the provisions of Section 203 of the Act read with the rules made thereunder, Mr. Aseem Dhru, Executive Vice-Chairman, Mr. Mahesh Dayani, Managing Director & CEO, Mr. Narayan Barasia, Chief Financial Officer and Ms. Namrata Sajani, Company Secretary & Chief Compliance Officer are the whole-time key managerial personnel of the Company as on March 31, 2026.

Policies on Directors' Appointment and Remuneration

In accordance with the provisions of Section 134(3)(e) of the Act read with Section 178 of the Act and Regulation 17 of SEBI Listing Regulations, your Company has adopted a Nomination and Remuneration Policy which, inter-alia, includes the criteria for determining qualifications, positive attributes and independence of Directors, identification of persons who are qualified to become Directors and who may be appointed in the Senior Management team and also adopted Policy on Succession Planning for the Board and Senior Management which inter alia, includes succession planning for Board and Senior Management.

In line with Reserve Bank of India (Non-Banking Financial Companies - Governance) Directions, 2025, the Company has adopted a Board approved policy exclusively governing compensation payable to Directors, Key Managerial Personnel (KMP) and Senior Management Personnel (SMP).

In view of the aforesaid directions for NBFCs concerning compensation of KMP and SMP, the Company has in place a specific policy to this effect. Accordingly, the Nomination and Remuneration Policy have to be read along with the specific policy adopted pursuant to aforesaid RBI Directions as regards compensation of KMP and SMP.

During the year under review, the Board of Directors amended the Policy on Succession Planning for the Board and Senior Management.

The Nomination and Remuneration Policy and Policy on Succession Planning for the Board and Senior Management is available on the website of the Company and can be accessed at <https://www.sbfc.com/faq>.

Performance evaluation at Board

The Act and the SEBI Listing Regulations stipulate the evaluation of the performance of the Board, its Committees, Individual Directors and the Chairperson. Your Company has formulated a process for performance evaluation of the Independent Directors, the Board, its Committees and other individual Directors which includes criteria for performance evaluation of the Non-Executive Directors and Executive Directors.

An annual performance evaluation exercise was carried out on the basis of a structured questionnaire on performance criteria. The feedback received during the evaluation process were noted and based on the outcome of the evaluation and suggestion of the Directors, the Board and the management agreed on various action points to be implemented in subsequent meetings. The evaluation process endorsed cohesiveness amongst directors, the openness of the management in sharing the information with the Board and placing various proposals for the Board's consideration and approval. Overall, the Board expressed its satisfaction on the performance evaluation process as well as performance evaluation of all Directors, Committees and Board as a whole.

Familiarisation Programme for Directors

Your Company has adopted a structured programme for orientation of all Directors including the Independent Directors so as to familiarise them with the Company– its operations, business, industry, environment in which it functions, Indian and global macro-economic front and the regulatory regime applicable to it. The Management updates the Board Members on a continuing basis of any significant changes therein and provides them an insight to their expected roles and responsibilities so as to be in a position to take well-informed and timely decisions and contribute significantly to the Company.

The Independent Directors of your Company are made aware of their roles and responsibilities at the time of their appointment through a formal letter of appointment, which also stipulates various terms and conditions of their engagement. The terms and conditions of appointment of Independent Directors are available on the website of the Company at <https://www.sbfc.com/faq>. The terms of reference of all the Committees with updations, if any, is shared with all the Board Members on quarterly basis.

Pursuant to the provisions of the Act and Regulation 25(7) of the SEBI Listing Regulations, your Company has during the year conducted familiarization programmes through briefings at Board/ Committee meetings for all its Directors including Independent Directors. Details of familiarization programmes imparted to the Independent Directors during the financial year under review in accordance with the requirements of the SEBI Listing Regulations are available on the Company's website and can be accessed at the weblink: <https://www.sbfc.com/faq> and is also provided in the Corporate Governance Report forming part of this Annual Report.

Directors' Responsibility Statement

Pursuant to Section 134 of the Act, the Directors of the Company do hereby confirm that:

Directors' Report

(continued)

- in the preparation of the annual accounts for financial year ended March 31, 2026, the applicable accounting standards were followed, and that there are no material departures thereof;
- such accounting policies had been selected and applied consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2026 and of the profits of the Company for the FY 2026;
- proper and sufficient care had been taken for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- the annual accounts had been prepared on a going concern basis;
- internal financial controls to be followed by the Company was laid down, and such internal financial controls are adequate and were operating effectively, and
- proper systems had been devised to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Management (ERM) framework, which is applied in strategy setting and across the enterprise, designed to identify potential events that may affect the entity, manage risk within its risk appetite, to provide reasonable assurance regarding the achievement of Company's objectives. The objective of ERM is to lay down the broad principles, guidelines and procedures governing the framework for risk identification, assessment, measurement and reporting process of the business risks. The policy aims to ensure that all material risks can be identified and managed in a timely and structured manner.

In compliance with RBI Regulations the Board of Directors have basis recommendation of RMC adopted ICAAP Policy and Framework with the objective of ensuring availability of adequate capital to support all risks in business as also enable effective risk management system in the Company.

The Chief Risk Officer ('CRO') oversees and strengthens the risk management function of the Company. The CRO apprises the Risk Management Committee and the Board on the risk assessment, process of identifying and evaluating risks, major risks as well as the movement within the risk grades, the root cause of risks and their impact, key risk indicators, risk management measures and the steps being taken to mitigate these risks.

Auditors and Audit Reports

Statutory Auditors and their Reports

The Members of the Company at the 17th Annual General Meeting held on June 28, 2024 had approved the appointment of M/s. M M Nissim & Co. LLP, Chartered Accountants, (Firm Registration No. 107122W/W100672), as the Statutory Auditors of the Company from the conclusion of the 17th Annual General Meeting till the conclusion of the 20th Annual General Meeting of the Company to be held in the year 2027.

In compliance with the Reserve Bank of India Guidelines dated April 27, 2021, your Company has in place a Policy for appointment of Statutory Auditors of the Company.

The Statutory Auditors have issued unmodified Audit Reports on the Financial Statements for the financial year ended March 31, 2026. The Report does not contain any qualification, reservation or adverse remark or disclaimer. The Statutory Auditors have given a confirmation to the effect that they have not been disqualified in any manner from continuing as the Statutory Auditors and holds a valid certificate issued by the Peer Review Board of Institute of Chartered Accountants of India ("ICAI").

During the year under review, the Statutory Auditors have reported 2 instances of fraud committed in the Company by its officers or employees to the Board/Audit Committee under Section 143(12) of the Act. The Statutory Auditors, in turn, have also brought these cases to the attention of the Audit Committee pursuant to circular issued by National Financial Reporting Authority ('NFRA') dated June 26, 2023. Following the detection, the services of concerned employee(s) were terminated. As a preventive measure, the Company has also undertaken steps to educate other employees through targeted communication and internal awareness initiatives to strengthen vigilance and mitigate the risk of similar incidents in the future. None of the above reported frauds had involvement of the Management or an employee having a significant role in the Company's internal control system over financial reporting. Pursuant to the provisions of Rule 13(4)

of the Companies (Audit and Auditors) Rules, 2014, the details with regard to the fraud, are given in Notes to the financial statements, forming part of this Annual Report.

Secretarial Auditor and Audit Report

Pursuant to the provisions of section 204 of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Regulation 24A of SEBI Listing Regulations the Company has appointed M/s. Parikh & Associates, Practicing Company Secretaries as the Secretarial Auditor of the Company for a period of five (5) consecutive years from FY 2025-26 to FY 2029-30.

The Secretarial Auditor has confirmed that they hold a valid certificate issued by the Peer Review Board of Institute of Company Secretaries of India ("ICSI").

The Company has annexed to this Board's Report as '**Annexure - VII**', a Secretarial Audit Report for the Financial Year 2025-26 given by the Secretarial Auditor.

The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

Annual Secretarial Compliance Report with additional confirmations on compliances

In compliance with Regulation 24A of SEBI Listing Regulations, your Company has undertaken an audit for FY 2025-26 for all the applicable compliances as per SEBI Listing Regulations and circulars/guidelines issued thereunder. The Annual Secretarial Compliance Report has been issued by M/s. Parikh & Associates, Practicing Company Secretaries, Secretarial Auditor for FY 2025-26. The Annual Secretarial Compliance Report for financial year 2025-26 does not contain any qualification, reservation or adverse remark.

Cost Records and Cost Audit

Maintenance of cost records and requirement of cost audit as prescribed under the provisions of Section 148 of the Act are not applicable in respect of the business activities carried out by your Company and hence such accounts and records were not required to be maintained by the Company.

Particulars of Contracts or Arrangements with Related Parties

All the related party transaction(s) that were entered into during the financial year were on arm's length basis and in ordinary course of business. Pursuant to the provisions of Section 134(3) (h) read with Rule 8(2) of the Companies (Accounts) Rules, 2014, particulars of the contracts or arrangements with related parties referred to in section 188(1) in Form AOC-2 is annexed as '**Annexure - III**'.

In accordance with the applicable provisions of the Master Direction issued by the Reserve Bank of India and the SEBI Listing Regulations, the 'Policy on Materiality of Related Party Transactions and Dealing with Related Party Transactions', as updated is available on the Company's website: <https://www.sbfc.com/faq>. During the year under review, the Board of Directors amended the Policy on Materiality of Related Party Transactions and dealing with Related Party Transactions.

Human Resources Management & Health, Safety and Environment

At your Company, we prioritise the personal growth and job satisfaction of our employees, recognising them as crucial to our business's success and expansion. We conduct various training and awareness programs to enhance professional skills, keeping our workforce informed about our core values, behaviors and company policies. Open communication channels, coupled with regular updates across all departments, facilitate the exchange of information and enhance approachability and add to the transparent work culture. We adhere strictly to health, safety, and environmental standards, ensuring a responsible approach to our operations. Through our initiatives, we aim to cultivate fresh talent and nurture a pool of skilled manpower.

Particulars of Employees and Related Disclosures

Details required under the provisions of section 197(12) of the Act read with rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended, containing, among other things, the ratio of remuneration of Director to the median remuneration of employees, the percentage increase in the median remuneration, are annexed to this Report. This disclosure forms part of this Report, and is marked as '**Annexure - IV**'.

Details of top ten employees in terms of the remuneration and employees in receipt of remuneration as prescribed under rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended, containing details prescribed under rule 5(3) of the said rules, which form part of the Directors' Report, will be made available to any member on request, as per provisions of section 136(1) of the Act. Any shareholder interested in obtaining such information may write to the Company Secretary at complianceofficer@sbfc.com.

Compliance with the Code of Conduct

All Directors, Key Managerial Personnel and Senior Management Personnel of the Company have confirmed compliance with the Code of Conduct applicable to the Directors and employees of the Company. The Managing Director & CEO has given the certificate as required under Regulation 34(3) read with Part D of Schedule V of the SEBI Listing Regulations regarding compliance with the Code of Conduct of the Company for the year ended on March 31, 2026, which forms part of this Report, marked as '**Annexure - X**'.

The Code of Conduct is available on the Company's website at weblink -<https://www.sbfc.com/faq>.

Vigil Mechanism

Your Company promotes ethical behaviour in all its business activities and has established a vigil mechanism for its Directors, Employees, and Stakeholders associated with the Company to report their genuine concerns. The Vigil Mechanism as envisaged in the Act and the Rules prescribed thereunder and the SEBI Listing Regulations is implemented through the Whistle Blower Policy, to provide for adequate safeguards against victimisation of persons who use such mechanism and make provision for direct access to the Chairperson of the Audit Committee.

Directors' Report

(continued)

The Whistle Blower Policy has been widely disseminated within the Company. The Policy is available on the website of the Company at the web link: <https://www.sbfc.com/faq>

During the year, the Company received 5 whistle blower complaints. All the cases were investigated and appropriate actions were taken. The Audit Committee is apprised of the vigil mechanism on a periodic basis. During the year, no person was denied access to the Chairperson of the Audit Committee. A quarterly report on the whistle blower complaints is placed before the Audit Committee for its review.

Disclosure Under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 ("POSH Act")

Your Company has in place a comprehensive Policy in accordance with the provisions of POSH Act and Rules made thereunder. The Policy has been widely communicated internally and is placed on the Company's intranet portal. The Company ensures that no employee is disadvantaged by way of gender discrimination.

Your Company has complied with the provisions relating to the constitution of the Internal Complaints Committee under the POSH Act to redress complaints received regarding sexual harassment and has conducted adequate POSH training during FY 2026. No POSH complaints were reported during the year under review.

Disclosure of Maternity Benefit Compliance

Your Company is in compliance of Maternity Benefit Act, 1961 during the year under review.

Energy Conservation, Technology Absorption and Foreign Exchange Earnings & Outgo

The particulars in respect of conservation of energy, technology absorption and foreign exchange earnings and outgo, as required under Section 134(3)(m) of the Act read with Rule (8)(3) of the Companies (Accounts) Rules, 2014 for FY 2026 are set out hereunder:

1. The Company has no activity involving the Conservation of Energy or Technological or Technology Absorption;
2. The Company's Foreign Exchange Earnings was Nil during the year under review. The Company's Foreign Exchange Outgo was ₹640.49 million pertaining to Interest expense and fees on foreign currency borrowings and ₹0.11 million pertaining to software license.

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

There were no significant and material orders passed by the regulators or courts or tribunals during the year impacting the going concern status of the Company and its future operations.

Compliance with the Provisions of Secretarial Standard – 1 and Secretarial Standard – 2

The Company has devised proper systems to ensure compliance with the provisions of the Secretarial Standards, i.e., SS-1 and SS-2, relating to 'Meetings of the Board of Directors' and 'General Meetings', respectively, issued by The Institute of Company Secretaries of India ('ICSI') and such systems are adequate and operating effectively.

Disclosure pertaining to Insolvency & Bankruptcy Code

There were neither any applications filed by or against the Company nor any proceedings were pending under the Insolvency and Bankruptcy Code, 2016 during the year under review.

Disclosure on One-Time Settlement

During the year, the Company has not made any one-time settlement for loans taken from the Banks or Financial Institutions and hence the details of difference between amount of the valuation done at the time of one-time settlement and the valuation done while taking loan from the Banks or Financial Institutions along with the reasons thereof is not applicable.

General Disclosures

The Directors further state that no disclosure or reporting is required in respect of the following items, as there were no transactions/events related to these items during the financial year under review:

- There was no issue of equity shares with differential rights as to dividend, voting or otherwise;
- There was no issue of shares (including sweat equity shares) to the employees of the Company under any scheme, save and except Employee Stock Option schemes referred to in this Report;
- There was no raising of funds/issue of shares through Preferential Allotment, Public Issue, Rights Issue or Qualified Institutional Placement;
- There was no buy back of the equity shares during the year under review;
- There were no voting rights which are not directly exercised by the employees in respect of equity shares for the subscription/purchase for which loan was given by the Company (as there is no scheme pursuant to which such persons can beneficially hold shares as envisaged under Section 67(3)(c) of the Act);
- The Company has completed all corporate actions within the specified time limits. The securities were not suspended from trading during the year due to corporate actions or otherwise;
- There was no revision made in the Financial Statements or the Board's Report of the Company;

- Mr. Aseem Dhru, Executive Vice-Chairman and Mr. Mahesh Dayani, Managing Director & CEO did not receive any remuneration/commission from Holding/Subsidiary of the Company during FY 2026.
- The Company being a NBFC, the provisions relating to Chapter V of the Act, i.e., acceptance of deposit, are not applicable. Disclosures as per NBFC regulations have been made in this Annual Report.

Acknowledgement

Your Directors would like to express their sincere appreciation for the co-operation and assistance received from shareholders, debenture holders, debenture trustee, bankers, financial institutions, regulatory bodies and other business constituents during the financial year under review. Your Directors also wish to place on record their deep sense of appreciation for the commitment displayed by all executives, officers and staff, resulting in the successful performance of the Company during the financial year.

For & on behalf of Board of Directors of SBFC Finance Limited

Neeraj Swaroop

Chairperson & Independent Director
DIN: 00061170

Mahesh Dayani

Managing Director & CEO
DIN: 06561389

Place: Mumbai
Date: April 25, 2026

Directors' Report

(continued)

Annexure – I

Annual Report on CSR activities to be included in Board's Report

1. A brief outline on CSR policy of the Company:

Objective: The main objective of CSR policy is to make CSR a key business process for the sustainable development of society. SBFC will act as a good corporate citizen and aim to supplement the role of the government in enhancing the welfare measures of society. SBFC would be undertaking the CSR activities as listed in Schedule VII and Section 135 of the Companies Act, 2013 and the Rules framed thereunder and as per its CSR policy.

2. The Composition of the CSR Committee:

Sl No.	Name of Director	Designation / Nature of Directorship	No of meetings of CSR Committee	
			held during the year	attended during the year
1	Ms. Surekha Marandi	Independent Director (Chairperson)	2	2
2	Mr. Ravi Venkatraman	Independent Director (Member)	2	2
3	Mr. John Mescall	Nominee Director (Member)	2	2

3. Provide the web-link where the composition of CSR Committee, CSR Policy and CSR Projects approved by the Board are disclosed on the website of the Company:

- Composition of CSR Committee: <https://www.sbfc.com/investors>
- CSR Policy: <https://www.sbfc.com/faq>
- CSR Projects: <https://www.sbfc.com/faq>

4. Provide the executive summary along with web-link(s) of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable : Not Applicable**5. (a) Average net profit of the Company as per section 135(5): ₹3,24,47,30,563****(b) Two percent of average net profit of the Company as per section 135(5): ₹6,48,94,611****(c) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: ₹28,69,012****(d) Amount required to be set off for the financial year, if any: NIL****(e) Total CSR obligation for the financial year (5b+5c-5d): ₹6,77,63,623****6. (a) CSR amount spent or unspent for the financial year:**

Total Amount Spent for the Financial Year (in ₹)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per the second proviso to section 135(5)		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
7,13,60,452	-	-	-	-	-

Note: The Company received a NAPS subsidy of ₹61,66,254 during FY 2025-26. Of this, ₹35,96,829 was utilized for skill development programs during FY 2025-26, and the remaining amount of ₹25,69,425 will be spent in accordance with Section 135 of the Companies Act, 2013.

(b) Details of CSR amount spent against ongoing projects for the financial year: Not Applicable**(c) Details of CSR amount spent against other than ongoing projects for the financial year:**

Sr. No.	Name of the Project	Item from the list of activities in schedule VII to the Act	Local area (Yes/No)	Location of the project	Amount spent for the project (in ₹)	Mode of implementation - Direct (Yes/No)	Mode of implementation - Through implementing agency	
							Name	CSR registration number
1	Gurukul: National Apprentice Promotion Scheme (NAPS)	Employment enhancing vocation skills	Yes	PAN India	3,26,34,802	Yes	-	-
2	Shiksha: Infrastructure Development	Promoting Education	Yes	• Shri Swaminarayan Vidyalya, Manipura, Virangam, Ahmedabad • Suryanagar High School, Waghadi, Dist. Palghar, Maharashtra	2,10,17,900	No	Yuva Unstoppable	CSR00000473
3	Shiksha: Education of underprivileged children	Promoting Education	Yes	Bandra West, Mumbai	14,49,000	No	Human Development Centre	CSR00018558
4	Aarogya: Mobile vehicle for providing comprehensive Mental Health Counselling services for School Children Cardiac Ambulance Nandamuri Basava Taraka Ramarao Memorial Cancer Foundation in Hyderabad	Healthcare	Yes	• Low-End Private or Government Schools in Mumbai and suburban districts., Maharashtra. • Hyderabad, Telangana	59,00,000	No	Ekam Foundation	CSR00004951
5	Aarogya: Support 10 patients diagnosed with Acute Promyelocytic Leukemia (APML)	Healthcare	Yes	Parel, Mumbai	45,00,000	No	Tata Memorial Centre	CSR00001287
6	Sanskriti: Project Barkha Ritu Festival (For support mission to propagate and nurture Indian classical music)	Culture & Heritage	Yes	Worli, Mumbai	20,00,000	No	Tender Roots Academy Of Performing Arts	CSR00000141
7	Vikas & Paryavaran (Development & Environment) 147 Solar Light in village Manipura, Virangam, Gujarat	Environment	Yes	Manipura, Virangam, Ahmedabad, Gujarat	38,58,750	No	Yuva Unstoppable	CSR00000473

Directors' Report / Annexure – I

(continued)

- (d) Amount spent in Administrative Overheads: Nil
- (e) Amount spent on Impact Assessment, if applicable: Nil
- (f) Total amount spent for the Financial Year (6b+6c+6d+6e): ₹7,13,60,452
- (g) Excess amount for set off, if any: Not applicable

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

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

Sr No	Preceding Financial year	Amount transferred to Unspent CSR Account under subsection (6) of Section 135 (in ₹)	Balance Amount in Unspent Account under subsection (6) of Section 135 (in ₹)	Amount spent in the reporting Financial year (in ₹)	Amount transferred to any fund specified under schedule VII as per sub-section (5) of Section 135, if any		Deficiency, if any
					Amount (in ₹)	Date of transfer	
1	FY 2025						
2	FY 2024						Nil
3	FY 2023						
TOTAL							Nil

8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year: No**9. Specify the reason(s) if the Company has failed to spend two per cent of the average net profit as per section 135(5): Not applicable****For & on behalf of Board of Directors of SBFC Finance Limited****Surekha Marandi**

Chairperson of Committee & Independent Director
DIN: 06952573

Place: Mumbai
Date: April 25, 2026

Mahesh Dayani

Managing Director & CEO
DIN: 06561389

Annexure – II

Ratings Assigned by Credit Rating Agencies and Migration of Ratings during FY 2025-26

Name of Rating Agency	Date of rating	Facility/ Instrument	Rating assigned	Revision during the year
ICRA Limited	September 22, 2025	Long term fund- based term loan	[ICRA] AA- (Stable)	Re-affirmed
India Ratings & Research Private Limited	May 26, 2025	Bank Loans Non- Convertible Debentures	IND AA-/Stable	Affirmed Re-affirmed
CARE Ratings Limited	January 20, 2026	Long Term Bank Facilities Non- Convertible Debentures Commercial Paper	CARE AA-; Stable CARE A1+	Re-affirmed Re-affirmed Re-affirmed (Ratings Assigned on May 27, 2025)

For & on behalf of Board of Directors of SBFC Finance Limited**Neeraj Swaroop**

Chairperson & Independent Director
DIN: 00061170

Place: Mumbai
Date: April 25, 2026

Mahesh Dayani

Managing Director & CEO
DIN: 06561389

Annexure – III

Form No. AOC – 2**(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)****Form for disclosure of particulars of contracts/ arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto****1. Details of contracts or arrangements or transactions not at arm's length basis –**

There were no contracts or arrangements or transactions entered into during the year ended March 31, 2026, which were not at arm's length basis.

2. Details of material contracts or arrangement or transactions at arm's length basis –

There were no material contracts or arrangements or transactions for the year ended March 31, 2026 as per the provisions of the Companies Act, 2013. Thus, this disclosure is not applicable.

For & on behalf of Board of Directors of SBFC Finance Limited**Neeraj Swaroop**

Chairperson & Independent Director
DIN: 00061170

Place: Mumbai
Date: April 25, 2026

Mahesh Dayani

Managing Director & CEO
DIN: 06561389

Directors' Report

(continued)

Annexure – IV

Statement of Disclosure of Remuneration under section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 as amended for the financial year ended March 31, 2026

Name of the Director/ Key Managerial Personnel	Designation	Ratio of remuneration of Director to median remuneration of employees	% increase in Remuneration over previous year
(A) Whole-time Director			
Aseem Dhru*	Executive Vice- Chairman	103.27 : 1	14.75%
Mahesh Dayani [§]	Managing Director & CEO	90.07 : 1	26.07%
(B) Non- executive directors			
Neeraj Swaroop	Independent Director & Chairman	5.56 : 1	Note 1
Rajesh Mannalal Agrawal [^]	Independent Director	1.01 : 1	Note 1
Surekha Marandi	Independent Director	4.80 : 1	Note 1
Koni Uttam Nayak	Independent Director	3.79 : 1	Note 1
Ravi Venkatraman	Independent Director	5.31 : 1	Note 1
John Mescall	Nominee Director	Note 2	Note 2
Jonathan Tadeusz Tatur	Nominee Director	Note 2	Note 2
Leroy James Langeveld	Nominee Director	Note 2	Note 2
(C) Key Managerial Personnel			
Aseem Dhru	Executive Vice -Chairman		14.75%
Mahesh Dayani	Managing Director & CEO		26.07%
Narayan Barasia	Chief Financial Officer		15.00%
Namrata Sajnani	Company Secretary & Chief Compliance Officer		12.00%

* Mr. Aseem Dhru (DIN: 01761455) has been re-designated as Executive Vice-Chairman of the Company with effect from April 1, 2026, pursuant to approval of shareholder's obtained through Postal Ballot on March 8, 2026.

§ Mr. Mahesh Dayani (DIN: 06561389) has been re-designated as Managing Director & CEO of the Company with effect from April 1, 2026, pursuant to approval of shareholder's obtained through Postal Ballot on March 8, 2026. Further, the remuneration paid to Mr. Dayani for the entire FY 2025, in his capacity as Chief Business Officer and Executive Director have been considered and compared with the remuneration for FY 2026.

[^] Mr. Rajesh Mannalal Agrawal (DIN: 00302467), ceased to be an Independent Director of the Company effective November 12, 2025, upon completion of his term of 5 consecutive years.

Notes:

- The Independent Directors have been paid only sitting fees during the financial year, hence their remuneration with the median remuneration of the employees is not comparable. However, their ratio of sitting fees paid to the median remuneration of employees have been provided above.
- The Non-Executive Nominee Directors are not paid any remuneration by the Company.

(D) Percentage increase in the median remuneration of employees in the financial year: 6.65%

(E) Number of permanent employees on the rolls of the Company as on March 31, 2026: 3,302 employees

(F) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:

Particulars	% change in remuneration
Average increase in salary of employees (other than key managerial personnel)	11.21%
Average increase in remuneration of key managerial personnel	16.95%

(G) Affirmation:

The Company affirms that the remuneration is in line with its Remuneration Policy.

For & on behalf of Board of Directors of SBFC Finance Limited**Neeraj Swaroop**

Chairperson & Independent Director
DIN: 00061170

Mahesh Dayani

Managing Director & CEO
DIN: 06561389

Place: Mumbai

Date: April 25, 2026

Directors' Report

(continued)

Annexure – V

Corporate Governance Report

Corporate governance at SBFC Finance Limited ("Company") embodies best practices, legal compliance and ethical standards crucial for our sustainability. We prioritize transparency, accountability and effective oversight to foster a corporate culture that supports our stakeholders' interests. Our framework ensures robust checks and balances among the board, committees, management, auditors and stakeholders, reflecting our commitment to governance excellence and responsible business operations. This Corporate Governance Report for the financial year ended on March 31, 2026, has been prepared in compliance with the requirements of Regulation 34(3) read together with Para C of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, from time to time, ("SEBI Listing Regulations") and forms a part of the Directors Report of the Company for the aforesaid financial year. The Company has adhered to the requirements stipulated under Regulations 17 to 27 read with Para C and D of Schedule V and clauses (b) to (i) and (t) of Regulation 46(2) of the SEBI Listing Regulations as applicable with regard to Corporate Governance.

1. Company's Philosophy on Corporate Governance

Corporate Governance refers to, but is not limited to, a set of laws, regulations and good practices and systems that enable an organisation to perform efficiently and ethically to generate long-term wealth and create value for all its stakeholders. Sound governance practices and responsible corporate behaviour contribute to the superior long-term performance of organisations. Corporate Governance requires everyone to raise their level of competency and capability to meet the expectations in managing the enterprise and its resources optimally with prudent ethical standards. The Company recognises that good corporate governance is a continuous exercise. Adherence to transparency, accountability, fairness and ethical standards are an integral part of the Company's function.

The Company's structure, business dealings, administration and disclosure practices are aligned to good corporate governance philosophy and to add value to customers' businesses by providing financial services that allow them to increase the efficiency, quality and profitability of their operations while upholding the Company's core values, courage, ownership, respect and energy and include the values of creativity, co-operation, reliability, integrity,

embracing diversity and compliance with the laws. The Company has an adequate system of control in place to ensure that the executive decisions taken should result in optimum growth and development which benefits all the stakeholders and aims to increase and sustain its corporate values through growth and innovation. The Company's Code of Conduct serves as a guide to each Director and employee on the standards and values, ethics and business principles which govern their conduct. The Company's policy on internal controls requires a periodical review of all controls including financial, operational, compliance and risk management.

The Company ensures strict adherence to all applicable regulatory frameworks, including the Master Directions issued by Reserve Bank of India ("RBI Master Directions"), the Companies Act, 2013 ("the Act"), and the SEBI Listing Regulations. It also remains compliant with relevant rules, regulations, circulars, and notifications issued by the Reserve Bank of India (RBI), Securities and Exchange Board of India (SEBI), Ministry of Corporate Affairs (MCA), Insurance Regulatory and Development Authority of India (IRDAI) and other concerned statutory authorities.

2. Board of Directors

The Board of Directors, in its fiduciary role, is responsible for safeguarding the Company's interests and creating long-term stakeholder value. It upholds the principles of ethical governance, transparency, and accountability, supported by a balanced mix of independent and non-independent directors. The Board promotes diversity and inclusion, bringing varied perspectives to enhance decision-making and corporate culture. Key responsibilities include strategic oversight, policy formulation, performance review, compliance monitoring, and financial approvals. Several Board Committees have been formed to address specific areas requiring focused and expert attention.

The Board of Directors of your Company has an optimum combination of Executive and Non-Executive Directors in compliance with the requirements of Regulation 17 of SEBI Listing Regulations and Section 149 of the Act. As on March 31, 2026, the Board comprised of 9 (Nine) directors with 7 (Seven) Non-Executive Directors of which 4 (Four) are Independent Directors including the Chairman and a Woman Independent Director.

The composition of the Board of Directors, category of directors, number of other directorships, number of committees of which a director is a Member/Chairperson as on March 31, 2026 and the attendance at the last Annual General Meeting (AGM) of the Company were as follows:

Name of the Directors and Category	DIN	No. of Shares held in Company as on March 31, 2026	Number of other directorship excluding the Company [^]	No. of memberships in Audit Stakeholders Relationship Committee including the Company [^]	No. of post of Chairperson in Audit/ Stakeholders Relationship Committee held including the Company [^]	Whether attended last AGM held on July 14, 2025
Mr. Neeraj Swaroop (Chairperson & Independent Director)	00061170	-	3	4	1	Yes
Ms. Surekha Marandi (Independent Director)	06952573	-	1	4	1	Yes
Mr. Ravi Venkatraman (Independent Director)	00307328	-	7	9	5	Yes
Mr. Koni Uttam Nayak (Independent Director)	02543830	-	0	0	0	Yes
Mr. Rajesh Mannalal Agrawal* (Independent Director)	00302467	-	-	-	-	Yes
Mr. Aseem Dhru ¹ (Executive Vice Chairman)	01761455	3,31,24,834	2	3	3	Yes
Mr. Mahesh Dayani ² (Managing Director & CEO)	06561389	1,27,19,488	0	0	0	Yes
Mr. Jonathan Tadeusz Tatur [#] (Nominee Director)	08639243	-	0	0	0	Yes
Mr. John Mescall [#] (Nominee Director)	08385575	-	0	2	0	Yes
Mr. Leroy James Langeveld [#] (Nominee Director)	11068486	-	0	0	0	Yes

[^] The Directorships held and membership/chairmanship of the Audit Committee and Stakeholders Relationship Committee of Indian public limited companies and listed companies have been considered and positions held in various chambers/bodies, private limited companies, foreign companies, companies registered under Section 8 of the Act have been excluded.

[#] Nominee of Promoter Holding Company – SBFC Holdings Pte. Ltd.

^{*} During the year under review, Mr. Rajesh Mannalal Agrawal (DIN: 00302467), ceased to be an Independent Director of the Company effective November 12, 2025, upon completion of his term of 5 consecutive years.

¹ Mr. Aseem Dhru (DIN: 01761455) has been re-designated from Managing Director & CEO to Executive Vice-Chairman of the Company with effect from April 1, 2026, pursuant to shareholder's approval obtained through Postal Ballot on March 8, 2026.

² Mr. Mahesh Dayani (DIN: 06561389) has been re-designated from Executive Director to Managing Director & CEO of the Company with effect from April 1, 2026, pursuant to shareholder's approval obtained through Postal Ballot on March 8, 2026.

The Committee positions are based on the latest disclosures received by the Company. None of the directors on the Board of the Company is a member of more than 10 committees or Chairperson of more than 5 committees, reckoned in accordance with Regulation 26 of the SEBI Listing Regulations.

All the Directors have confirmed that they are free from any disqualification mentioned under Section 164 and/ or any other provisions of the Act. The Independent Directors, namely, Mr. Neeraj Swaroop, Ms. Surekha Marandi, Mr. Ravi Venkatraman and Mr. Koni Uttam Nayak, have given the declaration and confirmed that they fulfill the criteria for "independence" and/or "eligibility" as prescribed under the SEBI Listing Regulations and Section 149 of the Act and they have also affirmed compliance with the Code of Conduct of the Company and the Code for Independent Directors mentioned

in Schedule IV of the Act. In terms of Regulation 25(8) of the SEBI Listing Regulations, the Independent Directors have confirmed that they are not aware of any circumstances or situations which exist or may be reasonably anticipated that could impair or impact their ability to discharge their duties. In the opinion of the Board, the Independent Directors of the Company fulfill the conditions specified under the SEBI Listing Regulations and are Independent of the management. None of the Directors of your Company are inter-se related to each other or to any Key Managerial Personnel of the Company. All the Independent Directors of the Company have obtained registration with the databank of Independent Directors maintained by the Indian Institute of Corporate Affairs. No shares or convertible instruments of the Company are held by any Non-Executive Directors.

Directors' Report / Annexure – V / Corporate Governance Report

(continued)

Board Training and Familiarisation Programme

In terms of Regulation 25(7) of the SEBI Listing Regulations, the Company is required to conduct various programmes for the Independent Directors of the Company to familiarise them with their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, the business model of the Company, etc.

The Company regularly familiarises its Board, including Independent Directors, with key aspects of its business and financial strategy, risk management practices, regulatory updates and governance framework. During the year, familiarisation was conducted through Board and Committee meetings covering business and financial performance, audit presentations, risk identification and mitigation, and IT strategy including cybersecurity and digital initiatives. Directors were also updated on liquidity and asset-liability management, regulatory inspections and CSR activities. Discussions included internal controls, related party transactions, policy reviews and compliance with SEBI Listing Regulations and Insider Trading Regulations. Independent Directors are made aware of their roles and responsibilities at the time of appointment through a formal letter outlining the terms of engagement.

Details of familiarisation programmes imparted to Independent Directors is disclosed on its website at <https://www.sbfc.com/investors>.

Independent Directors' Separate Meeting

The SEBI Listing Regulations and Schedule IV to the Act mandate the Independent Directors of the Company to hold at least one meeting in every financial year, without the attendance of non-independent directors and members of the management. During the financial year ended on March 31, 2026, the Independent Directors met on March 13, 2026, inter alia, to review the performance of Non-Independent Directors and the Board as a whole, to review the performance of the Chairperson of the Company and to assess the quality, quantity and timeliness of flow of information between the management of the Company and the Board and as intimated, were found satisfactory.

Re-appointment of Directors

As required under Regulation 36(3) of the SEBI Listing Regulations and Secretarial Standard - 2 on General Meetings issued by the Institute of Company Secretaries of India, particulars of the Directors seeking re-appointment are given in the Notice of the 19th AGM of the Company which forms part of the Annual Report.

Code of Conduct

In terms of Regulation 17(5) and 26(3) of the SEBI Listing Regulations, the Board has laid down Codes of Conduct for Board Members and for Senior Management of the Company. The Board has also adopted a Code of Conduct for Independent Directors in line with Section 149(8) read with Schedule IV of the Companies Act, 2013. This serves as a guide to professional conduct, outlining the role, duties, and responsibilities expected from Independent Directors to uphold high standards of integrity and governance within the Company.

This Code of Conduct emphasises the Company's commitment to compliance with the highest standards of legal and ethical behaviour. The Code of Conduct is available

on the website of the Company at <https://www.sbfc.com/faq>. All Board Members and Senior Management Personnel have confirmed their adherence to the Company's Codes of Conduct. The declaration to this effect signed by Mr. Mahesh Dayani, Managing Director & CEO, is attached separately with this report.

3. Board Committees

The Board of Directors of the Company has various committees consisting of Executive, Non-Executive and Independent Directors to meet various statutory requirements of the Companies Act, 2013 and the SEBI Listing Regulations and to perform various specific and critical functions. Currently, the Board has 6 (Six) committees, viz.:

- Audit Committee
- Nomination and Remuneration Committee
- Corporate Social Responsibility Committee
- Stakeholders Relationship Committee
- Risk Management Committee
- IT Strategy Committee

The Company Secretary acts as the Secretary to all the Committees of the Board. The composition, terms of reference, attendance and other details of these Committees are mentioned later in this Report.

a) Audit Committee

Constitution and Composition: The Board of Directors of the Company has a qualified and independent Audit Committee that acts as a link between the Management, the Statutory Auditors, Internal Auditors and the Board. The Audit Committee as on March 31, 2026, consists of 4 (four) members, the details are mentioned in table below.

The Executive Vice-Chairman, Managing Director & CEO and Chief Financial Officer attend the meetings of the Audit Committee as invitees. The Company Secretary is the Secretary of the Audit Committee. All Directors are financially literate and Mr. Ravi Venkatraman (Chairperson of the Committee) has accounting or related financial management expertise in addition to investor relationship, start up and scaling up of businesses, processes, etc. The Statutory Auditors and Internal Auditors are invited to the meetings to discuss with the Directors the scope of audit, their comments and recommendation on the accounts, records, risks, internal procedures and internal controls of the Company and to discuss the Internal Audit Reports. The minutes of the Audit Committee meetings are also circulated to the Board, discussed and taken note of. All recommendations made by the Audit Committee during the year were accepted by the Board.

Terms of Reference: The terms of reference of the Audit Committee cover all the areas mentioned under Section 177 of the Act and Regulation 18 read together with Part C of Schedule II of the SEBI Listing Regulations.

The broad terms of reference of the Audit Committee, inter-alia, include, review of financial reporting process and all financial results, statements and disclosures and recommending the same to the Board, review the internal audit reports and discuss the same with the internal auditors, review internal

control systems and procedures, evaluation of internal financial controls and risk management systems and their effectiveness, to meet the statutory auditors and discuss their findings, their scope of audit, post audit discussion, auditor's independence, adequacy of internal audit functions, audit qualifications, if any, appointment/removal of auditors, changes in accounting policies and practices, if any, reviewing, approval and disclosure of all related party transactions, reviewing with the management the performance of the statutory and internal auditors and their remuneration in compliance with the Act, the SEBI Listing Regulations and other legal requirements and compliances, reviewing ongoing litigations and their impact on the Company and compliance with the statutory requirements. The Audit Committee also reviews the compliance with the Insider Trading Regulations.

Attendance: During the financial year ended on March 31, 2026, 4 (Four) meetings of the Audit Committee were held on April 26, 2025, July 26, 2025, November 1, 2025 and January 24, 2026.

The composition of the Committee and attendance of its members at the meetings held during the year are as follows:

Name of Director	Position	Category	No. of meetings held	Eligible to attend	Attended
Mr. Ravi Venkatraman	Chairperson	Independent Director	4	4	4
Mr. Neeraj Swaroop	Member	Independent Director	4	4	4
Ms. Surekha Marandi	Member	Independent Director	4	4	4
Mr. John Mescall	Member	Nominee Director	4	4	4

b) Nomination and Remuneration Committee

Constitution and Composition: The Board of Directors of the Company has a qualified and independent Nomination and Remuneration Committee (NRC) as per the provisions of Section 178 of the Act and Regulation 19 of the SEBI Listing Regulations. As on March 31, 2026, the NRC consists of 4 (four) members the details of which are mentioned in the table below.

Terms of Reference: The terms of reference of the NRC cover all the areas mentioned under Section 178 of the Act and Regulation 19 read together with Part D of Schedule II of the SEBI Listing Regulations. The broad terms of reference of the NRC, inter alia, include recommending and reviewing the policy relating to remuneration and terms of employment of managing/ whole-time directors and senior management personnel, formulating the criteria for determining qualifications, positive attributes and independence of a director, and recommending to the Board a policy relating to the remuneration of the directors, key managerial personnel, and other employees. It also involves identifying persons who may be appointed as directors or senior management personnel of the Company, preliminary evaluation of every Director's performance, Board diversity and any other matters which the Board of Directors may direct from time to time. The Committee shall assess the Board's skill, knowledge, and experience needs, define the required capabilities, and identify suitable independent director candidates through external agencies, diverse sourcing, and time commitment evaluation.

Attendance: During the financial year ended on March 31, 2026, 4 (Four) meetings of the NRC were held i.e., on April 24, 2025, October 30, 2025, January 24, 2026 and February 3, 2026. The composition of the NRC and attendance of its members at the meetings held during the year are as under:

Name of Director	Position	Category	No. of meetings held	Eligible to attend	Attended
Mr. Koni Uttam Nayak*	Chairperson	Independent Director	4	2	2
Mr. Rajesh Mannalal Agrawal*	Chairperson	Independent Director	4	2	1
Mr. Neeraj Swaroop	Member	Independent Director	4	4	4
Mr. John Mescall	Member	Nominee Director	4	4	4
Ms. Surekha Marandi*	Member	Independent Director	4	2	2

* During the year under review, Mr. Rajesh Mannalal Agrawal, ceased to be the Chairperson of NRC and subsequently Mr. Koni Uttam Nayak was appointed as the Chairperson of NRC with effect from November 1, 2025. Further, Ms. Surekha Marandi was appointed as a member of NRC with effect from November 1, 2025.

Performance Evaluation: In compliance with the Act and SEBI Listing Regulations, the Board undertakes an annual performance evaluation to review and enhance the effectiveness of the Board, its Committees, and individual Directors. The Nomination and Remuneration Committee has laid down a framework for the performance evaluation of Directors, based on parameters such as their role, contribution, experience, expertise, ability to offer constructive challenge, integrity, confidentiality, and independent judgement.

In line with the provisions of the Act and SEBI Listing Regulations, the Company conducted the Board Evaluation during the year, covering the performance of the Board, its Committees, individual Directors, Independent Directors and the Chairperson.

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(continued)

The performance evaluation of the Board, its Chairman and the Non-Executive Directors were carried out by the Independent Directors at their separate meeting held on March 13, 2026 and as intimated, were found satisfactory. The meeting was conducted without the presence of the Managing Director & CEO, Non-Executive Non-Independent Directors and the management team, enabling the Independent Directors to freely discuss the performance of the Board and other matters relating to the Company's affairs.

c) Corporate Social Responsibility Committee

As required under Section 135 of the Act, the Board of Directors of the Company has constituted a Corporate Social Responsibility Committee (CSR Committee). As on March 31, 2026, the CSR Committee consists of 3 (three) members, the details of which are mentioned in the table below.

The terms of reference of the CSR Committee are in conformity with the requirements of Section 135 of the Act and the Rules made thereunder. The Committee is responsible for formulating and recommending to the Board a Corporate Social Responsibility Policy outlining the activities to be undertaken by the Company in line with Schedule VII of the Act, identifying focus areas for CSR activities, recommending the expenditure to be incurred, formulating an annual CSR action plan for the Board's approval, and monitoring the implementation of CSR initiatives from time to time. Corporate Social Responsibility Policy is available on the Company's website at <https://www.sbfc.com/faq>. The CSR Committee met twice during the year i.e., on April 24, 2025 and January 23, 2026.

The composition of the CSR Committee and attendance of its members at the meetings held during the year are as under:

Name of Director	Position	Category	No. of meetings held	Eligible to attend	Attended
Ms. Surekha Marandi	Chairperson	Independent Director	2	2	2
Mr. John Mescall	Member	Nominee Director	2	2	2
Mr. Ravi Venkatraman	Member	Independent Director	2	2	2

d) Stakeholders Relationship Committee

The Company has a Stakeholders Relationship Committee (SRC) in accordance with the provisions of Section 178 of the Act and Regulation 20 of the SEBI Listing Regulations. The Committee's mandate includes, among other responsibilities, resolving grievances of security holders such as issues related to shares, non-receipt of annual reports, etc. It also oversees the effective exercise of voting rights by shareholders, ensures adherence to service standards concerning services provided by the Registrar and Share Transfer Agent ('RTA'). Ms. Namrata Sajani, Company Secretary, acts as the Compliance Officer of the Company. There were no shareholders and debenture holders complaints received during the financial year 2025-26 or pending as on March 31, 2026. As on March 31, 2026, the SRC consists of 3 (three) members, details of which are provided in the table below. During the year, only one (1) meeting of the Committee was held on January 23, 2026.

The composition of the SRC and attendance of its Members at the meeting held during the year are as follows:

Name of Director	Position	Category	No. of meetings held	Eligible to attend	Attended
Ms. Surekha Marandi	Chairperson	Independent Director	1	1	1
Mr. John Mescall	Member	Nominee Director	1	1	1
Mr. Ravi Venkatraman	Member	Independent Director	1	1	1

e) Risk Management Committee

In compliance with Regulation 21 of the SEBI Listing Regulations and the provisions of RBI Regulations, the Board of Directors of the Company has constituted a Risk Management Committee (RMC).

The terms of reference of the RMC, inter alia, include formulation of a detailed risk management policy which shall include (a) framework for identification of internal and external risks specifically faced by the Company, including financial, operational, sectoral, sustainability, information, cyber security risks or any other risk as may be determined by the Committee (b) measures for risk mitigation including systems and processes for internal control of identified risks, and (c) business continuity plan and other functions specified in Part D of Schedule II to the SEBI Listing Regulations and as prescribed under RBI Regulations.

The RMC carries out a series of regulatory driven activities that are mandated under various guidelines and directives issued by the RBI Regulations.

The RMC consists of 8 (eight) Members comprising of 6 (six) Directors and 2 (two) senior management personnel of the Company, the details of which are given in the table below. During the financial year ended on March 31, 2026, 4 (Four) meetings of the RMC were held on April 24, 2025, July 25, 2025, October 30, 2025 and January 23, 2026 and the time gap between any two consecutive meetings did not exceed 210 days during the year 2026. The composition of the RMC and attendance of its members at the meetings held during the year are as follows:

Name of Member	Position	Category / Designation	No. of Meetings Held	Eligible to attend	Attended
Ms. Surekha Marandi	Chairperson	Independent Director	4	4	4
Mr. Neeraj Swaroop	Member	Independent Director	4	4	4
Mr. Aseem Dhru	Member	Executive Vice-Chairman	4	4	4
Mr. Ravi Venkatraman	Member	Independent Director	4	4	4
Mr. John Mescall	Member	Nominee Director	4	4	4
Mr. Koni Uttam Nayak	Member	Independent Director	4	4	4
Mr. Pankaj Poddar ^{*^}	Member	Chief Risk Officer (upto April 30, 2025)	4	1	1
Mr. Rajiv Thakker [^]	Member	Chief Risk Officer (w.e.f June 6, 2025)	4	3	3
Mr. Sanket Agrawal ^{&}	Member	Chief Strategy Officer & IR	4	4	4

* Resigned with effect from April 30, 2025.

& Senior management personnel of the Company.

^ Appointed as Chief Risk Officer w.e.f June 6, 2025.

f) IT Strategy Committee

The Board of Directors of the Company has constituted an IT Strategy Committee (ITSC) in terms of the applicable provisions of RBI Regulations.

The terms of reference of ITSC includes, inter-alia, the following:

- Approving IT strategy and policy documents and ensuring that the management has put an effective strategic planning process in place;
- Sourcing and use of IT resources;
- Ensuring that Company has an effective IT strategic planning process in place;
- Company to have in place processes for assessing and managing IT and cybersecurity risks;
- Adequate budgetary allocations for the IT function; and
- Review adequacy and effectiveness of the Business Continuity Planning and Disaster Recovery Management of the Company.

The ITSC consists of 7 (seven) Members comprising of 5 (five) Directors and 2 (two) senior management personnel of the Company, the details of which are given in the table below. During the financial year ended on March 31, 2026, 4 (Four) meetings of the ITSC were held on April 24, 2025, July 25, 2025, October 30, 2025 and January 23, 2026. The composition of the ITSC and attendance of its members at the meetings held during the year are as follows:

Name of Member	Position	Category / Designation	No. of Meetings Held	Eligible to attend	Attended
Mr. Koni Uttam Nayak	Chairperson	Independent Director	4	4	4
Mr. Neeraj Swaroop	Member	Independent Director	4	4	4
Mr. Ravi Venkatraman	Member	Independent Director	4	4	4
Mr. Aseem Dhru	Member	Executive Vice-Chairman	4	4	4
Mr. Jonathan Tatur	Member	Nominee Director	4	4	4
Mr. Ganesh Vaidya ^{&}	Member	Chief Technology Officer	4	4	4
Mr. Sanket Agrawal ^{&}	Member	Chief Strategy Officer & IR	4	4	3

& Senior management personnel of the Company.

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4. Remuneration to Directors

The Independent Directors are entitled to sitting fees for every meeting of the Board or Committee thereof attended by them. The Nominee Directors nominated by the Promoter Company are not entitled to any sitting fee or commission on the profits of the Company. The Executive Vice-Chairman and Managing Director & CEO are not entitled to receive any sitting fees for attending meetings of the Board or any Committee thereof nor do they receive any commission on net profits. The Executive Vice-Chairman and Managing Director & CEO are entitled to salary, performance pay and other perquisites and benefits as per the approval of shareholders. None of the Directors had any other pecuniary relationship or transaction with the Company during the financial year ended on March 31, 2026.

The details of remuneration paid to Directors for the financial year ended on March 31, 2026 are as under:

(₹ in million)

Name of Director	Salary & Allowances	Perquisites / Benefits	Sitting Fees	Total	Service Contract, etc.
Mr. Neeraj Swaroop	-	-	2.20	2.20	Re-appointed as an Independent Director upto November 20, 2027. Not liable to retire by rotation
Ms. Surekha Marandi	-	-	1.90	1.90	Appointed as an Independent Director upto September 22, 2027. Not liable to retire by rotation
Mr. Ravi Venkatraman	-	-	2.10	2.10	Appointed as an Independent Director upto February 20, 2029. Not liable to retire by rotation
Mr. Uttam Koni Nayak	-	-	1.50	1.50	Appointed as an Independent Director upto March 25, 2029. Not liable to retire by rotation
Mr. Rajesh Mannalal Agrawal	-	-	0.40*	0.40	Ceased to be an Independent Director of the Company with effect from November 12, 2025.
Mr. Aseem Dhru ¹	53.09	74.74	-	127.84	Re-designated as Executive Vice-Chairman of the Company with effect from April 1, 2026, pursuant to shareholder's approval on March 8, 2026. Liable to retire by rotation
Mr. Mahesh Dayani ²	43.33	44.38	-	87.70	Re-designated as Managing Director & CEO of the Company with effect from April 1, 2026, pursuant to shareholder's approval on March 8, 2026. Liable to retire by rotation.
Mr. Jonathan Tatur	-	-	-	-	Liable to retire by rotation
Mr. John Mescall	-	-	-	-	Liable to retire by rotation
Mr. Leroy James Langeveld	-	-	-	-	Liable to retire by rotation

* Sitting fees for one Board meeting held in FY 2024-25 was paid in FY 2025-26, has been considered.

¹ Mr. Aseem Dhru (DIN: 01761455) has been redesignated as Executive Vice-Chairman of the Company with effect from April 1, 2026, pursuant to shareholder's approval obtained through Postal Ballot on March 8, 2026.

² Mr. Mahesh Dayani (DIN: 06561389) has been redesignated as Managing Director & CEO of the Company with effect from April 1, 2026, pursuant to shareholder's approval obtained through Postal Ballot on March 8, 2026.

Note: None of the directors other than Mr. Aseem Dhru, Executive Vice-Chairman and Mr. Mahesh Dayani, Managing Director & CEO are entitled to any stock options.

The remuneration paid to Mr. Aseem Dhru, Executive Vice-Chairman and Mr. Mahesh Dayani, Managing Director & CEO of the Company for FY 2025-26 is given below:

(₹ In Million)

Particulars	Mr. Aseem Dhru	Mr. Mahesh Dayani
Basic Salary	20.42	17.81
Benefits, Perquisites and Allowances (includes payment in lieu of pension)	30.58	14.82
Commission, Bonus and Performance Linked Incentive Remuneration	17.80	12.95
Retirement Benefits ⁽¹⁾	3.43	2.99
Employee Share Based Payments ⁽²⁾	55.60	39.13
Total Remuneration	127.84	87.70

⁽¹⁾ Comprises of Gratuity, contribution to Provident Fund and Superannuation fund as per the policies of the Company.

⁽²⁾ The ESOP expense, determined on the basis of fair value and recognised in the Statement of Profit and Loss for FY 2025-26, has been included in their total remuneration.

Notes:

- Notice period for termination of appointment of Managing Director & Chief Executive Officer and Executive Vice-Chairman is 3 (three) months on either side.
- No severance pay is payable on termination of appointment.
- There were no Employee Stock Options granted to Mr. Aseem Dhru, Executive Vice-Chairman and Mr. Mahesh Dayani, Managing Director & CEO during the FY 25-26.

Other terms and conditions of appointment of the Non-Executive Directors including criteria for making payments have been disclosed in the Nomination and Remuneration Policy placed on the website of the Company at <https://www.sbfc.com/faq>.

The Company has obtained a Directors and Officers Liability Insurance Policy covering all Directors and Officers of the Company in respect of any legal action that might be initiated against any Director or Officer of the Company.

5. Senior Management Personnel

Particulars of Senior Management Personnel (SMPs) of the Company as on March 31, 2026, are as follows:

Name	Designation
Mr. Narayan Barasia	Chief Financial Officer
Mr. Rajiv Thakker (w.e.f June 6, 2025)	Chief Risk Officer
Mr. Sanket Agrawal	Chief Strategy Officer & IR
Mr. Sumeet Ghai	Chief Human Resource Officer
Mr. Ganesh Vaidya	Chief Technology Officer
Mr. Pragnesh Soneji (w.e.f April 26, 2025)	Chief Business Officer - Gold Business
Mr. Ashish Singh (w.e.f April 26, 2025)	Chief Business Officer - South and East
Mr. Ish Chawla (w.e.f April 26, 2025)	Chief Business Officer - West and North
Mr. Sreenivas Mylavarapu (w.e.f November 1, 2025)	Chief Credit Officer
Ms. Namrata Sajnanani	Company Secretary and Chief Compliance Officer
Mr. Agnivesh Kumar (w.e.f July 1, 2025)	Head - Operations

- Ms. Akruti Mashkaria has been appointed as Head-Internal Audit and was designated as SMP on April 25, 2026.
- The details of cessation of SMP during FY 25-26 are as follow:

Name	Designation	Date of cessation
Mr. Pankaj Poddar	Chief Risk Officer	April 30, 2025
Mr. VM Maneesh	Chief Operations Officer	May 15, 2025
Mr. Shanesh Jain	Head - Internal Audit	November 1, 2025
Mr. Viney Vaid	Head - Credit	November 1, 2025
Mr. Sai Prashant Menon	Chief Collections Officer	January 31, 2026

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6. General Body Meetings

Particulars of last three Annual General Meetings (AGM) are given below:

Financial Year	Date of AGM	Location	Time	Special Resolution passed
March 31, 2025	July 14, 2025	The AGM was held through video conferencing at the registered office of the Company at Unit No. 103, 1 st Floor, C&B Square, Sangam Complex, Andheri Kurla Road, Village Chakala, Andheri (East), Mumbai - 400 059	02:30 pm	<ol style="list-style-type: none"> Amendments to SBFC Stock Option Policy I 2018 Amendments to SBFC Stock Option Policy 2021 – I Issuance of debt securities including but not limited to Non-Convertible Debentures or such other debt securities
March 31, 2024	June 28, 2024	The AGM was held through video conferencing at the registered office of the Company at Unit No. 103, 1 st Floor, C&B Square, Sangam Complex, Andheri Kurla Road, Village Chakala, Andheri (East), Mumbai - 400 059	3:00 pm	<ol style="list-style-type: none"> Issuance of Non-Convertible Debentures and / or Bonds Approval Of SBFC Stock Option Policy 2024 – I
March 31, 2023	May 31, 2023	The AGM was held through video conferencing at the registered office of the Company at Unit No. 103, 1 st Floor, C&B Square, Sangam Complex, Andheri Kurla Road, Village Chakala, Andheri (East), Mumbai - 400 059	4:00 pm	None

Details of Special Resolution passed through Postal Ballot:

During the year ended on March 31, 2026, following special resolutions were passed through postal ballot.

(a) Date of Postal Ballot Notice: November 1, 2025

Voting period: Saturday, November 15, 2025 to Sunday, December 14, 2025

Cut-off Date: Friday, November 7, 2025

Date of passing the resolutions (last date for voting): Sunday, December 14, 2025

Special Resolution:

- Approval of the SBFC Stock Option Policy 2025 - I

Subject Matter of the Resolution	Votes in favour of the resolution (% of total number of valid votes cast)	Votes against the resolution (% of total number of valid votes cast)	Result
Approval of the SBFC Stock Option Policy 2025 - I	99.98	0.02	Passed with requisite majority

(b) Date of Postal Ballot Notice: February 3, 2026

Voting period: Saturday, February 7, 2026 to Sunday, March 8, 2026

Cut-off Date: Friday, January 30, 2026

Date of passing the resolutions (last date for voting): Sunday, March 8, 2026

Special Resolutions:

- Re-designation of Mr. Aseem Dhru (DIN: 01761455) as Executive Vice-Chairman of the Company
- Re-designation of Mr. Mahesh Dayani (DIN: 06561389) as Managing Director & CEO of the Company

Subject Matter of the Resolution	Votes in favour of the resolution (% of total number of valid votes cast)	Votes against the resolution (% of total number of valid votes cast)	Result
Re-designation of Mr. Aseem Dhru (DIN: 01761455) as Executive Vice-Chairman of the Company	93.65	6.35	Passed with requisite majority
Re-designation of Mr. Mahesh Dayani (DIN: 06561389) as Managing Director & CEO of the Company	94.38	5.62	Passed with requisite majority

The Board of Directors had appointed Ms. Jigyasa N. Ved (Membership No. FCS 6488, CP No. 6018) or failing her, Mr. Mitesh Dhaliwala (Membership No. FCS 8331, CP No. 9511) of M/s. Parikh & Associates, Practising Company Secretaries, as the Scrutinizer to scrutinize the above two postal ballot process in fair and transparent manner.

Procedure for postal ballot:

The postal ballot was carried out as per the provisions of Sections 108 and 110 and other applicable provisions of the Act, read with the Rules framed thereunder and read with the General Circular Nos. 14/2020 dated April 8, 2020, 17/2020 dated April 13, 2020 and subsequent circulars issued in this regard, the latest being 03/2025 dated September 22, 2025 issued by the Ministry of Corporate Affairs ("MCA Circulars").

The Company had engaged the services of KFin Technologies Limited (KFin) for providing remote e-Voting facilities to the members, enabling them to cast their vote electronically and in a secure manner.

In accordance with the provisions of the Act, Postal Ballot notices are exclusively sent electronically to the registered email addresses of members. To comply with these provisions, the Company enables members to vote solely through an electronic voting system ('remote e-voting'). Additionally, the Company publishes notices in newspapers to inform members. Voting rights are determined based on the equity shares held by members as of the cut-off date.

Furthermore, pursuant to the Act, the Company appoints a scrutinizer to conduct the postal ballot process in a fair and transparent manner. The scrutinizer submits a consolidated report to the Chairman of the Company. These results, along with the scrutinizer's report are communicated to the stock exchanges and also published on the Company's website by the Company. If a resolution is passed by the requisite majority, it is considered passed on the last date specified by the Company for receiving remote e-voting.

7. Means of Communication

Quarterly financial results: The Company's quarterly / half-yearly / annual financial results are filed with the Stock Exchanges on NSE Electronic Application Processing System (NEAPS) and BSE Corporate Compliance & Listing Centre (the Listing Centre) and are available on their websites, www.nseindia.com and www.bseindia.com. They are also available on the website of the Company www.sbfc.com. The financial results of the Company are also published in the newspapers (Financial Express and Loksatta) as prescribed under the SEBI Listing Regulations.

Quarterly presentations: Official press releases and official media releases, if any, are submitted to Stock Exchanges and are also available on the website of the Company.

Presentations to institutional investors / analysts: The Company organizes on quarterly basis, earnings call for its investors, including institutional investors and financial analysts to discuss the quarterly financial and operational performance. The audio recordings and transcript of the meeting as submitted to Stock Exchanges and are also available on the website of the Company.

Website: The Company also engages with its shareholders through its website, www.sbfc.com. The 'Investor Relations' section hosts all material public information, including financial results, presentations shared with the media, analysts and institutional investors, schedules and transcripts of investor earnings calls, shareholder-related updates and contact details of designated personnel.

Annual Report: The Company ensures effective communication through its Annual Report, which provides detailed information including the Directors' Report, Corporate Governance Report, Management Discussion and Analysis Report, and the audited Financial Statements. The Annual Report is also available on the website of the Company.

SEBI Complaints Redress System (SCORES): Investor complaints are processed at SEBI in a centralised web based complaints redress system. The salient features of this system are centralised database of all complaints, online upload of Action Taken Reports (ATRs) by concerned companies and online viewing by investors of actions taken on the complaints and their current status. The Company has also enabled the online resolution of all types of disputes arising in the Indian securities market through the Online Dispute Resolution (ODR) Portal at <https://smartodr.in/login>.

Address for communication: All communication, service requests, queries, such as change of address, bank mandates, nominations, etc. should be addressed to the Registrar and Share Transfer Agent (RTA) of the Company at the following address:

KFin Technologies Limited

Selenium, Tower-B, Plot 31 & 32,
Financial District, Nanakramguda, Serilingampally,
Hyderabad, Rangareddi - 500 032, Telangana, India
Tel: 1800-309-4001

Email: einward.ris@kfintech.com

Web site: www.kfintech.com

Directors' Report / Annexure – V / Corporate Governance Report

(continued)

Service requests/complaints, if any, may also be addressed to the Company Secretary at the Registered Office of the Company at Unit No. 103, 1st Floor, C&B Square, Sangam Complex, Andheri Kurla Road, Village Chakala, Andheri (East), Mumbai - 400 059 or sent by email at complianceofficer@sbfc.com.

Shareholders are encouraged to correspond with the RTA and the Company via email to speed up response, reduce paperwork and to help the Company to redress complaints faster. Shareholders are requested to mention their Folio nos./DP-ID and Client ID, mobile number and their Email ID for a prompt response. However, for instructions like change of bank mandate, change of address, transfers/transmission of shares, etc. letters duly signed by the shareholders should

be sent to the Company/RTA. In case of email communication, the Company/RTA respond to only those emails which are registered with the Company/ RTA/Depositories.

The SEBI, vide Master Circular for Registrars to an Issue and Share Transfer Agents dated February 06, 2026 mandated that the security holders (holding securities in physical form), whose folio(s) do not have PAN or choice of nomination or contact details or mobile number or bank account details or specimen signature updated, shall be eligible for any payment including dividend, interest or redemption in respect of such folios, only through electronic mode upon completion of all the documents/details in entirety as mentioned above. Copies of relevant forms are available on the website of Company's RTA at www.kfintech.com.

8. General Shareholder Information

The date, time & venue of the ensuing 19th Annual General Meeting is as follows:

Financial Year	Day & Date	Mode & Venue	Time
2025-26	Tuesday, July 14, 2026	Through Video Conferencing and Other Audio-Visual Means. The deemed venue of Annual General Meeting shall be the registered office of the Company.	03:00 pm (IST)

Cut Off and Record Date:

The cut off date is Tuesday, July 7, 2026 for determining members who will be entitled to avail the facility of remote e-voting as well as e-voting at the AGM venue. Record date is not applicable as no dividend is proposed by the Board of Directors.

Electronic Voting:

Pursuant to Section 108 and other applicable provisions of the Act read with the Companies (Management and Administration) Rules, 2014 and Regulation 44 of the SEBI Listing Regulations and all other notifications/ circulars as may be applicable, voting at the ensuing AGM will be made through electronic mode.

Financial Year:

The Company follows 1st April to 31st March as its financial year.

(a) Distribution of shareholding as on March 31, 2026:

Sr. No	Category (Shares)	No of Holders	% to Holders	No. of Shares	% to Equity
1	1 - 500	120102	86.74	14334991	1.30
2	501 - 1000	7460	5.39	5841012	0.53
3	1001 - 2000	4757	3.44	7044448	0.64
4	2001 - 3000	1963	1.42	4938698	0.45
5	3001 - 4000	1077	0.78	3814267	0.34
6	4001 - 5000	750	0.54	3474003	0.31
7	5001 - 10000	1149	0.83	8199433	0.74
8	10001 - 20000	562	0.41	8004599	0.72
9	20001 and above	647	0.47	1050762778	94.97
Total		138467	100.00	1106414229	100.00

(b) Dematerialisation of shares and liquidity as on March 31, 2026:

Sr. No	Description	No. of Shares	% to Equity
1	NSDL	1,03,45,48,136	93.50
2	CDSL	7,18,66,093	6.50
Total		1,10,64,14,229	100.00

The Company does not have any shares issued in physical form as on March 31, 2026. The Company's shares are compulsorily traded in dematerialized form on BSE Limited ('BSE') and National Stock Exchange of India Ltd. ('NSE'). The equity shares of the Company were not suspended from trading during the year on account of corporate actions or otherwise.

(c) Shareholding pattern as on March 31, 2026:

Summary of Shareholding Pattern	No of Shares	Percentage
Promoters	579,188,410	52.35%
Mutual Funds, AIF, Insurance	243,097,891	21.97%
Foreign Portfolio Investors	68,760,753	6.21%
Individuals, Bodies Corporate, HUF, Clearing Members, Trust	145,959,053	13.19%
Foreign Companies	69,408,122	6.27%
Total	1,106,414,229	100%

No pledge has been created over the Equity Shares held by the Promoter as on March 31, 2026.

(d) Outstanding global depository receipts or american depository receipts or warrants or any convertible instruments, conversion date and likely impact on equity:

The Company does not have any outstanding global depository receipts or american depository receipts or warrants or any convertible instruments, conversion date and likely impact on equity.

9. Shareholders Information

(a) Details of Listing of Equity Shares and Stock Code:

National Stock Exchange of India Limited (NSE)

Exchange Plaza, 5th Floor, Plot No. C/1, G Block, Bandra – Kurla Complex, Bandra (E), Mumbai 400 051
Scrip Code: SBFC

BSE Limited (BSE)

Phiroze Jeejeebhoy Towers, Dalal Street, Fort, Mumbai 400 001
Scrip Code: 543959

Annual listing fee for the year 2026-27 has been paid by the Company to National Stock Exchange of India Limited and BSE Limited.

(b) The ISIN number allotted to the Company (for equity shares) is INE423Y01016.

(c) Status of Investor Complaints

The status of investor complaints as on March 31, 2026 as reported under Regulation 13(3) of the SEBI Listing Regulations is as under:

Pending as on April 1, 2025	0
Received during the year	0
Resolved during the year	0
Pending as on March 31, 2026	0

The Company supports SCORES by using it as a platform for communication between the SEBI and the Company. There is no pending complaint on the SCORES platform.

Directors' Report / Annexure – V / Corporate Governance Report

(continued)

(d) Name, designation and address of the Compliance Officer:

Ms. Namrata Sajnani

Company Secretary & Chief Compliance Officer

SBFC Finance Limited

Email ID: complianceofficer@sbfc.com

Tel: +91-22-67875344

Compliance Officer: Ms. Namrata Sajnani, the Company Secretary & Chief Compliance Officer of the Company is also the Compliance Officer.

(e) Depositories

National Securities Depository Limited

Trade World, 4th Floor, Kamala Mills Compound, Senapati Bapat Marg,

Lower Parel, Mumbai – 400013

Central Depository Services (India) Limited

Marathon Futurex, A-Wing, 25th Floor, NM Joshi Marg,

Lower Parel, Mumbai - 400013

(f) The details of Non-Convertible Debentures issued and outstanding as on March 31, 2026 are as under:

Series No.	Stock Exchange Listing	ISIN	Principal Amount (₹ in crores)	Date of Maturity
A3	BSE Limited	INE423Y07104	200	May 13, 2027
A5	BSE Limited	INE423Y07120	400	February 4, 2030
A6	BSE Limited	INE423Y07138	200	August 20, 2027

During the year under review, your Company has fully redeemed the following secured Listed, Rated Redeemable Non-Convertible Debentures ("NCDs") issued on private placement basis on the due dates and as per the respective terms of issue

Series No.	Stock Exchange Listing	ISIN	Principal Amount (₹ in crores)	Date of Maturity	Date of Redemption
A1 Tranche 1	BSE Limited	INE423Y07088	100	May 27, 2025	May 27, 2025
A2	BSE Limited	INE423Y07096	200	March 04, 2027	March 04, 2026*
A4	BSE Limited	INE423Y07112	200	July 18, 2027	July 18, 2025*

*Due to exercise of call option by the Company

(g) Registrar & Share Transfer Agents:

The share management work, are being handled by the Registrar and Share Transfer Agent (RTA), KFin Technologies Limited and their address is given below:

Selenium, Tower-B, Plot 31 & 32,

Financial District, Nanakramguda, Serilingampally,

Hyderabad, Rangareddi - 500 032, Telangana, India

Tel: 1800-309-4001

Investor grievance e-mail: einward.ris@kfintech.com

Website: www.kfintech.com

(h) Share Transfer and Transmission System:

In terms of the SEBI Listing Regulations, securities of the Company can only be transferred in dematerialized form. Further, SEBI vide its Circular dated January 25, 2022, (subsumed as part of SEBI Master Circular No. HO/38/13/(4)2026-MIRSD-POD/1/4298/2026 dated February 6, 2026), mandated all the listed companies to issue securities in dematerialised form only. The shares of the Company are held in dematerialised form only.

(i) Status of Unpaid Dividends / Unclaimed Dividends / Shares:

The Company had not declared any dividend and hence IEPF Rules are not applicable. The Company does not have any Unpaid Dividends / Unclaimed Dividends / Shares Transferred to IEPF under sections 124 and 125 of the Companies Act, 2013. As on March 31, 2026, there were no shares of any shareholder lying unclaimed with the Company or lying in the suspense account. The disclosures required to be given under Regulation 34(3) read with Para F of Schedule V of the SEBI Listing Regulations are therefore not applicable.

(j) Factory/Plant Location:

The Company does not have any Factory / Plant Location.

(k) Investors' Correspondence:

Mr. Sanket Agrawal, Chief Strategy Officer and IR

SBFC Finance Limited

Unit No. 103, 1st Floor, C&B Square,

Sangam Complex, Andheri Kurla Road,

Village Chakala, Andheri (East),

Mumbai - 400 059

T.: +91-22-67875300

sanket.agrawal@sbfc.com

(l) Commodity price risk or foreign exchange risk and hedging activities:

The Company, being a financial services company, is not directly exposed to commodity price/foreign exchange risk and hedging activities. Hence, no disclosure is required under regulation 34 read with Schedule V of the SEBI Listing Regulations. The Company has borrowed Foreign Currency Term Loan (FCNRB-TL) which is completely hedged towards its entire exposure for the full tenure of FCNRB-TL as per Board approved Foreign Exchange Risk Management Policy. The Company's products are not in the nature of commodity and hence there is no commodity price risk.

(m) List of all credit ratings obtained by the entity along with any revisions thereto during the relevant financial year or all debt instruments of such entity or any fixed deposit programme or any scheme or proposal of the listed entity involving mobilization of funds, whether in India or abroad:

During the year, CARE Ratings rated new commercial paper facilities as CARE A1+. ICRA, CARE Ratings and India Ratings & Research re-affirmed its existing ratings for bank lines and non-convertible debentures at AA-/Stable. The details of credit rating and revision during the year has been provided as an Annexure to the Directors Report.

10. Disclosures

(a) The Company does not have any materially significant related party transaction, which may have potential conflict with the interests of the Company at large. All the transactions with related parties are in the ordinary course of business and on arm's length basis and have been disclosed separately in the Notes to

the Financial Statements. The Policy on Materiality of Related Party Transactions and dealing with Related Party Transactions is available on the Company's website www.sbfc.com/faq.

(b) There were no instances of any non-compliance by the Company related to capital markets during the year under review and no penalties or strictures were imposed on the Company by stock exchanges or SEBI or any statutory authority on any matter related to capital markets during the last three years except the following:

The Company has had instances of non compliances with provisions with SEBI Listing Regulations with respect to Regulation 53(2), 50(2) and Regulations 13(3) in the financial year 2022-23. The Company has paid the applicable fine to BSE Limited and has strengthened the internal systems to ensure timely compliances.

The Board has devised a proper system to ensure compliance with the provisions of all applicable laws and periodically reviews the compliance reports of all laws applicable to the Company and takes necessary steps to ensure the compliance in letter and spirit.

(c) The Company has established a vigil mechanism system and has in place a Vigil Mechanism and Whistleblower Policy, a copy of which is available on the Company's website www.sbfc.com/faq. Adequate safeguards have been provided against the victimisation of persons who use the vigil mechanism. No person has been denied access to the Audit Committee to lodge their grievances.

(d) The financial statements have been prepared in accordance with Indian Accounting Standards ("Ind AS") prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time). All the Ind AS issued and notified by the Ministry of Corporate Affairs till the date of the financial statements have been considered in preparing these financial statements.

(e) Utilisation of funds raised through Preferential Allotment/Qualified Institutions Placement: The Company has not raised funds by issue of equity shares either on preferential basis or through qualified institutions placement. Therefore, there are no details to be disclosed as per regulation 32(7A) of the SEBI Listing Regulations.

(f) The Company has appropriately complied with all mandatory requirements under the SEBI Listing Regulations. The Company has adopted various discretionary requirements under Part E of Schedule II of the SEBI Listing Regulations. It does not maintain a separate office for the Non-Executive Chairman. The Auditors' Report for FY 2025-26 carries unmodified opinion, reflecting the Company's strong financial governance. A clear distinction is maintained between the roles of the Non-Executive Chairman and the Managing Director & CEO, who are not related. The Internal Auditor presents the detailed findings directly to the Audit Committee at its quarterly meetings.

(g) Subsidiary of the Company:

SBFC Home Finance Private Limited ('SBFC Home Finance') the Company's erstwhile wholly-owned subsidiary had

Directors' Report / Annexure – V / Corporate Governance Report

(continued)

made an application to Reserve Bank of India (RBI) for obtaining a Certificate of Registration for operating as a 'Housing Finance Company'. RBI had not considered the said application, as SBFC Home Finance is a subsidiary of a registered NBFC-ICC, leading to layering of NBFCs. Since the intended objective behind the incorporation of SBFC Home Finance was not achieved, SBFC Home Finance, decided to pursue the process of Voluntary Liquidation. The shareholders of SBFC Home Finance at their meeting held on January 27, 2025 had approved the voluntary liquidation process. The liquidator has completed the process of realization of assets and liabilities of SBFC Home Finance. Consequently, the net proceeds of the realization have been distributed to your Company on March 27, 2025. SBFC Home Finance had not commenced any business or conducted any operations since the date of its incorporation and is not a material subsidiary of the Company. The liquidator on behalf of the SBFC Home Finance has since filed an application before the National Company Law Tribunal for voluntary liquidation of SBFC Home Finance. The voluntary liquidation process is currently in progress.

No loan / advance was given by the Company to any firms / companies in which directors are interested.

The Company has framed 'Policy on determination of Material Subsidiary' which is made available on the website of the Company at www.sbfc.com/faq.

During the financial year 2025-26, the Company did not have any material subsidiary companies, hence the provisions of SEBI Listing Regulations with respect to appointment of at least one Independent Director of the Company on the Board of unlisted material subsidiaries, are not applicable to the Company.

- (h) Further, the Company has adequate internal control systems to identify risks at the appropriate time and to ensure that the management controls the risk through a properly defined framework.
- (i) During the year, there has been no preferential allotment or qualified institutional placement. The Company has not issued any GDRs/ADRs/ Warrants or any convertible instruments. Hence corresponding disclosures have not been made.
- (j) A certificate has been obtained from M/s. Parikh & Associates, Practicing Company Secretaries confirming that none of the Directors of the Company have been debarred or disqualified by Securities and Exchange Board of India/Ministry of Corporate Affairs or any such statutory authority from being appointed or continuing as director of the Company and the same forms part of the Directors Report.
- (k) All recommendations made by the Committees of the Board during the year were accepted by the Board. During the financial year ended on March 31, 2026, there was no such instance wherein the Board had not

accepted any recommendation of any committee of the Board.

- (l) Details of total fees for all services paid by the Company and its subsidiary for the financial year 2025-26 on a consolidated basis, to the Statutory Auditors of the Company and all entities in the network firm/ network entity of which the Statutory Auditors are a part, given below:

Particulars	(₹ In million)
Audit fees	4.75
Tax audit	0.27
Other tax matters and certification	1.44
Total	6.46

- (m) The Company has a Board-approved policy in compliance with the Sexual Harassment of Women at Workplace (Prevention, Prohibition, and Redressal) Act, 2013 ('POSH Act'). As part of its commitment to equal employment opportunities, the Company strives to foster a safe working environment where employees can work free from discrimination, gender bias, and sexual harassment. There were no complaints filed with Internal Complaints Committee during the FY 2025-26.
- (n) In terms of the SEBI Listing Regulations, the Management Discussion and Analysis Report forms part of the Annual Report. Details of significant changes in key financial ratios, along with detailed explanations thereof (including details of any change in Return on Net Worth as compared to the immediately previous financial year along with a detailed explanation thereof) have been adequately made under the Management Discussion and Analysis Report.
- (o) The Company makes presentations to institutional investors and analysts during earnings call held for quarterly / annual results. The audio recording and transcript of the same are available on the website of the Company.
- (p) The Company has duly complied with the requirements specified in Regulations 17 to 27 and clauses (b) to (i) and (t) of sub-regulation (2) of Regulation 46 of the SEBI Listing Regulations.
- (q) The CEO & CFO Certification for the financial year ended on March 31, 2026 forms part of the Directors Report.
- (r) Other items which are not mentioned in this Report are mentioned in the Directors Report and those items which are not applicable to the Company have not been separately commented upon.
- (s) The Company has not entered into any agreement as referred to under Regulation 30A of the SEBI Listing Regulations as on March 31, 2026.
- (t) **Breach of covenant:** There was no of breach of covenant of loan availed or debt securities issued by SBFC Finance Limited during the financial year ended March 31, 2026.

Neeraj Swaroop
Chairperson & Independent Director
DIN: 00061170

Mahesh Dayani
Managing Director & CEO
DIN: 06561389

Place: Mumbai
Date: April 25, 2026

Annexure – VI

PRACTISING COMPANY SECRETARIES' CERTIFICATE ON CORPORATE GOVERNANCE

TO THE MEMBERS OF
SBFC FINANCE LIMITED

We have examined the compliance of the conditions of Corporate Governance by SBFC Finance Limited ('the Company') for the year ended on March 31, 2026, as stipulated under Regulations 17 to 27, clauses (b) to (i) and (t) of sub-regulation (2) of Regulation 46 and para C, D & E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations").

The compliance of the conditions of Corporate Governance is the responsibility of the management. Our examination was limited to the review of procedures and implementation thereof, as adopted by the Company for ensuring compliance with conditions of

Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, and the representations made by the Directors and the Management and considering the relaxations granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI Listing Regulations for the year ended on March 31, 2026.

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

For **Parikh & Associates**
Practising Company Secretaries

Sd/-
Jigyasa N. Ved
Partner

FCS: 6488
CP: 6018
UDIN: F006488H000200825
PR No.: 7327/2025

Mumbai, 25.04.2026

Directors' Report

(continued)

Annexure – VII

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

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

To,
The Members,
SBFC Finance Limited

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by SBFC Finance Limited (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company, to the extent the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, the explanations and clarifications given to us and the representations made by the Management and considering the relaxations granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2026, generally complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

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

- (i) The Companies Act, 2013 (the 'Act') and the rules made thereunder;
- (ii) The Securities Contract (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

- (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
- (d) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;
- (e) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021;
- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 and The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 2025 regarding the Companies Act and dealing with client; (Not applicable to the Company during the audit period)
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; (Not applicable to the Company during the audit period) and
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; (Not applicable to the Company during the audit period)
- (vi) Other laws applicable specifically to the Company namely:
 - i. The Reserve Bank of India Act, 1934 and regulations made thereunder
 - ii. Applicable Direction, Circulars and Guidelines issued by Reserve Bank of India for Non-Banking Financial Company
 - iii. The Foreign Exchange Management Act, 1999 (FEMA) and regulations made thereunder
 - iv. The Depositories Act, 1996

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India with respect to board and general meetings.
- (ii) The Listing Agreements entered into by the Company with BSE Limited and National Stock Exchange of India Limited read with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI LODR).

During the period under review, the Company has complied with the provisions of the Act, rules, regulations, guidelines, standards, etc. mentioned above.

We further report that:

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

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

As per the minutes, the decisions at the Board Meetings were taken unanimously.

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

For **Parikh & Associates**
Company Secretaries

Sd/-
Jigyasa N. Ved
Partner

FCS No: 6488
CP No: 6018
UDIN: F006488H000200704
PR No.: 7327/2025

Place: Mumbai
Date: 25.04.2026

This Report is to be read with our letter of even date which is annexed as Annexure A and Forms an integral part of this report and Annual Secretarial Compliance Report.

We further report that during the audit period the Company had following events which had bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.

1. The Company has approved SBFC Stock Option policies (ESOP Policies) which is implemented through the SBFC Welfare Trust ("Trust") to whom the Company had allotted Equity Shares in the past. During the year, the Trust has transferred 105,000 Equity Shares to the employees of the Company under the said ESOP Policies.
2. Allotted 2,04,15,141 equity shares of face value of ₹10 each under the various SBFC Stock Option Policies.
3. Issued and allotted 20,000 (twenty thousand) secured, listed, rated, redeemable, non-convertible debentures having a face value of INR 1,00,000/- (Indian Rupees One Lakh only) each, at par, aggregating up to INR 200,00,00,000/- (Indian Rupees Two Hundred Crores Only) on a private placement basis.
4. Redeemed 50,000 (Fifty Thousand) secured, listed, rated, redeemable, non-convertible debentures, aggregating up to INR 500,00,00,000/- (Indian Rupees Five Hundred Crores Only).

Directors' Report / Annexure – VII

(continued)

'Annexure A'

To,
The Members,
SBFC Finance Limited

Our report of even date is to be read along with this letter.

- Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
- We have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the process and practices, we followed provide a reasonable basis for our opinion.
- We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
- Where ever required, we have obtained the Management Representation about the Compliance of laws, rules and regulations and happening of events, etc.
- The Compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedure on test basis.
- The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For **Parikh & Associates**
Company Secretaries

Sd/-
Jigyasa N. Ved
Partner

FCS No: 6488
CP No: 6018
UDIN: F006488H000200704
PR No.: 7327/2025

Place: Mumbai
Date: 25.04.2026

Annexure – VIII**CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS**

[Pursuant to Regulation 34(3) read with sub-clause (10)(i) of Clause C of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

To,
The Members,
SBFC Finance Limited

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of SBFC FINANCE LIMITED having CIN L67190MH2008PLC178270 and having registered office at 103, 1st Floor, C&B Square, Sangam Complex, Andheri Kurla Road, Village Chakala, Andheri (East), Mumbai - 400059 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Sub-clause 10(i) of Clause C of Schedule V of the Securities and Exchange Board of India (Listing

Obligations and Disclosure Requirements) Regulations, 2015.

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

Sr. No.	Name of the Director	DIN	Date of appointment / re-appointment
1.	John Mescall	08385575	29/05/2019
2.	Neeraj Swaroop	00061170	21/11/2017
3.	Aseem Dhru	01761455	29/09/2018
4.	Jonathan Tadeusz Tatur	08639243	17/12/2019
5.	Leroy James Langeveld	11068486	26/04/2025
6.	Surekha Marandi	06952573	23/09/2022
7.	Koni Uttam Nayak	02543830	26/03/2024
8.	Ravi Venkatraman	00307328	21/02/2024
9.	Mahesh Kanyalal Dayani	06561389	28/02/2025

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

For **Parikh & Associates**
Company Secretaries

Sd/-
Jigyasa N. Ved
Partner

FCS No: 6488
CP No: 6018
UDIN: F006488H000200869
PR No.: 7327/2025

Place: Mumbai
Date: 25.04.2026

Directors' Report

(continued)

Annexure – IX

Certificate by the Managing Director and Chief Financial Officer

Pursuant to Regulation 17(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we, the undersigned, in our respective capacities as Managing Director and Chief Financial Officer of SBFC Finance Limited (“the Company”) to the best of our knowledge and belief, hereby certify that:

- A. We have reviewed the financial statements and cash flow statement for the year ended March 31, 2026, and that to the best of our knowledge and belief:
1. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 2. these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's Code of Conduct.
- C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the
- Company pertaining to financial reporting and have disclosed to the Auditors and the Audit Committee, deficiencies, if any, in the design or operation of such internal controls of which we are aware and steps taken or proposed to be taken for rectifying these deficiencies.
- D. We have indicated to the Auditors and the Audit Committee that there has been no:
1. significant changes in internal control over financial reporting during the year;
 2. significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 3. instances of significant fraud which we have become aware and the involvement therein of the management or an employee having a significant role in the Company's internal control system over financial reporting.

For & on behalf of SBFC Finance Limited

Mahesh Dayani

Managing Director & CEO

DIN: 06561389

Place: Mumbai

Date: April 25, 2026

Narayan Barasia

Chief Financial Officer

Annexure – X

Managing Director & CEO's Certificate on Compliance with the Code of Conduct

Declaration under Regulation 34(3) read with Part D Of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

SBFC Finance Limited (“the Company”) has adopted the Code of Conduct for its Board Members and Senior Management Personnel and the same is available on the website of the Company.

Pursuant to Regulation 34(3) read with Para D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements)

Regulations, 2015, it is hereby declared that all Members of the Board of Directors and the Senior Management Personnel of the Company have affirmed compliance with the Code of Conduct of the Company for the year ended on March 31, 2026.

For & on behalf of SBFC Finance Limited

Mahesh Dayani

Managing Director & CEO

DIN: 06561389

Place: Mumbai

Date : April 25, 2026

Directors' Report

(continued)

Annexure – XI

Business Responsibility and Sustainability Report

Section A: General Disclosures

I. Details of the listed Entity

1. Corporate Identity Number (CIN)	L67190MH2008PLC178270						
2. Name of the Listed Entity	SBFC Finance Limited						
3. Date of Incorporation	2008-01-25						
4. Registered office address	Unit No 103 1 st Floor C&B Square Sangam Complex Andheri Kurla Road Village Chakala Andheri East Mumbai 400059						
5. Corporate Address	Unit No 103 1 st Floor C&B Square Sangam Complex Andheri Kurla Road Village Chakala Andheri East Mumbai 400059						
6. E-mail address	companysecretary@sbfc.com						
7. Telephone No.	91-22-67875300						
8. Website	www.sbfc.com						
9. Financial year for which reporting is being done	April 1 st 2025 – March 31 st 2026						
10. Name of the Stock Exchange(s) where shares are listed	NSE, BSE						
11. Paid-up Capital (in INR)	1,106,414,229 shares of face value of ₹10 each amounting to ₹11,064,142,290 as of March 31, 2026.						
12. Name and contact details of the person who may be contacted in case of any queries on the BRSR report	<table border="1"> <tr> <td>Name of the contact person</td> <td>Shekhar Bhoral</td> </tr> <tr> <td>Contact number of the contact person</td> <td>+91-8894348622</td> </tr> <tr> <td>Email of the contact person</td> <td>shekhar.bhoral@sbfc.com</td> </tr> </table>	Name of the contact person	Shekhar Bhoral	Contact number of the contact person	+91-8894348622	Email of the contact person	shekhar.bhoral@sbfc.com
Name of the contact person	Shekhar Bhoral						
Contact number of the contact person	+91-8894348622						
Email of the contact person	shekhar.bhoral@sbfc.com						
13. Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e. only for the entity) or on a consolidated basis (i.e. for the entity and all the entities which form a part of its consolidated financial statements, taken together).	Standalone basis						
14. Name of assurance provider	Not Applicable						
15. Type of assurance obtained	Not Applicable						

II. Products/Services

16. Details of business activities (accounting for 90% of the turnover)

Description of main activity	Description of business activity	% of Turnover of the entity
Other Credit Granting	SBFC Finance Limited is a non-banking financial company (NBFC) focused on providing loans to the underserved section of the society that includes entrepreneurs, small business owners self-employed individuals as well as salaried and working-class individuals.	100.0

17. Products/Services sold by the entity (accounting for 90% of the entity's Turnover)

Product/Service	NIC Code	% of total Turnover contributed
Other Credit Granting as a Non-Banking Financial Company, SBFC Finance Limited primarily offers fund based products, including secured MSME loan and loan against gold.	64920	91.3%

III. Operations

18. Number of locations where plants and/or operations/offices of the entity are situated

Location	Number of offices	Number of branches	Total
National	2	251	253
International	0	0	0

19. Markets served by the entity

i. Number of locations

Location	Number of plants
National (No. of States)	18 States and 2 Union Territory
International (No. of Countries)	0

ii. What is the contribution of exports as a percentage of the total turnover of the entity?

Not Applicable

iii. A brief on types of customers

Our customers primarily comprise of entrepreneurs, small business owners, self-employed individuals as well as salaried and working-class individuals who are underserved.

IV. Employees

20. Details as at the end of Financial Year

i. Employees (including differently abled)

Particulars	Total (A)	Male		Female	
		No. (B)	% (B/A)	No. (C)	% (C/A)
Permanent (E)	3302	3003	90.94%	299	9.06%
Other than Permanent (F)	1842	1691	91.80%	151	8.20%
Total employees (E+F)	5144	4694	91.25%	450	8.75%

ii. Differently abled employees

Particulars	Total (A)	Male		Female	
		No. (B)	% (B/A)	No. (C)	% (C/A)
Permanent (D)*	3302	1	0.03%	0	0%
Other than permanent (E)	1842	0	0.00%	0	0%
Total employees(D + E)	5144	1	0.02%	0	0%

21. Participation/Inclusion/Representation of women

Location	Total (A)	No. of Female (B)	% (B/A) of Females
Board of Directors	9	1	11.1%
Key Management Personnel	4	1	25%

22. Turnover rate for permanent employees and workers

	FY 2025-2026		FY 2024-2025		FY 2023-2024	
	Permanent Employees	Permanent Workers	Permanent Employees	Permanent Workers	Permanent Employees	Permanent Workers
Male %	47.3	NA	54.8	0.0	44.3	NA
Female %	34.1	NA	43.9	0.0	43.1	NA
Total %	46.1	NA	53.9	0.0	44.2	NA

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(continued)

V. Holding, Subsidiary & Assoc. Companies (including joint ventures)

23. Names of holding / subsidiary / associate companies / joint ventures

Name of the holding / subsidiary / associate companies / joint ventures (A)	Indicate whether holding/ Subsidiary/ Associate/ Joint Venture	% of shares held by listed entity	Entity indicated at col A, participate in the Business Responsibility initiatives of the listed entity?
SBFC Holdings Pte. Ltd.	Holding	52.35	Nil

VI. CSR Details

24. Enter details for Corporate Social Responsibility(CSR)

- i. Whether CSR is applicable as per section 135 of Companies Act, 2013 - Yes
 - ii. Turnover (In INR) 16,788.21 million
 - iii. Net worth (In INR) 37,251.52 million
- Disclosure Not Available

VII. Transparency and Disclosures Compliances

25. Complaints on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct.

Stakeholder group from whom the complaint is received	Grievance Redressal Mechanism in place	Web-link for grievance redress policy	FY 2025-2026			FY 2024-2025		
			No. of complaints filed during current year	No. of complaints pending resolution at close in current year	Remark	No. of complaints filed during current year	No. of complaints pending resolution at close in current year	Remark
Communities	Yes		-	-	-	-	-	Not applicable
Shareholders	Yes		-	-	-	-	-	Not applicable
Investors	Yes	https://www.safc.com/cmsproject/mediaGallery/docs/Grievance%20Redressal%20Policy-1704795424.pdf?rm=1702233000	-	-	-	-	-	Not applicable
Employees and workers	Yes		-	-	-	-	-	Not applicable
Customers	Yes		405	-	-	218	1	Not applicable
Value Chain Partners	Yes		-	-	-	-	-	Not applicable

26. Overview of the entity's material responsible business conduct issues

Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along-with its financial implications

Material issue identified	Indicate whether risk or opportunity	Rationale for identifying risk/ opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity
Sustainable Finance	0	Financing has an important role to play in enabling businesses and economies to transition to a sustainable economy. The MSME sector in India is one of the key drivers of the economy and significantly contributes to the country's GDP as well as employment. As a financial services company, we recognize that directing capital towards such enterprises presents a substantial opportunity for us to make a meaningful impact. We firmly believe that achieving financial success should be intricately linked with our contribution to the greater good of society.	-Being an NBFC, focusing on providing loans to businesses and individuals in the MSME sector that are underserved, we are addressing a major financing gap, thus, enables such businesses and entrepreneurs obtain loans to scale up their operations, improve efficiency or for other business expansion related purposes. Our efforts involve placing a heightened focus on providing loans to entrepreneurs and small businesses with a focus on sustainability and inclusive growth.	-Sustainable finance offers positive financial benefits to SBFC by enhancing risk management, improving access to capital, and driving long-term value creation through responsible and resilient business practices 1. Attracting Impact Investors: Sustainable finance initiatives often attract, impact investors and institutions focused on impactful investments. By aligning with sustainability goals, we may gain access to a new source of funding and partnerships with organizations that are keen on supporting socially responsible initiatives. 2. Risk Mitigation: Assessing and promoting sustainability in lending can help identify risks and opportunities more effectively. It can lead to better risk management by avoiding industries or projects with high risks, reducing the likelihood of loan defaults and losses 3. Improved Reputation: Incorporating sustainability into your business model can enhance your brand image and reputation. Customers, especially those from younger generations, are increasingly choosing businesses that align with their values, including environmental and social responsibility

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(continued)

Material issue identified	Indicate whether risk or opportunity	Rationale for identifying risk/ opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity
Climate Change	R	We recognize that climate change, poses a risk to our operations, our clients, and the broader economy.	We are committed to addressing climate change risks through proactive measures. We are primarily into mortgage loan and we have created policy around excluded activities. We exclude funding of loan in production of, or trade in, any product or activity deemed illegal under applicable local or national laws or regulations or subject to internationally agreed phase- outs or bans as defined in global conventions and agreements.	Financial Implications (Negative): We acknowledge that climate change related risks may have adverse financial implications for SBFC Finance Limited. These risks include the potential for increased loan defaults, reduced asset values, and losses on investments in sectors vulnerable to climate impacts, such as fossil fuels and agriculture.

Material issue identified	Indicate whether risk or opportunity	Rationale for identifying risk/ opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity
Financial Inclusion and Capacity Building	O	MSMEs contribute significantly to India's growth story by making up a substantial portion of the country's GDP as well as employment. However, they do not have required access to formal credit or lending. As a result, financing becomes a major obstacle for such entrepreneurs and business owners as traditional banks do not provide financing tailored to their requirements. At SBFC, we aim to fill this gap by providing financing opportunities to business owners who are underserved and further unlocking India's growth story. We are also deeply associated with uplifting other marginalized groups of the society including women, rural and local borrowers, people in old age etc., ensuring overall inclusion.	As an NBFC engaged in providing loans to small businesses and entrepreneurs in the MSME sector, women, and other marginalized groups, our business model aligns with key principles of financial inclusion. Some of our current approaches to capture the opportunity include, <ol style="list-style-type: none"> Partnerships: Collaborating with government agencies, non- governmental organizations, and other stakeholders to promote financial inclusion and address challenges effectively. Through partnerships, we can leverage expertise, resources, and networks to scale our impact. Data and Analytics: Leveraging data and analytics to identify regions and communities that have limited access to financial services. This data-driven approach will enable us to prioritize our efforts and allocate resources where they are most needed. Ethical Selling and Responsible Marketing: Ensuring the highest quality of ethics during sale of our products. Through our training programs we ensure that all the product related terms and conditions are appropriately explained to the customer during the loan process. In case of grievances or complaints, the customer can raise their grievance to us through multiple channels at their disposal. 	Embracing financial inclusion and capacity building as an opportunity can lead to several positive financial implications: <ol style="list-style-type: none"> Market Expansion: Reaching previously underserved markets can expand our customer base and unlock new business opportunities. Customer Loyalty and Retention: Providing tailored financial solutions can foster customer loyalty and retention, enhancing long-term profitability. Reputation and Branding: Demonstrating our commitment to financial inclusion aligns with evolving consumer preferences and enhances our reputation as a socially responsible financial institution, attracting ethically minded customers and investors.

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(continued)

Material issue identified	Indicate whether risk or opportunity	Rationale for identifying risk/ opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity
Employee Health and Well-being	O	At SBFC, we recognize that the health and wellbeing of our employees are paramount to the success and sustainability of our organization. Emphasizing employee health and wellbeing presents a significant opportunity to create a positive and productive work environment while fostering a culture of care and support.	To prioritize employee health and well-being, we have developed a comprehensive approach that demonstrates our commitment to our most valuable asset - our employees: <ol style="list-style-type: none"> Health Benefits and Insurance: Providing robust health benefits and insurance coverage to ensure that our employees have access to quality medical care and support in times of need. Workplace Safety: Ensuring a safe and secure work environment by adhering to rigorous safety standards and promoting a culture of safety awareness among employees. Flexible Work Arrangements: Offering flexible work arrangements, such as remote work options or flexible hours, to accommodate the diverse needs and responsibilities of our employees. 	Financial Implications (Positive): Prioritizing employee health and wellbeing can lead to several positive financial implications <ol style="list-style-type: none"> Increased Productivity: Healthy and engaged employees tend to be more productive, resulting in improved operational efficiency and enhanced customer service. Reduced Absenteeism and Turnover: By investing in employee well-being, we can potentially reduce absenteeism and turnover, leading to cost savings associated with recruitment and training. Enhanced Employee Engagement: A focus on health and wellbeing fosters a positive work culture, leading to higher employee satisfaction and increased loyalty to the organization. Attracting Talent: Demonstrating our commitment to employee health and well-being makes us an attractive employer, helping us attract and retain top talent in the industry

Material issue identified	Indicate whether risk or opportunity	Rationale for identifying risk/ opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity
Customer Experience	O	Customer experience is a significant opportunity to enhance our competitiveness and build lasting relationships with our clients. By delivering exceptional services and products, we can increase customer satisfaction, retention, and loyalty.	To maximize the opportunity of customer experience, we have adopted the following approach: Digital Innovation: Embracing digitalization and leveraging innovative technologies through our "PhyGital" model which uses technology and authentic in person service to create ambitions of our customers. We engage directly with small business owners and work through loan applications together, in person, at the customer's pace. Grievance Redressal Mechanisms: We have a dedicated grievance redressal mechanism to promptly address customer related complaints and grievances through multiple channels. Each complaint is thoroughly reviewed, monitored, and resolved to achieve complete customer satisfaction. To bolster our support, a dedicated Grievance Redressal Officer is appointed and prominently displayed in all our branches. Continuous Improvement: Continuously reviewing and upgrading our processes and systems to stay ahead in the dynamic financial landscape and provide the best possible experience to our customers.	Financial Implications (Positive): Improving customer experience can lead to several positive financial implications, such as: Customer Loyalty: Satisfied customers are more likely to remain loyal and utilize a broader range of our services, increasing customer retention and lifetime value. Word-of-Mouth Referrals: Delighted customers are more inclined to refer friends and family to our services, expanding our customer base through word-of-mouth referrals. Competitive Advantage: By providing superior customer experience, we can differentiate ourselves from competitors and attract new customers seeking exceptional financial services

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(continued)

Material issue identified	Indicate whether risk or opportunity	Rationale for identifying risk/ opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity
Diversity and Inclusion	O	Diversity and inclusion are a tremendous opportunity for us to foster a culture of innovation, creativity, and equality within our organization. Embracing diversity can help us tap into a broader talent pool and enhance decision-making processes.	To leverage the opportunity of diversity and inclusion, we have implemented the following approach: <ol style="list-style-type: none"> Diverse Hiring Practices: Promoting a diverse and inclusive workforce by adopting fair and unbiased hiring practices that attract talent from various backgrounds. Inclusive Workplace: Creating an inclusive workplace where all employees feel valued, respected, and empowered to contribute their unique perspectives and ideas. Training and Development: Providing training and development opportunities that foster cultural awareness, sensitivity, and understanding among employees. Human Rights: Factoring in Human Rights considerations in our HR policies. Fair Wage: Compliant with minimum wage requirements to ensure that our employees are appropriately compensated. Grievance redressal mechanism: Implementing a mechanism for employees to report and seek resolution for their grievances. 	Financial Implications (Positive): Embracing diversity and inclusion can lead to several positive financial implications including: <ol style="list-style-type: none"> Increased Innovation: A diverse workforce brings together varied perspectives, driving innovation and creativity, which can lead to the development of innovative financial products and services. Enhanced Employee Productivity: Inclusive workplaces tend to have higher employee satisfaction and productivity, contributing to overall organizational efficiency and effectiveness. Talent Attraction and Retention: Demonstrating a commitment to diversity and inclusion can attract top talent and reduce employee turnover, resulting in cost savings associated with recruitment and training.

Material issue identified	Indicate whether risk or opportunity	Rationale for identifying risk/ opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity
Data privacy and Cyber security	R	Data privacy and cybersecurity is a significant risk for us due to the potential financial and reputational consequences of data breaches. In the event of a security breach, sensitive customer information could be exposed, leading to regulatory fines, legal liabilities, loss of customer trust, and damage to the company's brand image. Ensuring robust data protection measures is essential to safeguard the interests of both the institution and its customers.	We have a well-defined framework and policy on cyber security and data privacy. This policy assures users that all personal information provided through the website is treated with the utmost confidentiality and is not shared with third parties in most circumstances, unless explicitly solicited and permitted by the user. In alignment with our commitment to providing safe and secure banking services, we have a defined cyber security and data privacy policy for client data protection. Our Phygital Model blends technology with human touch, allowing us to understand and underwrite credit for our valued customers effectively.	Financial Implications (Negative): Data privacy and cybersecurity risks can have several adverse financial implications for us at SBFC. Some of these implications include, but not limited to, <ol style="list-style-type: none"> Reputation Damage: A data breach or cybersecurity incident can severely impact our reputation, leading to a loss of customer trust and potential business opportunities Financial Losses: Cyberattacks may result in financial losses, such as regulatory fines, legal costs, and compensating affected customers for any damages incurred.

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(continued)

Material issue identified	Indicate whether risk or opportunity	Rationale for identifying risk/ opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity
Economic Performance	O	For SBFC, strong economic performance opens doors to greater access to funding sources, enabling them to expand their lending capabilities and reach a wider customer base. It enhances ability to offer competitive interest rates and attractive financial products, further attracting potential borrowers and investors alike. Additionally, a solid financial track record builds trust and credibility in the eyes of regulatory authorities and customers, fostering long-term relationships and ensuring sustained profitability for the organization.	To leverage the opportunity of economic performance, we have developed the following approach: <ol style="list-style-type: none"> Financial Strength: We have the capital to grow with confidence and are backed by investors. Skilled workforce: We have a hand-picked team of people with diverse skills, relevant experience and a passion for customer service. Risk Management: We have implemented effective risk management practices to identify and mitigate potential financial risks that could impact our economic performance. Analytics: We optimize business processes and customer service using advanced data analysis. Innovation and Technology: We use smart technology to enhance efficiency and make the customer journey easier. Responsible Investments: Making responsible and sustainable investments that align with our values and contribute to long-term economic growth. 	Financial Implications (Positive): Maintaining strong economic performance can lead to several positive financial implications for us. Some of these key implications include, <ol style="list-style-type: none"> Investor Confidence: A strong financial performance can enhance investor confidence and attract new investors seeking profitable opportunities. Competitive Advantage: A robust economic performance positions us favorably among competitors and strengthens our position in the financial market. Capital Access: Improved economic performance enhances our ability to access capital for expansion and strategic investments.

Material issue identified	Indicate whether risk or opportunity	Rationale for identifying risk/ opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity
Business Ethics and Governance	R&O	At SBFC, we recognize that having strong Business Ethics and Governance present significant opportunities for us to establish ourselves as responsible and trustworthy organization in the financial industry. This is particularly crucial considering the inherent risks associated with the financial sector, and the need to safeguard the interests of customers, investors, and stakeholders. The evolving financial regulatory landscape places greater emphasis on ethical conduct, transparent disclosures, customer protection, and responsible lending practices.	By adhering to strong ethical practices and adopting robust governance mechanisms, we seek to enhance our reputation in the market. Trust is a vital asset in the financial sector, and customers are more likely to engage with an organization that prioritizes ethics and governance. We have a strong Code of Conduct at place along with other policies to ensure that ethical practices are upheld at all times and throughout the hierarchy of our operational system. At SBFC, we have developed robust governance frameworks, ethical business practices, and proactive compliance management systems that position us to mitigate regulatory risks while capitalizing on emerging opportunities such as faster approvals, preferential partnerships, and enhanced investor confidence.	Financial Implications (Positive)- Ethical behaviour improves the reputation of the company, attracting more customers, thereby increasing revenue. It may also help to attract more investments and capital. Compliance with ethical standards reduces legal and regulatory expenses and also facilitate easier access to capital markets for further growth. Regulatory Sanctions (Negative): Failure to adhere to these ethical and governance standards exposes SBFC to regulatory sanctions, reputational damage, and financial penalties.
Risk Management	R&O	Risk Management presents a significant opportunity for SBFC since it helps us to enhance our stability, resilience, and sustainable growth. As we operate in an inherently risk-prone financial environment, effective risk management strategies help us minimize our losses, maintain regulatory compliance, and enhance investor confidence which in turn helps us in optimizing our capital allocations, thus maximizing returns on investments.	We have a highly comprehensive risk management strategy that helps us to navigate uncertainties and achieve long term success in our business. We have identified potential sources of risks specific to our business model, operations and industry and accordingly we have implemented risk mitigation strategies and controls to reduce the likelihood and impact of the identified risks. We have also established a robust system to continuously monitor risks and ensure the proper approach towards mitigation of the risks.	Financial Implications (Positive)- A comprehensive risk management strategy will positively impact our financial performance by reducing losses, enhancing profitability, optimizing capital allocation, improving creditworthiness, ensuring compliance, attracting investments, and fostering customer trust. Proactive management of risks reduces the likelihood and severity of financial losses and avoid potential expenses associated with managing and recovering from risk related incidents. It positions the company as a stable and reliable financial institution, supporting sustainable growth and success in the competitive financial industry.

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(continued)

Material issue identified	Indicate whether risk or opportunity	Rationale for identifying risk/ opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity
Digitalization and Innovation	O	Digitalization and innovation present a remarkable opportunity for SBFC to revolutionize its lending operations. By leveraging advanced data analytics and AI driven processes, the organization can assess creditworthiness more accurately and tailor financial solutions that cater to the specific needs and ambitions of small business owners.	To leverage the opportunity of digitalization and innovation, we have embraced the following approach: <ol style="list-style-type: none"> Digital Transformation: Investing in digital technologies to streamline our processes, enhance efficiency, and provide more convenient services to our customers. Analytics: We optimize business processes and customer service using advanced data analysis. Innovation and Technology: We use smart technology to enhance efficiency and make the customer journey easier. PhyGital Model: It combines the efficiency and speed of technology with personalized, face-to face interactions, providing a unique customer experience. Customer-Centric Solutions: Prioritizing customer needs and preferences while developing digital solutions to create seamless and user-friendly experiences. 	Financial Implications (Positive): Some key positive financial implications include, <ol style="list-style-type: none"> Operational Efficiency: Digitalization streamlines operations, reduces costs, and improves efficiency, leading to potential cost savings and increased profitability. Competitive Edge: By adopting innovative technologies, we gain a competitive edge in the market, attracting tech-savvy customers and staying ahead of competitors. New Revenue Streams: Innovative financial products and services open up new revenue streams, expanding our business opportunities and revenue generation. Enhanced Customer Acquisition: Digital solutions that offer convenience and personalized experiences attract new customers and enhance customer acquisition rates.

Section Notes

28. Do you have any additional details or comments you would like to provide?

Disclosure Not Available

Section B: Management & Process Disclosures

I. Policy and management processes

Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
Policy and management processes									
1. a. Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
b. Has the policy been approved by the Board? (Yes/No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
c. Web Link of the Policies, if available	<p>Our employee Code of Conduct is made accessible to all our employees through the company's intranet and thus it is not possible to provide a publicly available link.</p> <p>To access our Code of Conduct of Board of Directors and Senior Management available on our website, please refer to the following link: https://www.sbfc.com/cmsproject/mediaGallery/docs/Code%20of%20Conduct%20-%20Board%20and%20Senior%20Management-1679632545.pdf?rm=</p> <p>To access our privacy policy available on our website, please refer to the following link: https://www.sbfc.com/privacy-policy</p> <p>To access our Grievance Redressal Policy available on our website, please refer to the following link: https://www.sbfc.com/cmsproject/mediaGallery/docs/Grievance%20Redressal%20Policy-1704795424.pdf?rm=1702233000</p> <p>To access our CSR policy available on our website, please refer to the following link: https://www.sbfc.com/cmsproject/mediaGallery/docs/Corporate%20Social%20Responsibility%20Policy-1683527618.pdf?rm=</p> <p>To access our Corporate Governance Policy available on our website, please refer to the following link: https://www.sbfc.com/cmsproject/mediaGallery/docs/Corporate%20Governance%20Policy-1644468392.pdf?rm=1694197800</p> <p>To access our Nomination and Remuneration policy available on our website, please refer to the following link: https://www.sbfc.com/cmsproject/mediaGallery/docs/Nomination%20and%20Remuneration%20Policy-1644468634.pdf?rm=1694197800</p> <p>Our whistleblower policy available on our website, please refer to the following link: https://www.sbfc.com/cmsproject/mediaGallery/docs/Whistle%20Blower%20Policy-1667053329.pdf?rm=1694197800</p>								
2. Whether the entity has translated the policy into procedures. (Yes / No)	Y	N	Y	N	Y	Y	Y	Y	Y
3. Do the enlisted policies extend to your value chain partners? (Yes/No)	Yes, all the policies have been extended to all our stakeholders including our value chain partners, wherever applicable.								

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Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
4. Name of the national and international codes/ certifications/labels/ standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustea) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.	SBFC adheres to Fair Practice Code guidelines issued by the Reserve Bank of India for Non-Banking Financial Companies (NBFCs) detailing standards for fair business and corporate practices while dealing with their customers. SBFC is ISO 27001:2022 certified.								
5. Specific commitments, goals and targets set by the entity with defined timelines, if any.	<p>We are continuing to build on the identified focus areas in our ESG framework as mentioned below:</p> <ul style="list-style-type: none"> Inclusive Lending Goal: <ul style="list-style-type: none"> 50% of the proceeds of the disbursed Facility to be disbursed to Sub borrowers with household income levels of <=INR 28,000 (adjusted biannually with inflation) ("Low-Income"). 50% of the proceeds of the disbursed Facility to be disbursed to Sub borrowers where either 1) female is the main loan applicant or 2) the collateral is owned or co-owned by a female in cases where female is not the main loan applicant. Moreover, SBFC has taken accepted the 2x challenge wherein, Gender is a key consideration within SBFC and SBFC commits to allocating at least 50% of use of proceeds to women-led and owned SME. Gender Diversity in Workforce: Ensuring the women participation above 25% employees in the Head Office. Training and Capacity Building: Target 90% coverage in skill development program. CSR: Support education to under privileged students through infrastructure development under Shiksha Program, building skill under Gurukul program through Skill India and Preventing Health under Aarogya Program. ILO: Alignment of the policies with ILO Core Conventions ratified in India. Health and Safety Commitment: Ensure a safe and healthy work environment by implementing robust occupational health and safety standards and achieve 100% awareness on employee coverage in Human Rights Training. Data Privacy and Protection: Uphold the highest standards of data privacy and security by ensuring compliance under ISO 27001:2022. 								

Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
6. Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.	<p>Our performance during the FY 2026 on identified focus areas in our ESG framework as mentioned below:</p> <ul style="list-style-type: none"> Inclusive Lending Goal: <ul style="list-style-type: none"> 50% of the proceeds of the disbursed facility to be disbursed to Sub borrowers with household income levels of <=INR 28,000 (adjusted biannually with inflation) ("Low-Income"). 95% of the proceeds of the disbursed facility to be disbursed to Sub borrowers where either 1) female is the main loan applicant or 2) the collateral is owned or co-owned by a female in cases where female is not the main loan applicant. Moreover, SBFC has accepted the 2x Challenge, wherein gender is a key consideration. SBFC commits to allocating at least 50% of the use of proceeds to women-led and women-owned SMEs. Gender Diversity in Workforce: Women make up 24% of the employees at the Head Office in FY 2026 Training and Capacity Building: 98% covered in skill development program. CSR: The total number of beneficiaries during FY 2025-26 includes 752 students under Siksha-Education, 547 apprentices under Gurukul-Skill Development, and 7544 beneficiaries under Aarogya- Health Care. There are also new programs which was launched this year like Vikas & Paryavaran- Development & Sustainability, which impacted around 1700 lives by providing 147 solar lights in the villages of Manipur Health and Safety Commitment: Ensure a safe and healthy work environment by implementing robust occupational health and safety standards and 100% employee covered under Human Rights Training. Data Privacy and Protection: Ensured the highest standards of data privacy and security by ensuring compliance under ISO 27001:2022 during FY 2026. 								

II. Governance, leadership and oversight

7. Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements.

At SBFC, everything we do is rooted in a simple belief—that small businesses have the power to transform communities and drive meaningful economic growth. Our role is to support these businesses, especially those in underserved and underbanked regions, by bringing financial services closer to where they are needed the most.

Over the past year, we have continued to expand our reach into smaller towns and communities, ensuring that access to finance is not limited by geography. Alongside this, we have remained committed to giving back—whether through rebuilding schools in remote areas, partnering with NGOs, or supporting education and skill development initiatives for young people. These efforts reflect our belief that true progress goes beyond business growth.

We also recognise that our journey comes with its share of challenges. Working in the MSME space means addressing gaps in financial awareness, navigating diverse customer needs, and ensuring that growth is always responsible and sustainable. As we grow, it becomes equally important to strengthen how we integrate ESG principles into our everyday decisions across all our locations.

Looking ahead, our focus is clear. We aim to deepen our presence in underserved regions, use technology to make our services more accessible and transparent, and continue strengthening our governance and risk management practices. At the same time, we are working towards building stronger ESG measurement and reporting systems to better understand and improve our impact.

At SBFC, we are committed to growing responsibly—balancing performance with purpose. As we move forward, we remain focused on empowering entrepreneurs, supporting communities, and creating long-term value in a way that is both sustainable and meaningful.

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8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).

Board of Directors of the Company.

9. Does the entity have a specified Committee of the Board/ Director responsible for decision making on Sustainability related issues?

Yes

If yes, provide details

Yes, the CSR Committee, ESG Management Committee & Stakeholders Relationship Committee of the Board are responsible for making decisions on sustainability related issues

10. Details of Review of NGRBCs by the Company.

Subject for Review	Indicate whether the review was undertaken by Director/committee of the board/ any other committee									Frequency (Annually/ Half yearly/ Quarterly/ Any other – please specify)								
	P1	P2	P3	P4	P5	P6	P7	P8	P9	P1	P2	P3	P4	P5	P6	P7	P8	P9
Performance against above policies and follow up action	All the policies are reviewed by the Board members and others in senior management.									The reviews are done on an annual basis.								
Compliance with statutory requirements of relevance to the principles, and, rectification of any non-compliances	SBFC strives to comply with all applicable statutory requirements. There have been no instances of non-compliance during the financial year.																	

11. Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency?

No, we have not carried out any independent assessment/ evaluation of the working of our policies by an external agency during the reporting period.

12. If answer to question (1) above is "No" i.e. not all Principles are covered by a policy, reasons to be stated:

Not Applicable

Section C: Principle wise performance disclosure

Principle 1: Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable.

Essential Indicators

1. Percentage coverage by training and awareness programmes on any of the Principles during the financial year:

Segment	Total number of training and awareness programmes held	Topics/Principles covered under the training and its impact	%age of persons in respective category covered by awareness programmes
Board of Directors	1	Training and awareness on departmental policies of the company, including those related to Human Resources, Compliance, Information Technology, and other functional areas	100%
Key Managerial Personnel	1	Training and awareness on departmental policies of the company, including those related to Human Resources, Compliance, Information Technology, and other functional areas.	100%
Employees other than BoD and KMPs	29	1) Parambh- Induction Program covers <ul style="list-style-type: none"> About Company, Our Leadership & Our Values Product Training Grooming & Uniform 2) Parambh- Induction Program covers <ul style="list-style-type: none"> About Company, Our Leadership & Our Values Product Training Grooming & Uniform 3) Mandatory Training: <ul style="list-style-type: none"> Cyber Security POSH Code of Conduct, KYC & AML Awareness BCP & DR 	100% of the eligible employees were covered by these training and awareness programs.

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Segment	Total number of training and awareness programmes held	Topics/Principles covered under the training and its impact	%age of persons in respective category covered by awareness programmes
	5)	Departmental Module <ul style="list-style-type: none"> ABM Incentive Structure CPA Modules IT Change and Release Management Linux Server Administrative Training Oracle Database Administration Time Management, Verbal & Written Communication. Team Management LAP Operation Training RCU – Learning & Knowledge series – Branch Credit Manager . Debt recovery agent module Phishing module ESG PII Awareness 	
	8)	Health & Safety Training <ul style="list-style-type: none"> First Aid Training 	
	9)	New Software and process launch. <ul style="list-style-type: none"> Kapture CRM Process DICE miFIN- LMS Sahayak (DSR Portal) 	

2. Details of fines / penalties / punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors / KMPs)with regulators/ law enforcement agencies/ judicial institutions, in the financial year

i. Monetary: Penalty/ Fine

NGRBC Principle	Name of the Regulatory/ enforcement agencies/ judicial institutions	Amount (In INR)	Brief of the Case	Has an appeal been preferred?
-	-	-	-	-

ii. Monetary: Settlement

NGRBC Principle	Name of the Regulatory/ enforcement agencies/ judicial institutions	Amount (In INR)	Brief of the Case	Has an appeal been preferred?
-	-	-	-	-

iii. Monetary: Compounding fee

NGRBC Principle	Name of the Regulatory/ enforcement agencies/ judicial institutions	Amount (In INR)	Brief of the Case	Has an appeal been preferred?
-	-	-	-	-

iv. Non-Monetary: Imprisonment

NGRBC Principle	Name of the Regulatory/ enforcement agencies/ judicial institutions	Brief of the Case	Has an appeal been preferred?
-	-	-	-

v. Non-Monetary: Punishment

NGRBC Principle	Name of the Regulatory/ enforcement agencies/ judicial institutions	Brief of the Case	Has an appeal been preferred?
-	-	-	-

3. Of the instances disclosed in Question 2 above, details of the Appeal/ Revision preferred in cases where monetary or non-monetary action has been appealed.

Case Details	Name of the regulatory/enforcement agencies/ judicial institutions
-	-

4. Does the entity have an anti-corruption policy or anti-bribery policy?

Yes, our Company has a comprehensive Code of Conduct (CoC) applicable to all employees, which includes clear provisions on anti-bribery, anti-corruption, ethical conduct, and integrity. The CoC establishes expected standards of behaviour and guides employees to act with transparency, accountability, and confidentiality in all business dealings. The Code is accessible to all employees through the Company's intranet, and adherence to the same is monitored through established governance and disciplinary mechanisms.

5. Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption

	FY 2025-2026	FY 2024-2025
Directors	0	0
KMPs	0	0
Employees	0	0
Workers	0	0

6. Details of complaints with regard to conflict of interest:

	FY 2025-2026		FY 2024-2025	
	Number	Remark	Number	Remark
Number of complaints received in relation to issues of Conflict of Interest of the Directors	0	-	0	-
Number of complaints received in relation to issues of Conflict of Interest of the KMPs	0	-	0	-

7. Provide details of any corrective action taken or under way on issues related to fines / penalties / action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest.

Not applicable

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8. Number of days of accounts payables

	FY 2025-2026	FY 2024-2025
Number of days of accounts payables	0.40	0.71

9. Open-ness of business - Provide details of concentration of purchases and sales with trading houses, dealers, and related parties along-with loans and advances & investments, with related parties, in the following format

i. Concentration of Purchases

Metrics	FY 2025-2026	FY 2024-2025
a. Purchases from trading houses as % of total purchases		
b. Number of trading houses where purchases are made from	Being a financial services company, these disclosures are not material to us.	
c. Purchases from top 10 trading houses as % of total purchases from trading houses		

ii. Concentration of Sales

Metrics	FY 2025-2026	FY 2024-2025
a. Sales to dealers / distributors as % of total sales		
b. Number of dealers / distributors to whom sales are made	Being a financial services company, these disclosures are not material to us.	
c. Sales to top 10 dealers / distributors as % of total sales to dealers / distributors		

iii. Share of RPTs in

Metrics	FY 2025-2026	FY 2024-2025
a. Purchases (Purchases with related parties / Total Purchases)	Nil	Nil
b. Sales (Sales to related parties / Total Sales)	Nil	Nil
c. Loans & advances (Loans & advances given to related parties / Total loans & advances)	Nil	Nil
d. Investments (Investments in related parties / Total Investments made)	Nil	Nil

Leadership Indicators

1. Awareness programmes conducted for value chain partners on any of the principles during the financial year.

Total number of awareness programmes held	Topics / Principles covered under the training	Percentage of value chain partners covered (by value of business done with such partners) under the awareness programmes
-	-	-

2. Does the entity have processes in place to avoid / manage conflict of interests involving members of the Board?

Yes. The company has a separate Code of Conduct for the Board of Directors and the Senior Management which provides all the members of the Board and the Senior Management shall conduct their activities and fulfil their fiduciary obligations, on behalf of the Company, with honesty, integrity and fairness and in the best interest of the Company. They are prohibited from engaging in any activity that interferes with their performance or responsibilities or otherwise is in conflict with or prejudicial to the company. In addition to the above, SBFC Finance Limited's CoC covers potential areas where conflict of interest may be countered. It also provides specific guidelines on avoiding and dealing with possible conflicts of interest and the requirement to disclose potential conflicts of interest by employees. The Code of Conduct for BOD and Senior Management can be accessed from this link:

<https://www.sbfc.com/cmsproject/mediaGallery/docs/Code%20of%20Conduct%20-%20Board%20and%20Senior%20Management-1679632545.pdf?rm=>

Principle 2: Businesses should provide goods and services in a manner that is sustainable and safe

Essential Indicators

1. Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.

	FY 2025-2026	FY 2024-2025	Details of improvements in environmental and social impacts
R&D	0	0	Not Applicable since we are financial institution
Capex	₹35.21 million	₹24.86 million	Our investments in technology and software licenses are central to building a robust, digital-first operating model that enhances both social and environmental outcomes. From a social perspective, these investments enable faster loan processing and improved turnaround times, enhancing access to timely credit—especially for underserved and small business segments. Advanced data management and analytics capabilities also allow us to better understand customer needs, improve service quality, and deliver a more seamless and inclusive customer experience. From an environmental standpoint, our increasing reliance on digital systems reduces dependency on paper-based processes and physical documentation, thereby lowering resource consumption and improving operational efficiency. Overall, these technology investments support scalable, efficient, and responsible business practices, while contributing to enhanced customer satisfaction, financial inclusion, and reduced environmental footprint.

2. Does the entity have procedures in place for sustainable sourcing?

Yes, we have formulated a Sustainable Procurement Policy to ensure that the limited procurement we undertake is further aligned with sustainable sourcing practices. However, given the nature of our business, which predominantly deals with financial instruments rather than tangible raw materials, the concept of sustainable sourcing, typically associated with physical goods, is not directly applicable to our operations

What percentage of inputs were sourced sustainably?

100% of the sourcing is governed through our sustainable procurement policy

3. Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life

The company is in the business of providing loans. Hence, we do not have a physical product

4. Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No).

Not Applicable, given the nature of business of SBFC

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Leadership Indicators

1. Has the Company conducted Life Cycle Assessments (LCA) for its products /services?

Not Applicable

2. If there are any significant social or environmental concerns and/or risks arising from production or disposal of your products / services, as identified in the Life Cycle Perspective / Assessments (LCA) or through any other means, briefly describe the same along-with action taken to mitigate the same

Not Applicable

3. Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry).

Not Applicable

4. Of the products and packaging reclaimed at end of life of products, amount (in metric tonnes) reused, recycled, and safely disposed, as per the following format.

Not Applicable

5. Reclaimed products and their packaging materials (as percentage of products sold) for each product category.

Not Applicable

Principle 3: Businesses should respect and promote the well-being of all employees, including those in their value chains

Essential Indicators

1. Details of measures for the well-being of employees and workers.

a. Details of measures for the well-being of employees.

Category	% of employees covered by										
	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity benefits		Day care facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
Permanent employees											
Male	3003	3003	100%	3003	100%	0	0%	3003	100%	0	0%
Female	299	299	100%	299	100%	299	100%	0	0%	0	0%
Total	3302	3302	100%	3302	100%	299	9%	3003	91%	0	0%
Other than Permanent employees											
Male	1691	1691	100%	1643	97%	0	0	1691	100%	0	0%
Female	151	151	100%	110	73%	151	100%	0	0	0	0%
Total	1842	1842	100%	1753	95%	151	100%	1691	100%	0	0%

b. Details of measures for the well-being of workers.

Category	% of employees covered by										
	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity benefits		Day care facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
Not Applicable											

c. Spending on measures towards well-being of employees and workers (including permanent and other than permanent) in the following format:

	FY 2025-2026	FY 2024-2025
iii. Cost incurred on wellbeing measures as a % of total revenue of the company	0.14	0.16

2. Details of retirement benefits.

Benefits	FY 2025-2026			FY 2024-2025		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority
PF	100.0	-	Yes	100.0	0.0	Yes
Gratuity	100.0	-	Yes	100.0	0.0	Yes
ESI	8.6	-	Yes	13.2	0.0	Yes

3. Accessibility of workplaces. Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.

Yes, the Company is committed to creating an inclusive and accessible workplace for all employees, including those who are differently abled. Our offices and premises are designed, wherever feasible, in line with the requirements of the Rights of Persons with Disabilities Act, 2016, with necessary measures taken to reduce physical barriers and improve accessibility.

We also recognise that accessibility goes beyond infrastructure. We currently have a differently abled employee as part of our workforce, and we take conscious steps to ensure they feel supported, comfortable, and fully included in the workplace.

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While we continue to improve our facilities, our focus remains on building an environment where every individual feels valued, respected, and empowered to contribute meaningfully.

4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016?

Yes, the Company is committed to providing equal opportunity to all employees and applicants, in line with the principles of the Rights of Persons with Disabilities Act, 2016. This commitment is embedded in our Code of Conduct, which is accessible to all employees through the Company's intranet.

At SBFC, we foster a workplace that is inclusive and free from discrimination. We ensure fair and respectful treatment of all individuals, regardless of race, caste, religion, gender, age, nationality, sexual orientation, disability, or any other background. All employment decisions are guided by merit, performance, and business needs.

We strongly believe that talent and capability are what truly matter. Our approach is simple—if an individual has the skills and the drive to contribute, SBFC is a place where they are welcomed and given the opportunity to grow.

5. Return to work and Retention rates of permanent employees and workers that took parental leave.

Gender	Permanent Employees		Permanent Workers	
	Return to work rate	Retention rate	Return to work rate	Retention rate
Male	100%	88%	-	-
Female	100%	67%	-	-
Total	100%	76%	-	-

6. Mechanism to receive and redress grievances

i. Is there a mechanism available to receive and redress grievances for the following categories of employees and worker?

Employees can raise grievances through formal channels, including email communication with the HR team. The HR function is responsible for ensuring timely review, investigation, and resolution of all employee-related concerns. The mechanism is designed to enable employees to report issues confidentially and, where applicable, anonymously, without fear of retaliation. All grievances are handled with due sensitivity, and investigations are treated as strictly confidential.

ii. If yes, give details of the mechanism in brief.

Employees can share grievances to the respective HR team members through email communication wherein the grievances are addressed and concluded. The HR team is responsible for timely redressal of employee related grievances. The mechanism ensures that they can report and address their concerns confidentially and anonymously, without facing any reprisals or adverse consequences. All investigations conducted by SBFC are treated as confidential matters.

7. Membership of employees and worker in association(s) or Unions recognised by the listed entity.

i. Total Permanent Employees

Category	FY 2025-2026			FY 2024-2025		
	Total employees (A)	No. of employees who are part of association(s) or Union (B)	% (B / A)	Total employees (C)	No. of employees who are part of association(s) or Union (D)	% (D / C)
Male	3003	0	0%	2387	0	0
Female	299	0	0%	241	0	0
Total	3302	0	0%	2628	0	0

8. Details of training given to employees and workers.

i. Employees - FY 2025-2026

Category	FY 2025-2026					FY 2024-2025				
	Total (A)	On Health and safety measures		On Skill upgradation		Total (D)	On Health and safety measures		On Skill upgradation	
		No. (B)	% (B / A)	No. (C)	% (C / A)		No.(E)	%(E/D)	No.(F)	%(F/D)
Male	4646	4646	100%	4571	98%	3982	3982	100	3888	97.64
Female	409	409	100%	390	95%	367	367	100	343	93.46
Total	5055	5055	100%	4961	98%	4349	4349	100	4231	97.29

9. Details of performance and career development reviews of employees

i. Employees

Category	FY 2025-2026			FY 2024-2025		
	Total (A)	No. (B)	% (B/A)	Total (D)	No. (E)	% (E/D)
Male	1858	1858	100%	1,959	1,959	100%
Female	203	203	100%	222	222	100%
Total	2061	2061	100%	2181	2181	100%

10. Health and safety management system.

i. Whether an occupational health and safety management system has been implemented by the entity?

The Company is committed to maintaining a safe and healthy workplace, supported by adequate safety infrastructure across all premises, including proper ventilation, hygiene and sanitation standards, clearly marked emergency exits, and availability of first aid facilities. During the last financial year, the Company conducted regular health and safety trainings, fire drills, and first aid awareness sessions to strengthen employee preparedness. Reflecting the effectiveness of these measures, the Company recorded zero accidents and zero injuries across its operations. Building on this performance, the Company is further strengthening its safety framework through the phased implementation of a structured Occupational Health and Safety Management System (OHSMS) to enhance monitoring, standardisation, and continuous improvement.

ii. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?

The Company is committed to providing a safe and healthy workplace free from work-related hazards and risks. It undertakes proactive measures to safeguard the physical and mental well-being of employees, ensuring compliance with all applicable safety requirements. Regular inspections and monitoring mechanisms are implemented to identify and mitigate potential risks, thereby fostering a secure and supportive work environment.

iii. Whether you have processes for workers to report the work related hazards and to remove themselves from such risks

Not Applicable as there are no workers in our organisation.

iv. Do the employees/ worker of the entity have access to non-occupational medical and healthcare services?

Yes, the Company provides comprehensive health coverage to its employees through Group Health Insurance, ESIC, and Accidental Insurance policies. In addition, employees have access to online medical consultations and wellness initiatives, including expert sessions on preventive healthcare topics such as heart health and women's health.

11. Details of safety related incidents, in the following format.

Safety Incident/Number	FY 2025-2026		FY 2024-2025	
	Total (A)	% (B/A)	Total (D)	% (E/D)
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	0	0	0	0
Total recordable work-related injuries	0	0	0	0
No. of fatalities	0	0	0	0
High consequence work related injury or ill-health (excluding fatalities)	0	0	0	0

12. Describe the measures taken by the entity to ensure a safe and healthy work place.

The Company complies with all applicable regulations and laws governing workplace health and safety. To further strengthen its safety framework, employees are encouraged to raise concerns or grievances related to health and safety through formal channels, including email communication with the HR team, as well as direct verbal reporting to the concerned HR representatives across offices and branches.

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13. Number of Complaints on the following made by employees and workers.

	FY 2025-2026			FY 2024-2025		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working Conditions	0	0	-	0	0	-
Health & Safety	0	0	-	0	0	-

14. Assessments for the year

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and safety practices	-
Working Conditions	-

15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health & safety practices and working conditions.

Not applicable as no such assessments were conducted.

Leadership Indicators

1. Does the entity extend any life insurance or any compensatory package in the event of death.

Employees	Yes
Workers	-

2. Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners.

Compliance with statutory requirements is verified prior to the release of payments for workforce deployed through labour contractors. Relevant documentation and evidence of adherence to applicable laws are reviewed to ensure regulatory compliance.

3. Provide the number of employees / workers having suffered high consequence work related injury / ill-health / fatalities (as reported in Q11 of Essential Indicators above), who have been rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment.

	FY 2025-2026		FY 2024-2025	
	Employees	Workers	Employees	Workers
Total no. of affected employees/ workers.	-	-	-	-
No. of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment	-	-	-	-

4. Does the entity provide transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment?

NIL

5. Details on assessment of value chain partners.

	% of value chain partners (by value of business done with such partners) that were assessed
Health and safety practices	-
Working Conditions	-

6. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from assessments of health and safety practices and working conditions of value chain partners.

The Company complies with all applicable regulations and laws governing workplace health and safety. To continuously improve safety standards, employees are encouraged to report health and safety concerns through formal channels, including email communication with the HR team.

Principle 4: Businesses should respect the interests of and be responsive to all its stakeholders

Essential Indicators

1. Describe the processes for identifying key stakeholder groups of the entity.

SBFC follows a structured and governance-driven approach to identify its key stakeholder groups. The process involves internal deliberations with the Board of Directors and senior management to evaluate stakeholders based on their influence on the organization and the extent to which they are impacted by SBFC's operations.

This assessment is guided by parameters such as regulatory requirements, business dependencies, risk exposure, and the potential impact of stakeholder engagement on long-term value creation. Inputs are also derived from ongoing business interactions, customer feedback mechanisms, and industry practices.

Through this multi-layered evaluation, SBFC has identified its key stakeholder groups as Shareholders and Investors, Customers, Government and Regulators, Employees, Value Chain Partners, and the Communities in which it operates.

2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.

Stakeholder Group	Whether identified as Vulnerable & Marginalised Group	Channels of communication	Details of Other Channels of communication	Frequency of engagement	Details of Other Frequency of engagement	Purpose and scope of engagement including key topics and concerns raised during such engagement
Shareholder and Investor	Yes	E-mail	-	Quarterly	-	To inform about the performance, major developments and other relevant updates regarding the Company and its subsidiaries.
Customer	Yes	Website	-	Others	Need basis	Servicing throughout the lifecycle of the customer and addressing queries / grievances that the customer may have.
Government and Regulators	No	E-mail	-	Others	Need basis	To adhere to the guidelines issues by the regulator and take feedback on questions, if any. Provide opinion on draft policies rolled out before getting implemented.
Employees	No	E-mail	-	Others	Need basis	To record and address employee grievances that may arise as a result of our operations. To collect inputs, feedback, and communicate regarding implemented policies and other relevant initiatives related to our operations.
Value Chain partners	No	SMS	-	Others	Need basis	To communicate and update regarding key changes related to our business operations and to communicate or inform contractual requirements.
Community	Yes	Newspaper	-	Others	Need basis	To promote social welfare activities for inclusive growth, fair and equitable development, and well-being of society through our business functioning.

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Leadership Indicators

1. Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board.

We carried out a materiality assessment to better understand the issues that matter most to our stakeholders and that have a meaningful impact on society, the environment, and our business. The outcomes of this exercise have been shared with the Board, ensuring alignment at the highest level.

We are now working on translating these insights into actionable management strategies, so that stakeholder feedback is meaningfully integrated into key business decisions. This approach helps us continuously improve and create long-term value for all our stakeholders.

2. Whether stakeholder consultation is used to support the identification and management of environmental and social topics?

Yes. Stakeholder consultation is an integral part of how we identify and manage our environmental and social priorities.

We undertook a comprehensive materiality assessment to understand the key environmental, social, and economic issues that matter most to our stakeholders and have a significant impact on our business. This exercise reflects our commitment to continuously strengthening our processes and aligning them with stakeholder expectations.

The insights gathered have been actively used to shape our policies and business practices. Based on stakeholder feedback, we have initiated the development and enhancement of key policies and management approaches to address priority areas.

For instance, our Environmental, Social, and Governance (ESG) Policy has been strengthened to clearly articulate our commitments towards responsible environmental practices, social well-being, strong governance, and meaningful stakeholder engagement. It serves as a guiding framework for decision-making, enabling us to operate with transparency, accountability, and a focus on long-term sustainable value creation.

3. Provide details of instances of engagement with and actions taken to address the concerns of vulnerable /marginalised stakeholder groups.

We are committed to actively engaging with vulnerable and marginalized stakeholder groups and ensuring their concerns are heard and addressed in a timely and effective manner.

To support this, we have established a formal, multi-channel grievance redressal mechanism that enables customers to raise concerns easily. This includes accessible touchpoints for customers as well as a dedicated channel on our website for community members to share feedback or grievances.

Beyond grievance handling, we also engage with customers to better understand their experiences and needs. For instance, we have undertaken initiatives to gather and showcase customer testimonials, providing valuable insights into how our services impact their lives.

We are particularly focused on financial inclusion and empowerment. Notably, in over 95% of our loan agreements, women are involved either as primary applicants or co-applicants, reflecting our efforts to support greater participation of women in financial decision-making.

The feedback and insights gathered through these engagements are used to continuously improve our services, strengthen trust, and ensure that we are responsive to the needs of all stakeholder groups, especially those who may be more vulnerable.

Principle 5: Businesses should respect and promote Human Rights

Essential Indicators

1. Employees and workers who have been provided training on human rights issues and policy(ies) of the entity

i. Employees

Category	FY 2025-2026			FY 2024-2025		
	Total (A)	No. of employees covered (B)	% (B / A)	Total (C)	No. of employees covered (D)	% (D / C)
Permanent	3302	3302	100%	2628	2628	100%
Other than permanent	1753	1753	100%	1721	1721	100%
Total Employees	5055	5055	100%	4349	4349	100%

2. Details of minimum wages paid to employees and workers

Category	FY 2025-2026				FY 2024-2025					
	Total (A)	Equal to minimum wage		More than minimum wage		Total (D)	Equal to minimum wage		More than minimum wage	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
Employees										
Permanent	3302	0	0.00%	3302	100%	2628	0	0%	2628	100%
Other than permanent	1842	0	0.00%	1842	100%	1721	9	0.52%	1712	99.48%
Total employees	5144	0	0.00%	5144	100%	4349	9	0.21%	4340	99.79%

3. Details of remuneration/salary/wages

i. Median remuneration / wages:

	Male		Female	
	Number	Median remuneration/ salary/ wages (in INR)	Number	Median remuneration/ salary/ wages (in INR)
Board of Directors (BoD)	4	₹18,00,000	1	₹19,00,000
Key Managerial Personnel	3	₹3,50,00,000	1	₹50,40,005
Employees other than BoD and KMP	4691	₹3,60,000	449	₹3,24,012

*As on March 31, 2026, the total number of Directors of the Company is 9, out of which 4 are Independent Directors, 3 are Non-Executive Non-Independent Directors, 2 are Executive Directors. The details of the remuneration paid to only Independent Directors have been considered, including Mr. Rajesh Agrawal, who ceased to be a Director w.e.f. November 12, 2025, but has been considered in the calculation of median remuneration.

^Remuneration paid to Executive Directors and Key Managerial Personnel, is covered under median remuneration to Key Managerial Personnel.

ii. Gross wages paid to females

	FY 2025-2026	FY 2024-2025
Gross wages paid to females as % of total wages	6.40	6.11

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4. Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business?

Yes, the Internal Complaints Committee addresses the issues for prevention of sexual harassment at workplace, whistle blower for upholding the prescribed Code of Conduct and online portal for employee grievance.

5. Describe the internal mechanisms in place to redress grievances related to human rights issues.

The Internal Complaints Committee (ICC), established in accordance with the Prevention of Sexual Harassment (POSH) Act, is responsible for addressing POSH related complaints and ensuring resolution and confidentiality throughout the duration of the case. We have email as a communication channel for our employees to officially submit their grievances and concerns including human rights related issues to the HR department. It is the responsibility of the HR team to promptly address these employee-related grievances.

6. Number of Complaints on the following made by employees and workers

Particulars	FY 2025-2026			FY 2024-2025		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual Harassment	0	0	-	0	0	-
Discrimination at workplace	0	0	-	0	0	-
Child Labour	0	0	-	0	0	-
Forced Labour/ Involuntary Labour	0	0	-	0	0	-
Wages	0	0	-	0	0	-
Other human rights related issues	0	0	-	0	0	-

7. Complaints filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, in the following format:

	FY 2025-2026	FY 2024-2025
Total Complaints reported under Sexual Harassment on of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH)	0	0
Complaints on POSH as a % of female employees / workers	0	0
Complaints on POSH upheld	0	0

8. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.

All employees have access to a grievance mechanism, which ensures that they can report and address their concerns confidentially and anonymously, without facing any reprisals or adverse consequences. Employees are required to cooperate fully with any investigation into alleged violations of the Code of Conduct, Laws, Regulations, Policies, or procedures. During such investigations, employees are expected to provide truthful and comprehensive information. All investigations conducted by SBFC are treated as confidential matters. Employees are prohibited from discussing any aspect of an investigation, including its existence, with anyone except members of the disciplinary action committees authorized under the policy guidelines. Moreover, the Internal Complaints Committee (ICC) as mandated by the Prevention of Sexual Harassment (POSH) Act, applicable to all companies, to ensure a secure and inclusive work environment.

9. Do human rights requirements form part of your business agreements and contracts?

Yes

10. Assessment for the year

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Sexual Harassment	
Discrimination at workplace	
Child Labour	Nil
Forced Labour/Involuntary Labour	
Wages	

11. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 10 above.

Not Applicable

Leadership Indicators

1. Details of a business process being modified / introduced as a result of addressing human rights grievances/complaints.

SBFC has set up a Vigil Mechanism for its employees to report their concerns or grievances. The said mechanism includes the Whistle Blower Policy and supplies adequate safeguards against victimization of persons who use it. Information about the mechanism and the channels for reporting concerns (including a third-party reporting channel) is communicated to the relevant stakeholders.

2. Details of the scope and coverage of any Human rights due-diligence conducted.

At SBFC, our customers are paramount, and their feedback is crucial for us. We have a well-structured grievance redressal mechanism to promptly address any concerns. All disputes related to business practices, lending decisions, credit management, and recovery are diligently heard and responded to. Customers can easily reach us through several communication modes, including toll-free numbers and customer service emails. Each complaint is thoroughly reviewed, monitored, and resolved to achieve complete customer satisfaction. To bolster our support, a dedicated Grievance Redressal Officer is appointed and prominently displayed in all our branches. If needed, we have an escalation matrix, and unresolved issues can be appealed to the RBI Ombudsman, emphasizing our commitment to exemplary customer service.

3. Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?

Currently all the offices of the company are either leased or under leave and license agreement. The Company does not have any owned premises and there is a common entrance for the building. Company follows the access provided by the complex where the offices are leased for all its employees including differently abled. However, we have spread awareness to our employees to handle differently abled employees.

4. Details on assessment of value chain partners

	% of value chain partners (by value of business done with such partners) that were assessed
Sexual Harassment	
Discrimination at workplace	
Child Labour	Not Applicable
Forced Labour/Involuntary Labour	
Wages	

5. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 4 above.

Not Applicable

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Principle 6: Businesses should respect and make efforts to protect and restore the environment

Essential Indicators

1. Details of total energy consumption (in giga Joules) and energy intensity:

Parameter	FY 2025-2026	FY 2024-2025 [@]
From Renewable Sources:	0	0
Total electricity consumption (in GJ) (A)	0	0
Total fuel consumption (in GJ) (B)	0	0
Energy consumption through other sources (in GJ) (C)	0	0
Total Energy Consumed from Renewable Sources (in GJ) (A+B+C)	0	0
From Non-Renewable Sources:	0	0
Total electricity consumption (in GJ) (D)	15277.19	14918.78
Total fuel consumption (in GJ) (E)	0	0
Energy consumption through other sources (in GJ) (F)	-	-
Total Energy Consumed from Non-Renewable Sources (in GJ) (D+E+F)	15277.19	14918.78
Total Energy Consumed (in GJ) (A+B+C+D+E+F)	15277.19	14918.78
Energy intensity per rupee of turnover (Total energy consumption/ turnover in rupees) (gj/Mn.INR)	0.91	1.14
Energy intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)* (GJ/Mn.INR)	18.51	22.95
Energy Intensity in terms of Physical Output**	0.19	0.27
Energy Intensity (Per employee) # (Total energy consumed / Total Permanent employees in the organization)	4.63	5.68

* We have calculated energy intensity in terms of per rupee of turnover adjusted for PPP. We have divided by Total Revenue from operations for FY 2026 (20.64) and FY 2025(20.26) by Purchasing Power Parity (Total, National currency units/US dollar) obtained from OECD database: <https://www.imf.org/external/datamapper/PPPEX@WEO/OEMDC>

** Since SBFC is a financial services company, the physical output has been considered to be the total amount of loan disbursed (Mn. INR). As a result, the disclosure provides the amount of energy used per rupee of loan disbursed.

Energy Intensity per employee is calculated by dividing total energy consumed divided by the total employees were employed during the reporting periods FY 2026 and FY 2025 respectively. The total number of employees only include permanent employees as no other than permanent employees were reported during the reporting periods.

@ The values for FY 2024-25 have been restated to reflect a change in methodology, and this approach has been consistently applied across water and emissions data as well.

iv. Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? If yes, name of the external agency

No

2. Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India?

Not Applicable

3. Water related information.

i. Provide details of the following disclosures related to water (Water withdrawal by source (in kilolitres))

Parameter	FY 2025-2026	FY 2024-2025
Surface water (A)	0	0
Groundwater (B)	0	0
Third party water (C)	2664	2652
Seawater / desalinated water (D)	0	0
Others (E)	0	0
Total volume of water withdrawal (in kilolitres) (A + B + C + D + E)	2664	2652
Total volume of water consumption (in kilolitres)	2664	2652
Water intensity per rupee of turnover (Total water consumption / Revenue from operations) (kl/Mn.INR)	0.16	0.2
Water intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total water consumption / Revenue from operations adjusted for PPP) (kl/Mn.\$)	3.23	4.08
Water intensity in terms of physical output (kl/ Mn.INR.)	0.03	0.05
Water intensity (optional) - the relevant metric may be selected by the entity (kl/No. of Total permanent employees)	0.81	1.01

ii. Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency?

No

4. Provide the following details related to water discharged.

i. Water discharge by destination and level of treatment (in kilolitres)

Parameter	FY 2025-2026		FY 2024-2025	
	Level of treatment	Value	Level of treatment	Value
To Surface water (A)				
- Surface water with no treatment				
- Surface water with treatment				
To Groundwater (B)				
- Groundwater with no treatment				
- Groundwater with treatment				
To Seawater (C)				
- Seawater with no treatment				
- Seawater with treatment				
				Not Applicable
Sent to third-parties (D)				
- Sent to third-parties with no treatment				
- Sent to third-parties with treatment				
Others (E)				
- Others with no treatment				
- Others with treatment				
Total water discharged (in kilolitres)				

ii. Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency?

Disclosure Not Available

5. Has the entity implemented a mechanism for Zero Liquid Discharge?

Not Applicable

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6. Air emissions

- i. Whether air emissions (other than GHG emissions) by the entity is applicable to the company?

Disclosure Not Available

- ii. Please provide details of air emissions (other than GHG emissions) by the entity.

Parameter	Unit	FY 2025-2026	FY 2024-2025
Nox			
Sox			
Particulate matter (PM)			
Persistent organic pollutants (POP)		Not applicable	
Volatile organic compounds (VOC)			
Hazardous air Pollutants (HAP)			

- iii. Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency?

No

7. Greenhouse gas emissions.

- i. Whether greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity is applicable to the company?

Yes

- ii. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity

Parameter	Unit	FY 2025-2026	FY 2024-2025
Total Scope 1 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	tCO ₂ e	0	0
Total scope 2 emissions (Break-up of the GHG into CO ₂ , CH ₄ , HFCs, PFCs, SF ₆ , NF ₃ , if available)	tCO ₂ e	3013	2942
Total Scope 1 and Scope 2 emissions per rupee of turnover (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations)	tCO ₂ e / Mn.INR.	0.18	0.23
Total Scope 1 and Scope 2 emission intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations adjusted for PPP)	tCO ₂ e / Mn.\$	3.65	4.53
Total Scope 1 and Scope 2 emission intensity in terms of physical output	tCO ₂ e / Mn.INR.	0.04	0.05
Total Scope 1 and Scope 2 emission intensity (optional)-the relevant metric may be selected by the entity	tCO ₂ e / No: of Total permanent employees	0.91	1.12

- iii. Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency?

No

8. Does the entity have any project related to reducing Green House Gas emission?

The organization has undertaken targeted initiatives to enhance energy efficiency across its operations, particularly in newly established branches. This includes the adoption of LED lighting systems, which offer significantly lower energy consumption compared to conventional lighting solutions. Additionally, improvements in operational efficiency have contributed to an overall reduction in energy usage. The deployment of high-efficiency HVAC systems has further strengthened these efforts by optimizing energy consumption for climate control across facilities. Collectively, these measures have resulted in a measurable decrease in energy intensity, while supporting the organization's commitment to sustainable operations and environmental responsibility.

9. Provide details related to waste management by the entity

- i. Total Waste generated (in metric tonnes)

Parameter	FY 2025-2026	FY 2024-2025
Plastic waste (A)	1.9	1.92
E-waste (B)	0.47	0.77
Bio-medical waste (C)	-	-
Construction and demolition waste (D)	-	-
Battery waste (E)	-	-
Radioactive waste (F)	-	-
Other Hazardous waste (G)	-	-
Other non-hazardous waste generated (H)	3.7	3.41
Total (A + B + C + D + E + F + G + H)	6.07	6.1
Waste intensity per rupee of turnover (Total waste generated / Revenue from operations)	0.00036	0.00047
Waste intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total waste generated / Revenue from operations adjusted for PPP)	0.0074	0.009
Waste intensity in terms of physical output	0.000075	0.00011
Waste intensity (optional) - the relevant metric may be selected by the entity	0.0018	0.0023

- ii. For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)

Category of waste	FY 2025-2026	FY 2024-2025
Recycled	6.07	6.10
Re-used	-	-
Other recovery operations	-	-
Total	-	-

- iii. For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)

Category of waste	FY 2025-2026	FY 2024-2025
Incineration	-	-
Landfilling	-	-
Other disposal operations	-	-
Total	-	-

- iv. Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency?

No

10. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.

SBFC Finance Limited operates in the financial services sector and does not generate hazardous waste or use toxic chemicals, as it does not manufacture or handle physical products. The Company is conscious of its environmental responsibility and has been actively reducing waste through increased use of digital communication and documentation, which has helped minimise paper usage over time. To manage electronic waste responsibly, SBFC has put in place an e-waste policy and partnered with a certified disposal vendor to ensure safe and compliant handling of e-waste. In addition, small but meaningful steps—such as replacing single-use plastic bottles with reusable glass bottles across offices—have contributed to reducing plastic waste.

11. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required.

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Location of operations/offices	Type of operations	Whether the conditions of environmental approval / clearance are being complied with? If no, the reasons thereof and corrective action taken, if any.	if no, the reasons thereof and corrective action taken, if any.		
Not Applicable					
12. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year					
Name and Brief of the project	EIA Notification no	Date	Whether conducted by independent external agency?	Results communicated in public domain?	Relevant web link
Not Applicable					
13. Applicable environmental law/ regulations/ guidelines in India.					
i. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder. Yes, we are compliant with all the applicable environmental law/ regulations/ guidelines in India					
ii. If not, provide details of all such non-compliances					
Specify the law / regulation / guidelines which was not complied with	Provide details of non-compliance	Any fines / penalties / action taken by regulatory agencies such as pollution control boards or by courts	Corrective action taken, if any		
-	-	-	-		

Leadership Indicators

1. Water withdrawal, consumption and discharge in areas of water stress (in kilolitres)

- i. For each facility / plant located in areas of water stress.
Disclosure Not Available
- ii. Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency?
Disclosure Not Available

2. Total Scope 3 emissions

- i. Whether total Scope 3 emissions & its intensity is applicable to the company?
Disclosure Not Available
- ii. Please provide details of total Scope 3 emissions & its intensity.

Parameter	Unit	FY 2025-2026	FY 2024-2025
Total Scope 3 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	tCO ₂ e	-	-
Total Scope 3 emissions per rupee of turnover	tCO ₂ e / Rs.	0	0
Total Scope 3 emission intensity (optional) - the relevant metric may be selected by the entity	-	-	-

- iii. Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency?
Disclosure Not Available

3. With respect to the ecologically sensitive areas reported at Question 10 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities.

Disclosure Not Available

4. If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions / effluent discharge / waste generated.

Initiative Undertaken	Details of the initiative (Web-link, if any, may be provided along-with summary)	Outcome of the initiative	Corrective action taken, if any
Energy efficiency improvements across branches	Adoption of LED lighting in new branches, deployment of energy-efficient HVAC systems, and continuous improvement in operational efficiency to optimise energy use across facilities.	Reduction in overall energy consumption and improved energy efficiency across operations.	No specific corrective actions required; initiatives are part of ongoing efficiency improvements.
Digitalisation to reduce paper waste	Increased use of digital communication and documentation to minimise paper usage across operations.	Significant reduction in paper consumption and associated waste generation.	Continuous monitoring and enhancement of digital adoption practices.
E-waste management	Implementation of an e-waste policy and partnership with a certified e-waste disposal vendor to ensure safe and compliant disposal of electronic waste.	Environmentally responsible handling and disposal of e-waste in compliance with regulations.	Periodic review of vendor compliance and internal processes.
Reduction of plastic waste	Replacement of single-use plastic bottles with reusable glass bottles across office locations.	Reduction in plastic waste generation and promotion of sustainable alternatives.	Ongoing efforts to identify and eliminate other sources of single-use plastics.

5. Does the entity have a business continuity and disaster management plan?

Yes, the Company has a formal and well-defined Business Continuity Policy in place to ensure operational resilience and continuity in the event of disruptions.

6. Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard?

Disclosure Not Available

7. Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts.

Disclosure Not Available

8. Green Credits

Disclosure Not Available

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Principle 7: Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent

Essential Indicators

1. Trade and industry chambers / associations

i. Number of affiliations with trade and industry chambers / associations

1

ii. List the top 10 trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of/ affiliated to.

Sr No.	Name of the trade and industry chambers/ associations	Reach of trade and industry chambers/ associations
1	FIDC	National

2. Provide details of corrective action taken or underway on any issues related to Anti-competitive conduct by the entity, based on adverse orders from regulatory authorities.

Name of authority	Brief of the Case	Corrective action taken
Nil	Nil	Nil

Leadership Indicators

1. Details of public policy positions advocated by the entity.

Public policy advocated	Method resorted for such advocacy	Frequency of Review by Board	Whether information available in public domain?	Web Link, if available
Nil	Nil	Nil	Nil	Nil

Principle 8: Businesses should promote inclusive growth and equitable development

Essential Indicators

1. Details of Social Impact Assessments (SIA) of projects undertaken by the Company based on applicable laws, in the current financial year.

Name and brief details of the project	SIA notification no.	Date of notification	Whether conducted by independent external agency	Results communicated in public domain	Relevant Web link
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Not Applicable

2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity

Name of Project for which R&R is ongoing	State	District	No. of Project Affected Families (PAF)	% of PAFs covered by R&R	Amounts paid to PAFs in the FY (in INR)
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Not Applicable

3. Describe the mechanisms to receive and redress grievances of the community.

We have established a dedicated channel to receive and address concerns from the wider community. Members of the community can easily reach out to us through a publicly available email address and phone number to share any grievances or feedback.

We are committed to responding to all such concerns in a timely and responsible manner. Notably, during the reporting period, we did not receive any complaints from the community, indicating the effectiveness of our engagement practices and our efforts to operate responsibly within the communities we serve.

4. Percentage of input material (inputs to total inputs by value) sourced from suppliers.

	FY 2025-2026	FY 2024-2025
Directly sourced from MSMEs/ small producers	Not Applicable	Not Applicable
Sourced directly from within the district and neighbouring districts	Not Applicable	Not Applicable

Since the company is a NBFC, they is no purchase of materials from suppliers, hence this is not applicable.

We have started to report this parameter from FY2025-26

5. Job creation in smaller towns - Disclose wages paid to persons employed (including employees or workers employed on a permanent or non-permanent / on contract basis) in the following locations, as % of total wage cost

	FY 2025-2026	FY 2024-2025
Urban	61%	59%
Metropolitan	39%	41%

Leadership Indicators

1. Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments. (Reference: Question 1 of Essential Indicators above)

Details of negative social impact identified	Corrective action taken
--	-------------------------

Not Applicable

2. Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies.

State	Aspirational District	Amount spent (in INR)
-------	-----------------------	-----------------------

Not Applicable

3. Preferential procurement policy.

Directors' Report / Annexure – XI / Business Responsibility and Sustainability Report

(continued)

- i. Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalized /vulnerable groups?

Being a NBFC, our service offerings include financial products and services to a wide range of consumers. Since such activities neither involve procurement of raw materials, nor production of tangible goods, the procurement activities associated with our operations remain low and of limited scope. However, we are committed to uphold and promote sustainability throughout our value chain, including the aspect of the materials we procure for our day-to-day functioning including administrative needs at offices and branches. Consequently, we have Sustainable Procurement Policy that reflects our commitment to incorporate sustainable practices and develop a holistic approach to address ESG risks across our value chain. For the limited procurement activities that we conduct, we ensure that they are conducted in a manner that aligns our ESG principles and objectives catering to sustainable value chains.

- ii. From which marginalized /vulnerable groups do you procure?

While our current activities do not involve the procurement of raw materials or the production of tangible goods, our procurement activities associated with operations are currently negligible. Nevertheless, we are dedicated to a future where we actively enhance representation from diverse groups within our value chain whenever applicable.

- iii. What percentage of total procurement (by value) does it constitute?

Disclosure Not Available

4. Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge.

Intellectual Property based on traditional knowledge	Owned/ Acquired	Benefit shared	Basis of calculating benefit share
			Not Applicable

5. Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved.

Name of authority	Brief of the Case	Corrective action taken
		Not Applicable

6. Details of beneficiaries of CSR Projects.

CSR Project	No. of persons benefitted from CSR Projects	% of beneficiaries from vulnerable and marginalized groups
Shiksha (Education):		
Supporting Little Angel's School for specially abled children through NGO partners Human Development Centre	14	100%
Shiksha (Education):		
Infrastructure Development School with our NGO Partner Yuva Unstoppable:		
1) Shri Swaminarayan Vidyalaya, Manipura,		
- School Bus-Shri Swaminarayan Vidyalaya, Manipura, Viramgam, Ahmedabad.		
- School Buses		
- Solar Light	738	100%
2) Suryanagar High School, Waghadi, Dist. Palghar, Maharashtra		
- 8 Smart Class rooms		
3) Government Upper Primary School Tankariya Sirohi, Rajasthan		
- Construction of 4 smart classrooms		
- Separate washroom facilities for boys and girls, including 2 WCs and 3 urinals		
- Mid-Day Meal (MDM) shed for safe meal consumption.		
Aarogya(Health):		
1) Mobile Ophthalmic Unit project- Kolhapur, Maharashtra		
2) Mental Health Counselling services for School Children, Mumbai		
3) Cardiac Ambulance vehicle donation to Smt. Nandamuri Basava Taraka Ramarao Memorial Cancer Foundation, Hyderabad	7544	100%
4) Treatment cost support for 10 economically weaker patients diagnosed with lymphoma or leukaemia through Tata Memorial Centre.		
Vikas & Paryavaran (Development & Environment):		
147 Solar Light in village Manipura, Viramgam, Gujarat	1700	100%
Sanskriti (Music, Art & Culture):		
Project Barkha Ritu Festival (For support mission to propagate and nature Indian classical music)	NA	NA
Gurukul (Skill):		
National Apprentice Promotion Scheme (NAPS)	547	41%

Directors' Report / Annexure – XI / Business Responsibility and Sustainability Report

(continued)

Principle 9: Businesses should engage with and provide value to their consumers in a responsible manner.

Essential Indicators

1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback.

SBFC has established a robust Vigil Mechanism that enables employees to report concerns in a safe and confidential manner through multiple channels, including an independent third-party platform. The Whistle Blower Policy provides adequate safeguards against retaliation, and awareness of these mechanisms is regularly communicated across the organization.

We place strong emphasis on customer trust and have implemented a structured grievance redressal mechanism to address concerns related to business practices, lending, credit management, and recovery. Customers can reach us through multiple channels, including toll-free numbers and dedicated email IDs, with a Grievance Redressal Officer accessible across all branches and a defined escalation matrix, including the RBI Ombudsman.

During the reporting period, we received approximately 405 customer complaints, all of which were resolved, maintaining a 100% resolution rate. We systematically track and analyse grievances to identify root causes and drive continuous improvements in service delivery and customer experience. Customer satisfaction is essential for continuous improvement and delivering exceptional experiences. We actively encourage and appreciate feedback to shape our offerings and ensure customer satisfaction remains our top priority.

For more information, please refer to the Customer Testimonial section of our website through this link: <https://www.sbfc.com/customer-testimonials>

For more information, please visit our Grievance Redressal Policy available on our website through this link:

<https://www.sbfc.com/cmsproject/mediaGallery/docs/Grievance%20Redressal%20Policy-1704795424.pdf?rm=1702233000>

Our whistleblower policy is also available on our website:

<https://www.sbfc.com/cmsproject/mediaGallery/docs/Whistle%20Blower%20Policy-1667053329.pdf?rm=1694197800>

2. Turnover of products and / services as a percentage of turnover from all products/service that carry information about

	Percentage to total turnover
Environmental and social parameters relevant to the product	Not Applicable
Safe and responsible usage	Not Applicable
Recycling and/or safe disposal	Not Applicable

3. Number of consumer complaints in respect of the following:

Particulars	FY 2025-2026			FY 2024-2025		
	Received during the year	Pending resolution at end of year	Remarks	Received during the year	Pending resolution at end of year	Remarks
Data privacy	-	-	-	-	-	-
Advertising	-	-	-	-	-	-
Cyber-security	-	-	-	-	-	-
Delivery of essential services	-	-	-	-	-	-
Restrictive Trade Practices	-	-	-	-	-	-
Unfair Trade Practices	-	-	-	-	-	-
Other	405	-	-	218	1	-

4. Details of instances of product recalls on account of safety issues.

	Number	Reasons for recall
Voluntary recalls	-	Not Applicable
Forced recalls	-	Not Applicable

5. Does the entity have a framework/ policy on cyber security and risks related to data privacy?

SBFC Finance Limited has a well-defined framework for cybersecurity and data privacy, supported by a comprehensive Privacy

Policy available on our website (<https://www.sbfc.com/privacy-policy>). We are committed to safeguarding personal information and ensuring that all data shared with us is handled with the highest level of confidentiality. Information is not disclosed to third parties except where explicitly permitted by the user or required by law.

Our approach is backed by strong systems, controls, and continuous monitoring to ensure data security and a seamless user experience. As a result of these measures, we reported zero data breaches and received no complaints related to data privacy during the reporting period, reflecting the effectiveness of our policies and infrastructure.

6. Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services.

Not Applicable

7. Provide the following information relating to data breaches

i. Number of instances of data breaches along-with impact	0
ii. Percentage of data breaches involving personally identifiable information of customers	0
iii. Impact, if any, of the data breaches	Not Applicable

Leadership Indicators

1. Channels / platforms where information on products and services of the entity can be accessed (provide web link, if available).

As a Non-Banking Financial Company (NBFC), SBFC focuses on providing financing opportunities to business owners deemed underserved by traditional banks. Our key offering includes a fund-based product that includes secured MSME loans and loans against gold. Detailed information about our product offerings is available on the company's official website (<https://www.sbfc.com>), SBFC mobile application, and Annual Report. Information about our offerings can also be enquired through the customer care number, email, and offline branches.

2. Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.

As a responsible corporate citizen, we strive to educate consumers about the safe and responsible use of our services. This is achieved through effective customer service management and addressing queries related to financial products and services and providing other customer support. Additionally, we have transformed substantial part of the loan process from application to disbursement into a digital format through our website, www.sbfc.com, utilizing our in-house LOS/App named LeviOSa (Light). We operate using an assisted digital "Phygital" model. In this model, our Loan Officers utilize the app to digitalize the application process either at the customer's office or residence.

3. Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services.

All contact(s) with the customer(s) by SBFC and / or its associates, designated third parties, is conducted through mail, e-mails, SMS, monthly statements, letters, phone or toll-free customer care numbers, and branch visits.

4. Entity display product information

i. Does the entity display product information on the product over and above what is mandated as per local laws?

Yes, all information related to the loan is available on our website. As per the relevant regulation we also communicate all relevant information during the loan sanction process to the customer. Moreover, a welcome kit containing all the relevant details related to loans is sent to the customer. Yes, we have taken customer testimonials to gather feedback related to our product and services and further make improvements and enhancements to it

ii. Did your entity carry out any survey with regard to consumer satisfaction relating to the major products / services of the entity, significant locations of operation of the entity or the entity as a whole?

Yes, we have taken customer testimonials to gather feedback related to our product and services and further make improvements and enhancements to it. For more information, please refer to the Customer Testimonial section of our website through this link: <https://www.sbfc.com/customer-testimonials>

Independent Auditor's Report

To the Members of SBFC Finance Limited

Report on the Audit of the Financial Statements

Opinion

- We have audited the accompanying Financial Statements of **SBFC Finance Limited** ('the Company'), which comprise the Balance Sheet as at **March 31, 2026**, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flow and the Statement of Changes in Equity for the year then ended, and notes to the Financial Statements, including a summary of the material accounting policies and other explanatory information (hereinafter referred to as the 'Financial Statements').
- In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Financial Statements give the information required by the Companies Act, 2013 ('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, the relevant circulars, guidelines and directions issued by the Reserve Bank of India (RBI) from time to time ('RBI Guidelines') 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), its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

- We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the 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.

Key Audit Matter

- Key Audit Matters are those matters that, in our professional judgement, were of most significance in our audit of the Financial Statements for the financial year ended March 31, 2026. These matters were addressed in the context of our audit of the Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.
- We have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matter

How our audit addressed the key audit matter

Impairment of loans and advances to customers

(Refer Note 2 for material accounting policies and Note 47.1 for credit risk disclosures)

As at March 31, 2026, the Company has reported gross loan assets of ₹99,890.97 million against which an impairment loss of ₹1,839.04 million has been recorded. The Company recognized impairment provision for loan assets based on the Expected Credit Loss ("ECL") approach laid down under 'Ind AS 109 – Financial Instruments'.

The estimation of ECL on financial instruments involves significant management judgement and estimates and the use of modelling techniques and assumptions which could have a material impact on reported profits. Significant management judgement and assumptions involved in measuring ECL is required with respect to:

- ensuring completeness and accuracy of the data used to create assumption in the model.
- factoring in future economic assumptions techniques used to determine probability of default, loss given default and exposure at default.

These parameters are derived from the Company's internally developed statistical models and other historical data.

On the basis of an estimate made by the management, an overlay to the tune of ₹53.16 Million has been carried by the Company as at March 31, 2026 on loans basis their performance and outstanding position. The basis of estimates and assumptions involved in arriving at the overlay are monitored by the Company periodically and significantly depend on future developments in the company's portfolio and the economy.

Disclosure

The disclosures regarding the Company's application of Ind AS 109 are key to explaining the key judgements and material inputs to the ECL results. Further, disclosures to be provided as per RBI circulars with regards to non-performing assets and provisions is also an area of focus.

Considering the significance of the above matter to the overall Financial Statements and extent of management's estimates and judgements involved, it required significant auditor attention. Accordingly, we have identified this as a key audit matter.

Our audit focused on assessing the appropriateness of management's judgement and estimates used in the impairment analysis through procedures that included, but were not limited to, the following:

- Obtained an understanding of the modelling techniques adopted by the Company including the key inputs and assumptions;
- Assessed reasonableness of the methodology and assumption used to determine management overlays;
- Tested the design and operating effectiveness of key controls over completeness and accuracy of the key inputs and assumptions considered for calculation, recording, monitoring of the impairment loss recognized and staging of assets;
- Assessed the critical assumptions and input data used in the estimation of expected credit loss models for specific key credit risk parameters, such as the movement logic between stages, Exposure at default (EAD), probability of default (PD) or loss given default (LGD);
- Evaluated the working for the methodology used in the computation of Through The Cycle PD, Point In Time PD and LGD, among others;
- Performed test of details over calculation of ECL, in relation to the completeness and accuracy of the data;
- Obtained written representations from management and those charged with governance on whether they believe significant assumptions used in calculation of expected credit losses are reasonable;
- Assessed the appropriateness and adequacy of the related presentation and disclosures of Note 47 "Financial Risk Management" disclosed in the accompanying Financial Statements in accordance with the applicable accounting standards and related RBI circulars and Resolution Framework.

Independent Auditor's Report

(continued)

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

6. The Company's Board of Directors are responsible for the preparation of Other Information. The Other Information comprises the information included in the Board's Report (including annexures thereto) and Management Discussion and Analysis ("MD&A") (collectively referred to as "Other Information") but does not include the Financial Statements and our Auditor's Report thereon. The Other Information is expected to be made available to us after the date of this Auditors' Report.

Our opinion on the Financial Statements does not cover the Other Information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Financial Statements, our responsibility is to read the Other Information 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 our audit or otherwise appears to be materially misstated.

When we read the Other Information, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Board of Director's Responsibilities 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 are responsible for the matters stated in section 134(5) of the Act with respect to the preparation and presentation 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 Ind AS specified under section 133 of the Act, RBI Guidelines and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making 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.

8. In preparing the Financial Statements, the Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intend to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's 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 Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

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

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- Obtain an understanding of internal financial 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 based on our audit;
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors;
- Conclude on the appropriateness of Board of Directors and management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern;
- Evaluate the overall presentation, structure and content of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation; and
- Obtain sufficient appropriate audit evidence regarding the Financial Statements of the Company to express an opinion on the Financial Statements.

12. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
13. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
14. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Financial Statements of the financial year ended March 31, 2026 and are therefore the Key Audit Matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

15. As required by Section 197(16) of the Act based on our audit, we report that the Company has paid remuneration to its directors during the year in accordance with the provisions of and limits laid down under section 197 read with Schedule V to the Act
16. As required by the Companies (Auditor's Report) Order, 2020 ('the Order') issued by the Central Government of India in terms of section 143(11) of the Act we give in the Annexure A, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
17. Further to our comments in Annexure A, as required by section 143(3) of the Act based on our audit, we report, to the extent applicable, that:
 - a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the accompanying Financial Statements;
 - b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books, except for the matters stated in paragraph 17(g)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended) ("the Rules");
 - c) the Financial Statements dealt with by this report are in agreement with the books of account;
 - d) in our opinion, the aforesaid Financial Statements comply with Ind AS specified under section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
 - e) on the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2026 from being appointed as a director in terms of section 164(2) of the Act;

- f) with respect to the adequacy of the internal financial controls with reference to Financial Statements of the Company as on March 31, 2026 and the operating effectiveness of such controls, refer to our separate Report in Annexure B wherein we have expressed an unmodified opinion; and
- g) With respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company, as detailed in Note 46 to the Financial Statements, has disclosed the impact of pending litigations on its financial position as at March 31, 2026;
 - ii. The Company, as detailed in Note 50.24 to the Financial Statements, has made provision as at March 31, 2026, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts;
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended March 31, 2026;
 - iv.
 - a. The management has represented that, to the best of its knowledge and belief, as disclosed in Note 49.13 to the Financial Statements, no funds have been advanced or loaned or invested (either from borrowed funds or securities premium or any other sources or kind of funds) by the Company to or in any person or entity, 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 of the Ultimate Beneficiaries;
 - b. The management has represented that, to the best of its knowledge and belief, as disclosed in Note 49.13, to the Financial Statements no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ('the Funding Parties'), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
 - c. Based on such audit procedures performed as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the management representations under sub-clauses (a) and (b) above contain any material misstatement.

Independent Auditor's Report

(continued)

- v. The company has not declared any dividend during the year ended March 31, 2026 Accordingly, the provision of section 123 of the Act is not applicable; and
- vi. Based on our examination, which included test checks, the Company has used various accounting software for maintaining its books of account which have a feature of recording audit trail (edit log) facility, which have operated throughout the year for all relevant transactions recorded in the software, except in respect of four applications where the audit trail feature at the database level were enabled for part of the year and the configuration is

limited in its ability to capture granular change-level information. Further, the audit trail maintained at the database level does not record user identification for two applications. Based on our procedures performed, we observed that in two applications, the feature to disable audit trail was available with the user, however, we did not notice any instance of the audit trail feature being tampered with. The Company has preserved the audit trail for the financial year in compliance with the statutory record retention requirements apart from the exceptions mentioned above.

For M M NISSIM & CO LLP

Chartered Accountants

Firm's Registration No: 107122W/W100672

Hiren P Muni

Partner

Membership No. 142067

UDIN: 26142067TVPCVB7298

Mumbai

April 25, 2026

Annexure A

Annexure A referred to in Paragraph 16 of the Independent Auditor's Report of even date to the members of SBFC Finance Limited on the Financial Statements for the year ended March 31, 2026

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit, and to the best of our knowledge and belief, we report that:

- i. a. (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment and relevant details of Right-of-use assets.
- (B) The Company has maintained proper records showing full particulars of intangible assets.
- b. According to the information and explanation given to us and as verified by us, the Property, Plant and Equipment have been physically verified by the management and no material discrepancies were noticed on such verification. In our opinion, the frequency of physical verification adopted by the Company is reasonable having regard to the size of the Company and the nature of its assets.
- c. The Company does not have any immovable property. In case of the properties where Company is the lessee the lease agreements are duly executed in favour of the Company.
- d. The Company has not revalued any of its Property, Plant and Equipment and Right-of-use assets or intangible assets during the year.
- e. According to the information and explanations given to us and as verified by us, 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. Accordingly, reporting under clause 3(i)(e) of the Order is not applicable to the Company.
- ii. a. The Company is engaged in providing financial services primarily into non-banking financial services (NBFC). Accordingly, it does not hold any inventory and hence reporting under clause 3(ii)(a) of the Order is not applicable to the Company.
- b. The Company has a working capital limit in excess of Rs 5 crore sanctioned by banks and financial institutions based on the security of current assets. The quarterly returns/statements, in respect of the working capital limits have been filed by the Company with such banks and financial institutions and as per the information and explanations given to us and as verified by us, such returns/statements are materially in agreement with the books of account of the Company for the respective periods, which were not subject to audit.

- iii. a. The Company is a Non-Banking Finance Company and its principal business is to give loans. Accordingly, reporting under clause 3(iii)(a) of the Order is not applicable to the Company.
- b. The investments made and terms and conditions of the grant of all loans and advances in the nature of loans are not, prima facie, prejudicial to the Company's interest. Company has not provided any guarantee and also not given security to any party.
- c. The Company is a Non-Banking Financial Company ('NBFC'), registered under provisions of the Reserve Bank of India Act, 1934 and rules made thereunder and is regulated by various regulations, circulars and norms issued by the Reserve Bank of India including Master Direction on Income Recognition, Asset Classification and Provisioning pertaining to Advances. In respect of loans and advances in the nature of loans granted by the Company, we report that the schedule of repayment of principal and payment of interest has been stipulated and the repayments/receipts of principal and interest are regular except for certain instances as below.

Outstanding as on March 31, 2026 for Overdue loans

Particulars – Days past due	Total amount outstanding (in millions)	No. of cases
1-30 days	1,803.32	2,870
31-90 days	2,472.00	3,549
More than 90 days	2,602.97	5,669
Total	6,878.29	12,088

- d. According to the information and explanations given to us, the total amount which is overdue for more than 90 days in respect of loans and advances in the nature of loans given in course of the business operations of the Company aggregates to ₹2,602.97 millions as at March 31, 2026 in respect of 5,669 number of loans. Further, reasonable steps as per the policies and procedures of the Company have been taken for recovery of such principal and interest amounts overdue.
- e. The Company is 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 which are repayable on demand or without specifying any terms or period of repayment during the year. Accordingly, reporting under clause 3(iii)(f) of the Order is not applicable to the Company.

Independent Auditor's Report / Annexure A

(continued)

- iv. In our opinion, and according to the information and explanations given to us, the Company has not granted any loans, made investments or provided guarantees or securities to the parties that are covered under the provisions of sections 185 or 186 of the Companies Act, 2013, and hence reporting under clause 3(iv) of the Order is not applicable.
- v. The provisions of the sections 73 to 76 and any other relevant provisions of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended), are not applicable to the Company being a non-banking financial company registered with the Reserve Bank of India ('the RBI'), and also the Company has not accepted any deposits from public or there is no amount which has been considered as deemed deposit within the meaning of sections 73 to 76 of the Act. Accordingly, reporting under clause 3(v) of the Order is not applicable to the Company.
- vi. The Central Government has not specified maintenance of cost records under sub-section (1) of section 148 of the Act, in respect of Company's products/business activity. Accordingly, reporting under clause 3(vi) of the Order is not applicable.
- vii. a. In our opinion, and according to the information and explanations given to us, undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, cess and other material statutory dues, as applicable, have been regularly deposited with the appropriate authorities by the Company. 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. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they became payable.
- b. There are no dues referred in sub clause (a) which have not been deposited with the appropriate authorities on account of any dispute as on March 31, 2026.
- viii. According to the information and explanations given to us and as verified by us, no transactions were surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961), which have not been recorded in the books of accounts.
- ix. a. According to the information and explanations given to us, the Company has not defaulted in repayment of its loans or other borrowings or in the payment of interest thereon to any lender during the year.
- b. According to the information and explanations given to us including representation received from the management of the Company, and on the basis of our audit procedures, we report that the Company has not been declared a willful defaulter by any bank or financial institution or other lender or government or any government authority.
- c. In our opinion and according to the information and explanations given to us, money raised by way of term loans were applied for the purposes for which these were obtained, though idle/surplus funds which were not required for immediate utilisation have been invested in readily realisable liquid investments.
- d. In our opinion and according to the information and explanations given to us, and on an overall examination of the Financial Statements of the Company, funds raised by the Company on short term basis have not been utilized for long term purposes.
- e. The Company did not have any subsidiary or associate or joint venture during the year and hence, reporting under clause 3(ix)(e) of the Order is not applicable.
- f. The Company did not have any subsidiary or associate or joint venture during the year and hence, reporting under clause 3(ix)(f) of the Order is not applicable.
- x. During the year the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause (x)(b) of the Order is not applicable to the Company.
- xi. a. According to the information and explanations given to us and as verified by us, no fraud by the Company or no material fraud on the company has been noticed or reported during the period covered by our audit except as reported in Note 51.1.5 of the financials of the company.
- b. 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. We have taken into consideration the whistle blower complaints received by the Company during the year and provided to us, determining the nature, timing and extent of audit procedures.
- xii. The Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it. Accordingly, reporting under clause 3(xii) of the Order is not applicable to the Company.
- xiii. In our opinion and according to the information and explanations given to us, all transactions entered into by the Company with the related parties are in compliance with sections 177 and 188 of the Act, where applicable. Further, the details of such related party transactions have been disclosed in the Financial Statements, as required under Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified in Companies (Indian Accounting Standards) Rules 2015 as prescribed under section 133 of the Act.
- xiv. a. In our opinion and according to the information and explanations given to us, the Company has an internal audit system as required under section 138 of the Act which is commensurate with the size and the nature of its business.
- b. We have considered the internal audit reports issued by the Company during the year and covering the period upto December 2025 for the period under audit.
- xv. According to the information and explanation given to us, the Company has not entered into any non-cash transactions with its directors or persons connected with them and accordingly, provisions of section 192 of the Act are not applicable to the Company.
- xvi. a. The Company is required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and such registration has been obtained by the Company.
- b. During the year, the Company has not conducted any Non Banking Financial activities without a valid Certificate of Registration (CoR) from the RBI as per the Reserve Bank of India Act, 1934. Further, Company has not conducted any Housing Finance activities and is not required to obtain CoR for such activities from the RBI.
- c. According to the information and explanations given to us, the Company is not a Core Investment Company (CIC) as defined in the regulations made by the RBI. Accordingly, reporting under clause 3(xvi)(c) of the Order is not applicable to the Company.
- d. Based on the information and explanations given to us and as represented by the management of the Company, the Group (as defined in Core Investment Companies (Reserve Bank) Directions, 2016) has no CICs which are registered with the Reserve Bank of India.
- xvii. The Company has not incurred any cash loss in the current as well as the immediately preceding financial year.
- xviii. There has been no resignation of the statutory auditors during the year. Accordingly, reporting under clause 3(xviii) of the Order is not applicable to the Company.
- xix. According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, Other Information accompanying the Financial Statements, our knowledge of the plans of the Board of Directors and management, we are of the opinion that no material uncertainty exists as on the date of the audit report that Company is 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. Company has fully spent the required amount towards Corporate Social Responsibility (CSR) and there is no unspent CSR amount for the year requiring a transfer to a Fund specified in Schedule VII to the Companies Act or special account in compliance with the provision of sub-section (6) of section 135 of the said Act. Accordingly, reporting under clause 3(xx) of the Order is not applicable for the year.
- b. In respect of the ongoing projects, there are no unspent amounts that are required to be transferred to a fund specified in Schedule VII of the Act, in compliance with second proviso to sub section (5) of section 135 of the Act. However, subsidy received from the government, out of the CSR activities required to be ploughed back into the same project or to be transferred to the unspent CSR account and to be spent in pursuance of CSR policy or such surplus amount to a Fund specified in Schedule VII, within a period of six months of the expiry of the financial year. The time of such a transfer, i.e. six months of the expiry of the financial year as permitted under the second proviso to subsection (5) of section 135 of the Act has not elapsed until the date of the report.
- xxi. The reporting under clause 3(xxi) is not applicable in respect of audit of Standalone Financial Statements of the Company. Accordingly, no comment has been included in respect of said clause under this report.

For M M NISSIM & CO LLP

Chartered Accountants

Firm's Registration No: 107122W/W100672

Hiren P Muni

Partner

Membership No. 142067

UDIN: 26142067TVPCVB7298

Mumbai

April 25, 2026

Independent Auditor's Report

(continued)

Annexure B

Annexure B to the Independent Auditor's Report of even date to the members of SBFC Finance Limited on the Financial Statements for the year ended March 31, 2026

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

(Referred to in paragraph 17(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

1. In conjunction with our audit of the Financial Statements of SBFC Finance Limited ('the Company') as at and for the year ended March 31, 2026, we have audited the internal financial controls with reference to Financial Statements of the Company as at that date.

Board of Director's Responsibilities for Internal Financial Controls

2. The Company's Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to Financial Statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting ('the Guidance Note') 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 the Company's business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility for the Audit of the Internal Financial Controls with Reference to Financial Statements

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to Financial Statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the ICAI prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to Financial Statements, and the Guidance Note issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to Financial Statements were established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to Financial Statements and their operating effectiveness. Our audit of internal financial controls with reference to Financial Statements includes obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the Financial Statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to Financial Statements.

Meaning of Internal Financial Controls with Reference to Financial Statements

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

For M M NISSIM & CO LLP

Chartered Accountants

Firm's Registration No: 107122W/W100672

Hiren P Muni

Partner

Membership No. 142067

UDIN: 26142067TVPCVB7298

Mumbai

April 25, 2026

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

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

Opinion

8. In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to Financial Statements and such controls were operating effectively as at March 31, 2026, based on the internal financial controls with reference to Financial Statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

Balance Sheet

as at March 31, 2026

Particulars	Note No.	₹ In Million	
		As at March 31, 2026	As at March 31, 2025
ASSETS			
I. Financial assets			
(a) Cash and cash equivalents	3	4,810.42	2,653.98
(b) Bank balances other than cash and cash equivalents	4	1,639.90	1,639.57
(c) Derivative financial instruments	12	798.21	-
(d) Receivables			
(i) Trade receivables	5	202.87	148.06
(e) Loans	6	98,051.93	75,040.94
(f) Investments	7	1,924.44	3,268.29
(g) Other financial assets	8	43.33	40.47
Total Financial Assets		107,471.10	82,791.31
II. Non-Financial assets			
(a) Current tax assets (net)	9	0.09	31.44
(b) Deferred tax assets (net)	19	160.99	-
(c) Property, plant and equipment	10	490.89	436.62
(d) Intangible assets under development	10	18.73	5.78
(e) Goodwill	10	2,603.92	2,603.92
(f) Other intangible assets	10	46.09	38.32
(g) Other non-financial assets	11	62.21	50.73
Total Non-Financial Assets		3,382.92	3,166.81
TOTAL ASSETS		110,854.02	85,958.12
LIABILITIES AND EQUITY			
LIABILITIES			
I. Financial Liabilities			
(a) Derivative financial instruments	12	-	98.45
(b) Payables	13		
(A) Trade payables			
(i) total outstanding dues of micro enterprises and small enterprises		4.04	4.40
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		110.13	90.15
(B) Other payables			
(i) total outstanding dues of micro enterprises and small enterprises		-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		12.27	5.41
(c) Debt securities	14	8,193.72	11,293.74
(d) Borrowings (other than debt securities)	15	63,423.41	41,349.44
(e) Other financial liabilities	16	1,774.54	1,122.86
Total Financial Liabilities		73,518.11	53,964.45
II. Non-Financial Liabilities			
(a) Current tax liabilities (net)	17	16.39	-
(b) Provisions	18	17.08	2.92
(c) Deferred tax liabilities (net)	19	-	8.94
(d) Other non-financial liabilities	20	50.92	80.50
Total Non-Financial Liabilities		84.39	92.36
TOTAL LIABILITIES		73,602.50	54,056.81
EQUITY			
(a) Equity share capital	21	11,057.04	10,851.84
(b) Other equity	22	26,194.48	21,049.47
TOTAL EQUITY		37,251.52	31,901.31
TOTAL LIABILITIES AND EQUITY		110,854.02	85,958.12

Corporate Information and Material Accounting Policies 1-2
The accompanying notes form an integral part of the financial statements.
As per our report of even date attached

For **M M NISSIM & CO LLP**
Chartered Accountants
Firm's Registration No. 107122W / W100672

Hiren P Muni
Partner
Membership No: 142067

For and on behalf of the Board of Directors of
SBFC Finance Limited
CIN: L67190MH2008PLC178270

Mr. Neeraj Swaroop
Chairperson & Independent Director
DIN: 00061170

Mr. Narayan Barasia
Chief Financial Officer

Place: Mumbai
Date: April 25, 2026

Mr. Mahesh Dayani
Managing Director & CEO
DIN: 06561389

Ms. Namrata Sajnani
Company Secretary &
Chief Compliance Officer
F10030

Statement of Profit and Loss

for the year ended March 31, 2026

Particulars	Note No.	₹ In Million	
		For the year ended March 31, 2026	For the year ended March 31, 2025
Revenue from operations			
Interest income	23	15,542.52	11,963.46
Fees and commission income	24	1,058.54	699.14
Net gain on fair value changes	25	130.84	176.95
Other operating income	26	56.31	211.61
(I) Total Revenue from operations		16,788.21	13,051.16
(II) Other income	27	6.81	9.93
(III) Total Income (I+II)		16,795.02	13,061.09
Expenses			
Finance costs	28	5,373.74	4,192.44
Impairment on financial instruments	29	1,254.91	737.20
Employee benefits expense	30	2,861.04	2,532.32
Depreciation and amortisation expense	10	201.09	168.08
Other expenses	31	1,068.31	845.89
(IV) Total expenses		10,759.09	8,475.93
(V) Profit before tax (III - IV)		6,035.93	4,585.16
Tax expense			
- Current tax	32	1,688.07	1,226.71
- Short/ (excess) provision for tax for earlier years		7.24	(12.30)
- Deferred tax charge/ (credit)	33	(167.71)	(80.93)
(VI) Total tax expense		1,527.60	1,133.48
(VII) Profit after tax (V-VI)		4,508.33	3,451.68
(VIII) Other comprehensive income	34		
(A) Items that will not be reclassified to profit or loss			
- Remeasurement of the defined benefit plans		(11.51)	6.87
- Income tax relating to the remeasurement of defined benefit plans		2.90	(1.73)
(B) Items that will be reclassified to profit or loss			
- The effective portion of gains and loss on hedging instruments in a cash flow hedge		(72.04)	(78.92)
- Income tax relating to items that will be reclassified to profit or loss		18.13	19.86
Other Comprehensive Income		(62.52)	(53.92)
(IX) Total comprehensive income for the year (VII + VIII)		4,445.81	3,397.76
(X) Earnings per equity share (Face value ₹10/- per share)			
Basic (₹)	44	4.13	3.20
Diluted (₹)		4.10	3.15

Corporate Information and Material Accounting Policies 1-2
The accompanying notes form an integral part of the financial statements.
As per our report of even date attached

For **M M NISSIM & CO LLP**
Chartered Accountants
Firm's Registration No. 107122W / W100672

Hiren P Muni
Partner
Membership No: 142067

For and on behalf of the Board of Directors of
SBFC Finance Limited
CIN: L67190MH2008PLC178270

Mr. Neeraj Swaroop
Chairperson & Independent Director
DIN: 00061170

Mr. Narayan Barasia
Chief Financial Officer

Place: Mumbai
Date: April 25, 2026

Mr. Mahesh Dayani
Managing Director & CEO
DIN: 06561389

Ms. Namrata Sajnani
Company Secretary &
Chief Compliance Officer
F10030

Statement of Cash Flows

for the year ended March 31, 2026

Particulars	(₹ In Million)	
	For the year ended March 31, 2026	For the year ended March 31, 2025
Cash flow from Operating activities		
Profit before tax	6,035.93	4,585.16
Adjustments for:		
Depreciation and amortisation expenses	201.09	168.08
Interest income on loans	(15,323.35)	(11,674.03)
Interest received on investments	(61.67)	(128.57)
Interest income on fixed deposits	(157.50)	(160.86)
Fees and commission income	(1,058.54)	(699.14)
Cash inflow from fees and commission income including other operating income	1,003.73	857.58
Finance costs on borrowings and debt securities	5,352.00	4,178.55
Finance costs on lease liability	20.70	13.05
Net gain on financial instruments at fair value through profit or loss	(130.84)	(176.95)
Impairment on financial instruments	1,292.82	737.20
Employee share based payment	125.95	238.60
Net gain on termination of lease liability	(73.62)	(74.91)
Profit on voluntary liquidation of subsidiary	-	(3.76)
Loss on sale/ discard of Property, plant and equipment/ Intangible assets	3.45	7.89
Operational Cash Flows:		
Interest received on loans	15,254.28	11,215.89
Interest received on investments	78.97	208.24
Interest received on fixed deposits	157.78	168.61
Interest paid on borrowings and debt securities	(5,452.85)	(3,889.48)
Operating Profit before working capital changes	7,268.33	5,571.15
Changes in working capital:		
Increase/ (Decrease) in Derivative Financial Instrument	(980.21)	(18.73)
Increase/ (Decrease) in payables	26.48	(120.51)
Increase/ (Decrease) in Other financial liabilities	651.68	(1,332.37)
Increase/ (Decrease) in Other non-financial liabilities	(29.58)	26.73
Increase/ (Decrease) in provision	14.16	0.66
(Increase)/ Decrease in trade receivables	-	(160.70)
(Increase)/ Decrease in loans and advances	(24,234.74)	(16,955.12)
(Increase)/ Decrease in other financial assets	(2.86)	32.99
(Increase)/ Decrease in other non-financial assets	25.10	42.47
Cash flows used in Operating activities	(17,261.64)	(12,913.43)
Income taxes refund/ (paid) [Refer Note (c) below]	(1,665.34)	(1,239.15)
Net cash used in Operating activities	(18,926.98)	(14,152.58)
Cash flow from Investing activities		
Purchase of property, plant and equipment	(110.89)	(90.10)
Purchase of intangible assets (including intangible assets under development)	(35.21)	(27.13)
Proceeds from sale of property, plant and equipment	(0.75)	0.26
Investment in Subsidiary	-	214.26
Investment in Security receipts	(574.21)	(257.47)
Purchase of Mutual Funds	(53,262.45)	(33,066.89)
Sale of Mutual Funds	55,294.05	32,669.77
Redemption of investment in PTC	-	571.85
Purchase of investment in T-Bill	(1,600.00)	(1,050.00)
Redemption/ Sale of investment in T-Bill	1,600.00	2,022.82
Amount Released/ (Retained) in IPO proceeds account	-	125.84
Placement of fixed deposits	(1,609.03)	(2,816.38)
Maturity/ Redemption of fixed deposits	1,608.42	3,459.37
Net cash generated from Investing activities	1,309.93	1,756.20

Particulars	(₹ In Million)	
	For the year ended March 31, 2026	For the year ended March 31, 2025
Cash flow from Financing activities		
Proceeds from issuance of equity share capital including securities premium	818.20	441.77
Proceeds from Share Application Money	(39.75)	39.75
Transaction cost on issue of shares	-	0.88
Proceeds from borrowings other than debt securities	42,449.44	20,362.80
Repayment of borrowings other than debt securities	(20,374.64)	(15,038.89)
Proceeds from Debt Securities	2,000.00	8,000.00
Repayment of debt securities	(5,000.00)	(930.00)
Payments for the principal portion of the lease liability	(59.06)	(54.76)
Payments for the interest portion of the lease liability	(20.70)	(13.05)
Net cash generated from Financing activities	19,773.49	12,808.50
Net increase in cash and cash equivalents	2,156.44	412.12
Cash and cash equivalents as at the beginning of the year (Refer Note 3)	2,653.98	2,241.86
Cash and cash equivalents as at the end of the year (Refer Note 3)	4,810.42	2,653.98
Cash and cash equivalents at the end of the year comprises of:		
Cash on hand	46.33	66.81
Balance with banks		
- In current accounts	2,921.47	731.33
- In fixed deposit with original maturity of 3 months or less	1,833.84	1,855.00
- Interest accrued but not due	8.78	0.84
Total cash and cash equivalents	4,810.42	2,653.98

Notes:

- The above Cash Flows Statement has been prepared under the Indirect method set out in Indian Accounting Standard (Ind AS) 7 'Statement of Cash Flows'.
- Figures in brackets indicate cash outflow.
- Income taxes refund/ (paid) is treated as arising from operating activities and is not bifurcated between investing and financing activities.

Corporate Information and Material Accounting Policies 1-2

The accompanying notes form an integral part of the financial statements.

As per our report of even date attached

For **M M NISSIM & CO LLP**
Chartered Accountants
Firm's Registration No. 107122W / W100672

Hiren P Muni
Partner
Membership No: 142067

Place: Mumbai
Date : April 25, 2026

For and on behalf of the Board of Directors of
SBFC Finance Limited
CIN: L67190MH2008PLC178270

Mr. Neeraj Swaroop
Chairperson & Independent Director
DIN: 00061170

Mr. Mahesh Dayani
Managing Director & CEO
DIN: 06561389

Mr. Narayan Barasia
Chief Financial Officer

Ms. Namrata Sajani
Company Secretary &
Chief Compliance Officer
F10030

Place: Mumbai
Date : April 25, 2026

Statement of changes in equity

for the year ended March 31, 2026

A. Equity Share Capital

(₹ In Million)

Particulars	Amount
Balance as at March 31, 2024	10,718.89
Changes in equity share capital due to prior period errors	-
Restated Balance at the beginning of the previous reporting period	10,718.89
Changes in equity share capital during the current year	132.95
Balance as at March 31, 2025	10,851.84
Changes in equity share capital due to prior period errors	-
Restated Balance at the beginning of the previous reporting period	10,851.84
Changes in equity share capital during the current year	205.20
Balance as at March 31, 2026	11,057.04

B. Other Equity

(₹ In Million)

Particulars	Share application money pending allotment	Reserves and Surplus			Other comprehensive income on		Total	
		Statutory Reserve	Securities Premium	Employee Share Option Outstanding	Retained Earnings	Remeasurement of the defined benefit plans		Effective portion of Cash Flow Hedge
Balance as at April 01, 2024	-	1,193.11	10,788.61	289.89	4,805.81	7.27	(21.03)	17,063.66
Changes in accounting policy/prior period errors	-	-	-	-	-	-	-	-
Restated Balance as at April 01, 2024	-	1,193.11	10,788.61	289.89	4,805.81	7.27	(21.03)	17,063.66
Profit for the year	-	-	-	-	3,451.68	-	-	3,451.68
Other comprehensive income for the year (net of taxes)	-	-	-	-	-	5.14	(59.06)	(53.92)
Total Comprehensive Income for the year	-	-	-	-	3,451.68	5.14	(59.06)	3,397.76
Issue of share capital	-	-	299.71	-	-	-	-	299.71
Adjustment on account of treasury shares held through ESOP trust	-	-	9.11	-	-	-	-	9.11
Exercise of stock options outstanding	-	-	66.89	(66.89)	-	-	-	-
Employee share based payment expenses	-	-	-	238.60	-	-	-	238.60
Transfer to statutory reserves from retained earnings	-	690.34	-	-	(690.34)	-	-	-
Money received against pending allotment	39.75	-	-	-	-	-	-	39.75
Share issue expenses (net of taxes)	-	-	0.88	-	-	-	-	0.88
Balance as at March 31, 2025	39.75	1,883.45	11,165.20	461.60	7,567.15	12.41	(80.09)	21,049.47
Balance as at April 01, 2025	39.75	1,883.45	11,165.20	461.60	7,567.15	12.41	(80.09)	21,049.47
Changes in accounting policy/prior period errors	-	-	-	-	-	-	-	-
Restated Balance as at April 01, 2025	39.75	1,883.45	11,165.20	461.60	7,567.15	12.41	(80.09)	21,049.47
Profit for the year	-	-	-	-	4,508.33	-	-	4,508.33
Other comprehensive income for the year (net of taxes)	-	-	-	-	-	(8.61)	(53.91)	(62.52)
Total Comprehensive Income for the year	-	-	-	-	4,508.33	(8.61)	(53.91)	4,445.81
Issue of share capital	(39.75)	-	612.05	-	-	-	-	572.30
Adjustment on account of treasury shares held through ESOP trust	-	-	0.95	-	-	-	-	0.95
Exercise of stock options outstanding	-	-	205.29	(205.29)	-	-	-	-
Employee share based payment expenses	-	-	-	125.95	-	-	-	125.95
Transfer to statutory reserves from retained earnings	-	901.67	-	-	(901.67)	-	-	-
Money received against pending allotment	-	-	-	-	-	-	-	-
Share issue expenses (net of taxes)	-	-	-	-	-	-	-	-
Balance as at March 31, 2026	-	2,785.12	11,983.49	382.26	11,173.81	3.80	(134.00)	26,194.48

Corporate Information and Material Accounting Policies 1-2
The accompanying notes form an integral part of the financial statements.
As per our report of even date attached

For **M M NISSIM & CO LLP**
Chartered Accountants
Firm's Registration No. 107122W / W100672

Hiren P Muni
Partner
Membership No: 142067

Place: Mumbai
Date : April 25, 2026

For and on behalf of the Board of Directors of
SBFC Finance Limited
CIN: L67190MH2008PLC178270

Mr. Neeraj Swaroop
Chairperson & Independent Director
DIN: 00061170

Mr. Narayan Barasia
Chief Financial Officer

Place: Mumbai
Date : April 25, 2026

Mr. Mahesh Dayani
Managing Director & CEO
DIN: 06561389

Ms. Namrata Sajnani
Company Secretary &
Chief Compliance Officer
F10030

Notes forming part of Financial Statements

for the year ended March 31, 2026

1. Corporate Information

SBFC Finance Limited ('the Company') is a limited company incorporated in India under the Companies Act, 1956, having its registered office at First Floor, C&B Square, Sangam Complex, Andheri Kurla Road, Chakala, Andheri (East), Mumbai-400059, Maharashtra. The Company is registered with the Reserve Bank of India (RBI) as a Non deposit taking Non-Banking Financial Company ("NBFC") as defined under section 45-IA of the Reserve Bank of India (RBI) Act, 1934. The Company is classified under "Middle Layer" pursuant to Master Direction- Reserve Bank of India (Non-Banking Financial Company-Scale Based Regulation) Directions, 2023.

The registration details are as follows:

Reserve Bank of India Registration no : N-13.01913

Corporate Identity Number (CIN) : L67190MH2008PLC178270

The Company is in the business of giving loans to Micro Enterprise secured by residential or commercial property. The Company also gives Loan against Gold, which offers the Company superior yields with almost liquid security assets. The Company also gives unsecured personal loans and unsecured business loans.

The financial statement for the year ended March 31, 2026 were authorised for issue in accordance with a resolution of the board of directors on April 25, 2026.

2. Material accounting policies

2.1 Basis of preparation

The financial statement of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and other accounting principles generally accepted in India mainly considering the Master Directions issued by the Reserve Bank of India ('RBI') as applicable to Non deposit taking Non-Banking Finance Companies. The financial statement have been prepared under the historical cost convention, as modified by the application of fair value measurements required or allowed by relevant Accounting Standards. Accounting policies have been consistently applied to all periods presented, unless otherwise stated.

The preparation of financial statement requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses and the disclosed amount of contingent liabilities. Areas involving a higher degree of judgement or complexity, or areas where assumptions are significant to the Company are discussed in Note 2.15- Significant accounting judgements, estimates and assumptions.

The financial statement are presented in Indian Rupees (₹) in Million and all values are rounded to the nearest Rupee in Ten Thousands, except when otherwise indicated.

2.2. Presentation of financial statement

The financial statement of the Company are presented as per Schedule III (Division III) of the Companies Act, 2013, applicable to NBFCs as notified by the Ministry of Corporate Affairs (MCA). Financial assets and financial liabilities are generally reported on a gross basis except when, there is an unconditional legally enforceable right to offset the recognised amounts without being contingent on a future event and the parties intend to settle on a net basis in the following circumstances:

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

2.3. Statement of compliance

The financial statement have been prepared in accordance with the Indian Accounting Standards (Ind AS) on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period as explained in the accounting policies below and the relevant provisions of the Act.

Accounting policies have been consistently applied except where a newly-issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

The Company has adopted the amendments to Ind AS 1 for the first time in the current year as per Companies (Indian Accounting Standards) Amendment Rules, 2023 and applicable from April 1, 2023. The amendments change the requirements in Ind AS 1 with regard to disclosure of accounting policies. The amendments replace all instances of the term 'significant accounting policies' with 'material accounting policy information'. Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general-purpose financial statements make on the basis of those financial statements.

2.4. Financial instruments

(i) Classification of financial instruments

The Company classifies its financial assets into the following measurement categories:

- Financial assets to be measured at amortised cost
- Financial assets to be measured at fair value through other comprehensive income
- Financial assets to be measured at fair value through profit or loss account

The classification depends on the contractual terms of the financial assets' cash flows and the Company's business

Notes forming part of Financial Statements

(continued)

model for managing financial assets which are explained below:

Business model assessment

The Company determines its business model at the level that best reflects how it manages groups of financial assets to achieve its business objective.

The Company's business model is not assessed on an instrument-by-instrument basis, but at a higher level of aggregated portfolios and is based on observable factors such as:

- How the performance of the business model and the financial assets held within that business model are evaluated and reported to the entity's key management personnel
- The risks that affect the performance of the business model (and the financial assets held within that business model) and the way those risks are managed
- How managers of the business are compensated (for example, whether the compensation is based on the fair value of the assets managed or on the contractual cash flows collected)
- The expected frequency, value and timing of sales are also important aspects of the Company's assessment. The business model assessment is based on reasonably expected scenarios without taking 'worst case' or 'stress case' scenarios into account. If cash flows after initial recognition are realised in a way that is different from the Company's original expectations, the Company does not change the classification of the remaining financial assets held in that business model but incorporates such information when assessing newly originated or newly purchased financial assets going forward.

The Solely Payments of Principal and Interest (SPPI) test

As a second step of its classification process, the Company assesses the contractual terms of financial assets to identify whether they meet the SPPI test.

'Principal' for the purpose of this test is defined as the fair value of the financial asset at initial recognition and may change over the life of the financial asset (for example, if there are repayments of principal or amortisation of the premium/ discount). In making this assessment, the Company considers whether the contractual cash flows are consistent with a basic lending arrangement i.e. interest includes only consideration for the time value of money, credit risk, other basic lending risks and a profit margin that is consistent with a basic lending arrangement. Where the contractual terms introduce exposure to risk or volatility that are inconsistent with a basic lending arrangement, the related financial asset is classified and measured at fair value through profit or loss.

The Company classifies its financial liabilities at amortised costs.

(ii) Financial assets measured at amortised cost

These financial assets comprise bank balances, receivables, investments and other financial assets. These are measured at amortised cost where they have:

- contractual terms that give rise to cash flows on specified dates, that represent solely payments of principal and interest on the principal amount outstanding; and

- are held within a business model whose objective is achieved by holding to collect contractual cash flows.

These instruments are initially recognised at fair value plus directly attributable transaction costs and subsequently measured at amortised cost.

(iii) Items at fair value through profit or loss (FVTPL)

Items at fair value through profit or loss comprise:

- Investments (including equity shares) held for trading;
- Items specifically designated as FVTPL on initial recognition; and
- debt instruments with contractual terms that do not represent solely payments of principal and interest.

Financial instruments held at FVTPL are initially recognised at fair value, with transaction costs recognised in the statement of profit and loss as incurred. Subsequently, they are measured at fair value and any gains or losses are recognised in the statement of profit and loss as they arise.

(iv) Debt securities and other borrowed funds

After initial measurement, debt issued, and other borrowed funds are subsequently measured at amortised cost. Amortised cost is calculated by taking into account any discount or premium on issue funds, and costs that are an integral part of the EIR.

(v) Reclassification

If the business model under which the Company holds financial assets changes, the financial assets affected are reclassified. The classification and measurement requirements related to the new category apply prospectively from the first day of the first reporting period following the change in business model that result in reclassifying the Company's financial assets. Changes in contractual cash flows are considered under the accounting policy on Modification and derecognition of financial assets described below.

(vi) Recognition and Derecognition of financial assets and liabilities

Recognition:

- Loans and Advances are initially recognised when the Financial Instruments are transferred to the customers.
- Investments are initially recognised on the trade date.
- Debt securities, deposits and borrowings are initially recognised when funds reach the Company.
- Other Financial assets and liabilities are initially recognised on the trade date, i.e., the date that the Company becomes a party to the contractual provisions of the instrument.

Derecognition of financial assets

a) Financial assets:

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when the rights to receive cash flows from the financial asset have expired. The Company also derecognises the financial asset if it has both transferred the financial asset and the transfer qualifies for derecognition.

The Company has transferred the financial asset if, the Company has transferred its contractual rights to receive cash flows from the financial asset.

A transfer only qualifies for derecognition if either:

- The Company has transferred substantially all the risks and rewards of the asset, or
- The Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset

The Company considers control to be transferred if and only if, the transferee has the practical ability to sell the asset in its entirety to an unrelated third party and is able to exercise that ability unilaterally and without imposing additional restrictions on the transfer.

When the Company has neither transferred nor retained substantially all the risks and rewards and has retained control of the asset, the asset continues to be recognised only to the extent of the Company's continuing involvement, in which case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

b) Financial liabilities

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

(vii) Impairment of financial assets

Overview of the ECL principles

The Company records allowance for expected credit losses for all loans, other debt financial assets not held at FVTPL, together with financial guarantee contracts, in this section all referred to as 'financial instruments. Equity instruments are not subject to impairment under Ind AS 109.

The ECL allowance is based on the credit losses expected to arise over the life of the asset (the lifetime expected credit loss), unless there has been no significant increase in credit risk since origination, in which case, the allowance is based on the 12 months' expected credit loss.

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 the portion of Lifetime ECL that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date.

Both Lifetime ECLs and 12-month ECLs are calculated on either an individual basis or a collective basis.

The Company has established a policy to perform an assessment, at the end of each reporting period, of whether

a financial instrument's credit risk has increased significantly since initial recognition, by considering the change in the risk of default occurring over the remaining life of the financial instrument. The Company does the assessment of significant increase in credit risk at a borrower level. If a borrower has various facilities having different past due status, then the highest days past due (DPD) is considered to be applicable for all the facilities of that borrower.

Based on the above, the Company categorises its loans into Stage 1, Stage 2 and Stage 3 as described below:

Stage 1

All exposures where there has not been a significant increase in credit risk since initial recognition or that has low credit risk at the reporting date and that are not credit impaired upon origination are classified under this stage. The Company classifies all standard advances and advances up to 0-30 days default under this category. Stage 1 loans also include facilities where the credit risk has improved, and the loan has been reclassified from Stage 2.

Stage 2

All exposures where there has been a significant increase in credit risk since initial recognition but are not credit impaired are classified under this stage. Financial assets past due for 31-90 days are classified under this stage. The Company uses the below criteria for assessing movement to Stage 2:

- Financial assets past due between 31-90
- The Company becomes aware about any deterioration in the financial condition and reputation of the obligor which the management believes may lead to significant deterioration in credit risk

Stage 3

All exposures 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 are classified in this stage. For exposures that have become credit impaired, a lifetime ECL is recognised and interest revenue is calculated by applying the effective interest rate to the amortised cost (net of provision) rather than the gross carrying amount. Stage 3 is considered where "Contractual payments of principal and/or interest are past due for more than 90 days"

Non performing Asset classification is done in line with Reserve Bank of India Master Circular on Prudential norms on Income Recognition, Asset Classification and Provisioning pertaining to Advances and Clarifications dated November 12, 2021, February 15, 2022 and November 28, 2025.

The mechanics of ECL:

The Company calculates ECLs based on probability-weighted scenarios to measure the expected cash shortfalls, discounted at an approximation to the EIR. A cash shortfall is the difference between the cash flows that are due to the Company and the cash flows that the Company expects to receive.

The mechanics of the ECL calculations are outlined below and the key elements are, as follows:

Probability of Default (PD) – Probability of default ("PD") is defined as the likelihood of default over a particular time horizon. The PD of an obligor is a fundamental risk parameter

Notes forming part of Financial Statements

(continued)

in credit risk analysis and depends on obligor specific as well as macroeconomic risk factors. The impact of macroeconomic criteria on the PD results in two different PD estimates, through-the-cycle (“TTC”) and the point-in-time (“PIT”) PD. A TTC PD estimate remains largely unaffected by the economic cycle, while a PIT PD estimate varies with the economic cycle.

Exposure at Default (EAD) – EAD is taken as the gross exposure under a facility upon default of an obligor. The amortized principal and the interest accrued is considered as EAD for the purpose of ECL computation

Loss Given Default (LGD) – The Loss Given Default is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, including from the realisation of any collateral. It is usually expressed as a percentage of the EAD.

Repossessed assets

In Loan Against Property / Mortgage Loan, the collateral on a loan can be repossessed as part of legal process through SARFAESI, arbitration etc. In such scenario, property value assessment to be done based on existing valuation done for NPA cases or fresh valuation done post repossession of the property. Basis the assessment of the valuation, additional provision to be done to the extent of shortfall in the value of asset not covered with the existing ECL provision.

Further, property auction/sale to be conducted for such repossessed assets as per legal process and guidelines basis collection manual. Once the property is sold, based on the actual realization the ECL shortfall or surplus to be accounted for.

If any repossessed asset is not sold for 24 months post repossession, the account should be marked for accelerated provision and account should be fully provided.

(viii) Write-offs

The Company reduces the gross carrying amount of a financial asset when the Company has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. This is generally the case when the Company determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subjected to write-offs. 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 write-offs/ subsequent recoveries against such loans are debited/ credited in the Statement of Profit and Loss under the heading “Impairments on financial instruments”.

(ix) Determination of fair value

On initial recognition, all the financial instruments are measured at fair value. For subsequent measurement, the Company measures certain categories of financial instruments (as explained in Note 2.4) at fair value on each balance sheet date.

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:

- i. In the principal market for the asset or liability, or
- ii. In the absence of a principal market, in the most advantageous market for the asset or liability

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.

In order to show how fair values have been derived, financial instruments are classified based on a hierarchy of valuation techniques, as summarised below:

Level 1 financial instruments - Those where the inputs used in the valuation are unadjusted quoted prices from active markets for identical assets or liabilities that the Company has access to at the measurement date. The Company considers markets as active only if there are sufficient trading activities with regards to the volume and liquidity of the identical assets or liabilities and when there are binding and exercisable price quotes available on the balance sheet date.

Level 2 financial instruments - Those where the inputs that are used for valuation and are significant, are derived from directly or indirectly observable market data available over the entire period of the instrument’s life. Such inputs include quoted prices for similar assets or liabilities in active markets, quoted prices for identical instruments in inactive markets and observable inputs other than quoted prices such as interest rates and yield curves, implied volatilities, and credit spreads. In addition, adjustments may be required for the condition or location of the asset or the extent to which it relates to items that are comparable to the valued instrument. However, if such adjustments are based on unobservable inputs which are significant to the entire measurement, the Company will classify the instruments as Level 3.

Level 3 financial instruments - Those that include one or more unobservable input that is significant to the measurement as whole.

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Difference between transaction price and fair value at initial recognition

The best evidence of the fair value of a financial instrument at initial recognition is the transaction price (i.e. the fair value of the consideration given or received) unless the fair value of that instrument is evidenced by comparison with other observable current market transactions in the same instrument (i.e. without modification or repackaging) or based on a valuation technique whose variables include only data from observable markets. When such evidence exists, the Company recognises the difference between the transaction price and the fair value in profit or loss on initial recognition (i.e. on day one).

When the transaction price of the instrument differs from the fair value at origination and the fair value is based on a valuation technique using only inputs observable in market transactions, the Company recognises the difference between the transaction price and fair value in net gain on fair value changes. In those cases where fair value is based on models for which some of the inputs are not observable, the difference between the transaction price and the fair value is not recognised at the initial recognition stage.

(x) Derivatives and hedging activity

The Company uses derivative contracts like forward contracts to hedge its risk associated with foreign currency and interest rate fluctuation relating to foreign currency floating rate borrowings. Derivatives are initially recognized at fair value on the date a derivative contract is entered into and are subsequently re-measured to their fair value at the end of each reporting period. The resulting gain/loss is recognized in the Statement of Profit and Loss immediately unless the derivative is designated and is effective as a hedging instrument, in which event the timing of the recognition in the Statement of Profit and Loss depends on nature and type of the hedge relationship designated.

Cash flow hedges that qualify for hedge accounting

The hedge instruments are designated and documented as hedges at the inception of the contract. The Company determines the existence of an economic relationship between the hedging instrument and hedged item based on the currency, amount and timing of their respective cash flows. The effectiveness of hedge instruments to reduce the risk associated with the exposure being hedged is assessed and measured at inception and on an ongoing basis. If the hedged future cash flows are no longer expected to occur, then the amounts that have been accumulated in other equity are immediately reclassified in net foreign exchange gains in the statement of profit and loss.

The effective portion of change in the fair value of the designated hedging instrument is recognised in the other comprehensive income and accumulated under the heading cash flow hedging reserve. Such amounts are reclassified into the statement of profit and loss when the related hedged items affect profit and loss.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated or no longer qualifies for hedge accounting. Any gain or loss recognised in other comprehensive income and accumulated in equity till that time remains and is recognised in the statement of profit

and loss when the forecasted transaction ultimately affects profit and loss. Any gain or loss is recognised immediately in the statement of profit and loss when the hedge becomes ineffective.

2.5 Investment in subsidiaries

Investment in subsidiaries and associates are recognised at cost. Cost of investment represents amount paid for acquisition of the said investment.

The Company assesses at the end of each reporting period if there are any indications of impairment on such investments. If so, the Company estimates the recoverable value/amount of the investment and provides for impairment, if any i.e. the deficit in the recoverable value over cost.

2.6 Share Capital

The Company has only one class of equity shares. Par value of the equity share is recorded as the share capital and the amount received in excess of par value is classified as share premium. Equity shares issued by the Company are recognised at the proceeds received net of direct issue cost.

Treasury shares represent the consideration paid by the Company, including any directly attributable costs, to repurchase its own ordinary shares. Treasury shares are presented as a deduction from total equity. On cancellation of treasury shares, the amount paid is adjusted against share capital, to the extent of the par value of ordinary shares repurchased, and the balance is adjusted against share premium.

2.7 Revenue from operations

(i) Interest Income

Interest income is recognised by applying (EIR) to the gross carrying amount of financial assets other than credit-impaired assets and financial assets classified as measured at FVTPL, taking into account the amount outstanding and the applicable interest rate.

Processing fees on loans is collected towards processing of loan and are considered integral part of loan. This is amortised on EIR basis over the contractual life of the loan.

The EIR is computed:

- a. As the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial asset to the gross carrying amount of a financial asset
- b. By considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) in estimating the cash flows
- c. Including all fees paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs, and all other premiums or discounts.

Any subsequent changes in the estimation of the future cash flows are recognised in interest income with the corresponding adjustment to the carrying amount of the assets.

Delayed payment interest (penal interest) levied on customers for delay in repayments/ non-payment of contractual cashflows is recognised on realisation.

Notes forming part of Financial Statements

(continued)

(ii) Fees & Commission Income

Fees and commission income that are not integral part of loans and advances and therefore excluded for effective interest calculation, is recognised when the Company satisfies the performance obligation, at transaction price when the consideration received or receivable based on a five-step model as set out below:

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

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

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

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

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

Initial money Deposit charges are collected from customers for document processing, which is non refundable in the nature and are recognized on realization basis

(iii) Net gain on Fair value changes

Any differences between the fair values of financial assets classified as FVTPL held by the 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 as "Net loss on fair value changes" under Expenses in the statement of profit and loss.

Similarly, any realised gain or loss on sale of financial instruments measured at FVTPL is recognised in net gain/ loss on fair value changes.

(iv) Advertisement income

The Company recognises advertisement income on realisation or when the right to receive the same without any uncertainties of recovery is established.

(v) Other Operating Income

The Company recognises income on recoveries of financial assets written off on realisation or when the right to receive the same without any uncertainties of recovery is established.

Foreclosure charges are collected from loan customers for early payment/ closure of loan and are recognized on realization.

2.8 Expenses

(i) Finance costs

Finance costs on borrowings is paid towards availing of loan, is amortised on EIR basis over the contractual life of loan.

The EIR in case of a financial liability is computed

- As the rate that exactly discounts estimated future cash payments through the expected life of the financial liability to the gross carrying amount of the amortised cost of a financial liability.
- By considering all the contractual terms of the financial instrument in estimating the cash flows
- Including all fees paid between parties to the contract that are an integral part of the effective interest rate, transaction costs, and all other premiums or discounts.

Any subsequent changes in the estimation of the future cash flows are recognised in interest expense with the corresponding adjustment to the carrying amount of the liability.

Interest expense includes issue costs that are initially recognized as part of the carrying value of the financial liability and amortized over the expected life using the effective interest method. These include fees and commissions payable to advisers and other expenses such as external legal costs, Rating Fee etc, provided these are incremental costs that are directly related to the issue of a financial liability.

(ii) Retirement and other employee benefits

Short term employee benefit

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits. These benefits include short term compensated absences such as paid annual leave. The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees is recognised as an expense during the period. Benefits such as salaries and wages, etc. and the expected cost of the bonus/ ex-gratia are recognised in the period in which the employee renders the related service.

Post-employment employee benefits

- Defined contribution schemes

All the eligible employees of the Company who have opted to receive benefits under the Provident Fund and Employees State Insurance scheme, defined contribution plans in which both the employee and the Company contribute monthly at a stipulated rate. The Company has no liability for future benefits other than its annual contribution and recognises such contributions as an expense in the period in which employee renders the related service. If the contribution payable to the scheme for service received before the Balance Sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognised as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the Balance Sheet date, then excess is recognised as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

- Defined Benefit schemes

The Company provides for the gratuity, a defined benefit retirement plan covering all employees. The plan provides for lump sum payments to employees upon death while in employment or on separation from employment after serving for the stipulated years mentioned under 'The Payment of Gratuity Act, 1972'. The present value of the obligation under such defined benefit plan is determined based on actuarial valuation, carried out by an independent actuary at each Balance Sheet date, using the Projected Unit Credit Method, which recognizes each period of service as giving rise to an additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

The obligation is measured at the present value of the estimated future cash flows. The discount rates used for determining the present value of the obligation under defined benefit plan are based on the market yields on Government Securities as at the Balance Sheet date.

Net interest recognized in profit or loss is calculated by applying the discount rate used to measure the defined benefit obligation to the net defined benefit liability or asset. The actual return on the plan assets above or below the discount rate is recognized as part of re-measurement of net defined liability or asset through other comprehensive income. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, attrition rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, these liabilities are highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The Company fully contributes all ascertained liabilities to The Trustees – "SBFC Finance Private Limited employees group gratuity cash accumulation scheme". Trustees administer contributions made to the trust and contributions are invested in a scheme of insurance with the IRDA approved Insurance Company- Life Insurance Corporation of India.

Re-measurement, comprising of actuarial gains and losses and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognized immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Re-measurements are not reclassified to profit and loss in subsequent periods.

Other employee benefits

Company's 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.

The Company presents the Provision for compensated absences under provisions in the Balance Sheet.

Share-based payment arrangements

The stock options granted to employees pursuant to the

Company's Stock Options Schemes, are measured at the fair value of the options at the grant date using Black Scholes Model. The fair value of the options determined at grant date is accounted as employee compensation cost over the vesting period on a straight line basis over the period of option, based on the number of grants expected to vest, with corresponding increase in equity. The employee stock option outstanding account is shown under Reserves and Surplus.

The Company has created an Employee Welfare Trust for providing share-based payment to its employees for (a) SBFC Stock Option Policy I 2018 and (b) SBFC Stock Option Policy 2021 – I policies. The Company uses the Trust as a vehicle for distributing shares to employees under the employee remuneration schemes for the above mentioned two policies. The Company allots shares to the Trustee of the Trust, for giving shares to employees. The Company treats Trust as its extension and shares held by the Trust are treated as treasury shares.

(iii) Leases:

In accordance with Ind AS 116 – Leases at the date of commencement of the lease, the Company has recognised a Lease Liability, except for leases with a term of 12 months or less (short-term leases) and low value leases.

The Company evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgment. The Company uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate. The Company determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the Company is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Company is reasonably certain not to exercise that option. In assessing whether the Company is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Company to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Company revises the lease term if there is a change in the non-cancellable period of a lease. The discount rate is generally based on the incremental borrowing rate. The Company makes assessment on the expected lease term on lease by lease basis and thereby assesses whether it is reasonably certain that any option to extend or terminate the contract will be exercised. In evaluating the lease term, the Company considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to termination of lease and the importance of the underlying to the Company's operation taking into account the location of the underlying asset and the availability of the suitable alternatives. The lease term in future periods is reassessed to ensure that the lease term reflect the current economic circumstances.

The right-of-use assets is subsequently measured at cost less accumulated depreciation, accumulated impairment losses, if any, and adjusted for any remeasurement of the lease liability.

The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset. Right-of-use assets are tested for impairment whenever there is

Notes forming part of Financial Statements

(continued)

any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the statement of profit and loss.

The company recognises the amount of the re-measurement of lease liability due to modification as an adjustment to the right-of-use asset and statement of profit and loss depending upon the nature of modification. Where the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Company recognises any remaining amount of the re-measurement in statement of profit and loss.

The Company has elected not to apply the requirements of Ind AS 116 Leases to short-term leases of all assets that have a lock in period of 12 months or less and leases for which the underlying asset is of low value. The lease payments associated with these leases are recognized as an expense on a straight-line basis over the lease term.

(v) Impairment of non-financial assets

The carrying amount of assets is reviewed at each balance sheet date if there is any indication of impairment based on internal/ external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the assets, net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset.

In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

Goodwill represents the excess of the cost of an acquisition over the fair value of the Company's share of the net identifiable assets of the acquired entity at the date of acquisition. Goodwill is carried at cost less accumulated impairment losses. Impairment loss on goodwill is not reversed. Goodwill is not subject to amortization and tested at least annually for impairment or whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount.

(vi) Taxes

Current Tax

Current tax assets and liabilities for the current and prior years are measured at the amount expected to be recovered from, or paid to, the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted, or substantively enacted, by the reporting date in the countries where the Company operates and generates taxable income.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to

situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax assets and liabilities are recognised for temporary differences arising between the tax bases of assets and liabilities and their carrying amounts. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the reporting date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are only recognised for temporary differences, unused tax losses and unused tax credits if it is probable that future taxable amounts will arise to utilise those temporary differences and losses. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Deferred tax assets and liabilities are offset where there is a legally enforceable right to offset current tax assets and liabilities and they relate to income taxes levied by the same tax authority on the same taxable entity.

Goods and services tax paid on acquisition of assets or on incurring expenses:

Expenses and assets are recognised net of the goods and services tax/ service tax/ value added taxes paid, except:

- When the tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the tax paid is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable
- When receivables and payables are stated with the amount of tax included

The net amount of tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

2.9 Cash and cash equivalents

Cash and cash equivalents comprise the net amount of short-term, highly liquid investments that are readily convertible to known amounts of cash (short-term deposits with an original maturity of three months or less) and are subject to an insignificant risk of change in value. They are held for the purposes of meeting short-term cash commitments (rather than for investment or other purposes).

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above.

2.10 Property, plant and equipment

Property, plant and equipment (PPE) are measured at cost less accumulated depreciation and accumulated impairment, (if any). The total cost of assets comprises its purchase price, freight, duties, taxes and any other incidental expenses directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by the management. Changes in the expected useful life are accounted for by changing the amortisation period or methodology, as appropriate, and treated as changes in accounting estimates.

Subsequent expenditure related to an item of tangible asset are added to its gross value only if it increases the future benefits of the existing asset, beyond its previously assessed standards of performance and cost can be measured reliably. Other repairs and maintenance costs are expensed off as and when incurred.

Depreciation

Depreciation is calculated using the straight line method to write down the cost of property and equipment to their residual values over their estimated useful lives which is in line with the estimated useful life as specified in Schedule II of the Act except for Leasehold improvements which are amortised on a straight-line basis over the period of lease or 3 years whichever is less. Leasehold improvements include all expenditure incurred on the leasehold premises that have future economic benefits. The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

The estimated useful lives as used by the Company are listed below:

Nature of assets	Useful life in years
Computers	
End user machines	3
Servers and networks	6
Furniture and Fixtures	10
Office equipment	5
Vehicle	8

Property plant and equipment is derecognised on disposal or when no future economic benefits are expected from its use. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is recognised in other income/ expense in the statement of profit and loss in the year the asset is derecognised. The date of disposal of an item of property, plant and equipment is the date the recipient obtains control of that item in accordance with the requirements for determining when a performance obligation is satisfied in Ind AS 115.

2.11 Intangible assets

An intangible asset is recognised only when its cost can be measured reliably, and it is probable that the expected future economic benefits that are attributable to it will flow to the Company.

Intangible assets acquired separately are measured on initial recognition at cost. The cost of an intangible asset comprises its purchase price and any directly attributable expenditure on making the asset ready for its intended use and net of any trade discounts and rebates. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses.

The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are amortised over the useful economic life. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each

financial year-end. Changes in the expected useful life, or the expected pattern of consumption of future economic benefits embodied in the asset, are accounted for by changing the amortisation period or methodology, as appropriate, which are then treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is presented as a separate line item in the statement of profit and loss. Amortisation on assets acquired/ sold during the year is recognised on a pro-rata basis to the of profit and loss from/ upto the date of acquisition/ sale.

Amortisation is calculated using the straight-line method to write down the cost of intangible assets to their residual values over their estimated useful lives. Intangible assets comprising of software are amortised on a straight-line basis over a period of 5 years, unless it has a shorter useful life.

Intangible assets with indefinite useful life is tested for impairment at each reporting period.

Gains or losses from derecognition of intangible assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset are recognised in the statement of profit and loss when the asset is derecognised.

2.12 Provisions

Provisions are recognised when the enterprise has a present obligation (legal or constructive) as a result of past events, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

When the effect of the time value of money is material, the enterprise determines the level of provision by discounting the expected cash flows at a pre-tax rate reflecting the current rates specific to the liability. The expense relating to any provision is presented in the statement of profit and loss net of any reimbursement.

2.13 Contingent Liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statement.

2.14 Earnings Per Share

The Company reports basic and diluted earnings per share in accordance with Ind AS 33 on Earnings per share. Basic EPS is calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares including the treasury shares held by the Company to satisfy the exercise of the share options by the employees. Dilutive potential equity shares

Notes forming part of Financial Statements

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are deemed converted as of the beginning of the period, unless they have been issued at a later date. In computing the dilutive earnings per share, only potential equity shares that are dilutive and that either reduces the earnings per share or increases loss per share are included.

2.15 Segments

Based on "Management Approach" as defined by Ind AS 108, The Chief Operating Decision Maker (CODM) evaluates the "Operating Segments". Operating segments are reported in a manner consistent with the internal reporting provided to the CODM. The accounting policies adopted for segment reporting are in conformity with the accounting policies adopted for the Company.

2.16 Significant accounting judgements, estimates and assumptions

The preparation of financial statement in conformity with the Ind AS requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the accompanying disclosure and the disclosure of contingent liabilities, at the end of the reporting period. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised, and future periods are affected. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

In particular, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statement is included in the following notes:

2.17.1 Impairment of loans portfolio

The measurement of impairment losses across all categories of financial assets requires judgement, in particular, the estimation of the amount and timing of future cash flows and collateral values when determining impairment losses and the assessment of a significant increase in credit risk. These estimates are driven by a number of factors, changes in which can result in different levels of allowances.

It has been the Company's policy to regularly review its models in the context of actual loss experience and adjust when necessary.

2.17.2 Share-Based Payments

Estimating fair value for share-based payment transactions requires use of an appropriate valuation model. The Company measures the cost of equity-settled transactions with employees using Black-Scholes Model to determine the fair value of the options on the grant date.

Inputs into the valuation model, includes assumption such as the expected life of the share option, volatility and dividend yield.

Further details used for estimating fair value for share-based payment transactions are disclosed in Note 40.

2.18 Operating Cycle

Based on the nature of products/ activities of the Company and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Company has determined its operating cycle as 12 months.

2.19 Foreign Currency

Foreign currency transactions are recorded on initial recognition in the functional currency using the exchange rate at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date.

Exchange differences arising on the settlement or translation of monetary items are recognised in Statement of profit or loss in the year in which they arise.

2.20 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:

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 impact in its financial statements.

Ind AS 12, International Tax Reform - The Company is out of the scope of the OECD Pillar Two Model Rules.

3 Cash and cash equivalents

(₹ In Million)

Particulars	As at March 31, 2026	As at March 31, 2025
Cash on hand	46.33	66.81
Balances with banks:		
- In current accounts	2,921.47	731.33
- In fixed deposit with original maturity of 3 months or less	1,833.84	1,855.00
- Interest accrued but not due	8.78	0.84
Total	4,810.42	2,653.98

4 Bank balances other than cash and cash equivalents

(₹ In Million)

Particulars	As at March 31, 2026	As at March 31, 2025
Balances with banks:		
Fixed deposit with banks original maturity more than 3 months:		
- Earmarked balances [Refer Note 4.1]	1,404.68	1,604.07
- Non-Earmarked balances	230.00	30.00
- Interest accrued but not due	5.22	5.50
Total	1,639.90	1,639.57

4.1 Details of fixed deposits under lien

(₹ In Million)

Particulars	As at March 31, 2026	As at March 31, 2025
Credit enhancement in securitisation transactions	306.50	306.50
In connection with borrowings in the form of term loans from SBI	1,094.90	1,294.90
In connection with Investment in usage of Aadhar authentication service	2.78	2.67
In connection with Corporate card	0.50	-
Total	1,404.68	1,604.07

5 Trade receivables

(₹ In Million)

Particulars	As at March 31, 2026	As at March 31, 2025
Receivables considered good- Secured	-	-
Receivables considered good- Unsecured	3.72	50.39
Receivables which have significant increase in credit risk	-	-
Receivables credit impaired	-	-
Unbilled Trade receivables	199.15	97.67
	202.87	148.06
Less: Expected credit loss	-	-
Total	202.87	148.06

5.1 No trade or other receivable are due from directors or other officers of the Company either severally or jointly with any other person. Further, no trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.

5.2 No expected credit loss provision is required due to the short term nature of these receivables.

Notes forming part of Financial Statements

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5.3 Ageing of Trade receivables

Ageing of Trade receivables as on March 31, 2026:

(₹ In Million)

Particulars	Unbilled	Not due	Outstanding for following periods from transaction date					Total
			Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade receivables- considered good - Unsecured	199.15	-	3.72	-	-	-	-	202.87
Total	199.15	-	3.72	-	-	-	-	202.87

Ageing of Trade receivables as on March 31, 2025:

(₹ In Million)

Particulars	Unbilled	Not due	Outstanding for following periods from transaction date					Total
			Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade receivables- considered good - Unsecured	97.67	-	49.74	0.65	-	-	-	148.06
Total	97.67	-	49.74	0.65	-	-	-	148.06

6 Loans

(₹ In Million)

Particulars	As at March 31, 2026	As at March 31, 2025
Measured at amortised cost		
Loan against Property	75,141.54	60,703.69
Loan against Gold	24,518.39	15,273.34
Unsecured loan	229.38	435.96
Staff loans	1.66	3.79
Total (A)- Gross	99,890.97	76,416.78
Impairment Loss Allowance	(1,839.04)	(1,375.84)
Total (A)- Net	98,051.93	75,040.94
(a) Secured by tangible assets [Refer Note 6.2]	99,659.93	75,977.03
(b) Unsecured	231.04	439.75
Total (B)- Gross	99,890.97	76,416.78
Impairment Loss Allowance	(1,839.04)	(1,375.84)
Total (B)- Net	98,051.93	75,040.94
Loans in India		
(i) Public sector	-	-
(ii) Others	99,890.97	76,416.78
Total (C)- Gross	99,890.97	76,416.78
Impairment Loss Allowance	(1,839.04)	(1,375.84)
Total (C)- Net	98,051.93	75,040.94
Loans outside India		
(i) Public sector	-	-
(ii) Others	-	-
Total (C)- Gross	-	-
Impairment Loss Allowance	-	-
Total (C)- Net	-	-

- 6.1 The Company's business model is to collect contractual cash flows, being the payment of Principal and Interest and accordingly, the loans are measured at amortized cost.
- 6.2 Loans granted by the Company are secured or partly secured by one or a combination of the following securities:- Registered/ equitable mortgage of property, Hypothecation of assets including Gold.
- 6.3 Loans where fraud has been committed and reported for the year is ₹67.63 Million (March 31, 2025: ₹3.51 Million)
- 6.4 The Company has not provided any loans or advances to promoters, directors, KMPs and the related parties.
- 6.5 The Company has securitised certain term loans and managed servicing of such loan accounts. The carrying value of these assets have not been de-recognised in the books. Refer Note 48 for securitised term loans not derecognised in their entirety.
- 6.6 The Company has transferred certain stressed loans to Asset Reconstruction Company during the current year. Refer Note 50.4 for Disclosure pursuant to RBI notification No. RBI/DOR/2025-26/359 DOR.ACC.REC.No.278/21.04.018/2025-26 dated November 28, 2025
- 6.7 Unsecured Loans includes unsecured business loans which is guaranteed by Credit Guarantee Fund Trust for Micro and Small Enterprises amounting to ₹0.16 Million (March 31, 2025: ₹0.32 Million)

7 Investments

(₹ In Million)

Particulars	As at March 31, 2026	As at March 31, 2025
At amortized cost		
Investment in Treasury Bills (Quoted) [Refer Note 7.1]	1,002.88	1,020.18
At fair value through profit or loss		
Investment in mutual funds- (Quoted)	89.88	1,990.64
Investment in Security receipts (Unquoted)	991.39	257.47
Provision on Investment in Security Receipts	(159.71)	-
Total (A)	1,924.44	3,268.29
(i) Investments outside India	-	-
(ii) Investments in India	1,924.44	3,268.29
Total (B)	1,924.44	3,268.29
Impairment Loss Allowance (C)	-	-
Total - Net (D)= (A)-(C)	1,924.44	3,268.29

- 7.1 The Company has invested in Treasury Bills which are sovereign in nature. Hence, the Company has not provided for any impairment allowance on these investments.

8 Other financial assets

(₹ In Million)

Particulars	As at March 31, 2026	As at March 31, 2025
Unsecured, considered good		
Security deposits	43.03	40.40
Other receivables	0.30	0.07
Total	43.33	40.47

9 Current tax assets (net)

(₹ In Million)

Particulars	As at March 31, 2026	As at March 31, 2025
Advance income tax [Net of provision for income tax ₹4.5 Million (March 31, 2025: ₹1,212.30 Million)]	0.09	31.44
Total	0.09	31.44

Notes forming part of Financial Statements

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10 Property, plant and equipment, Other intangible assets, Intangible assets under development, Goodwill

Particulars	Property, plant and equipment				Other intangible assets			Intangible assets under development	Goodwill			
	Computers	Furniture and fixtures	Office equipments	Motor car	Leasehold Improvements	Buildings Right-of-use (Refer Note 43.1)	Computer Software and Patent			Computer Software	Goodwill (Refer Note 45)	
Gross Block:												
Balance as at April 01, 2024	129.21	234.88	93.31	2.91	54.36	260.44	775.11	56.42	0.69	57.11	15.27	2,603.92
Additions	40.03	6.16	17.71	-	26.20	136.80	226.90	34.00	-	34.00	-	27.13
Reclassification	(0.70)	(15.58)	(1.06)	-	17.34	-	-	-	-	-	-	-
Disposals	9.37	7.86	7.80	-	1.58	93.00	119.61	-	-	-	-	36.62
Balance as at March 31, 2025	159.17	217.60	102.16	2.91	96.32	304.24	882.40	90.42	0.69	91.11	5.78	2,603.92
Additions	28.86	4.69	24.27	-	53.07	133.10	243.99	22.94	-	22.94	-	35.21
Reclassification	-	-	-	-	-	-	-	-	-	-	-	-
Disposals	3.80	3.62	4.25	-	4.60	40.85	57.12	-	-	-	-	22.26
Balance as at March 31, 2026	184.23	218.67	122.18	2.91	144.79	396.49	1,069.27	113.36	0.69	114.05	18.73	2,603.92
Depreciation and Amortization:												
Balance as at April 01, 2024	78.10	94.34	47.52	1.24	13.37	160.71	395.28	41.47	0.69	42.16	-	-
Additions	34.26	21.51	18.06	0.35	28.37	54.90	157.45	10.63	-	10.63	-	-
Reclassification	(0.70)	(8.69)	(0.11)	-	9.50	-	-	-	-	-	-	-
Disposals	9.20	3.46	7.21	-	1.21	85.87	106.95	-	-	-	-	-
Balance as at March 31, 2025	102.46	103.70	58.26	1.59	50.03	129.74	445.78	52.10	0.69	52.79	-	-
Additions	34.72	25.32	20.70	0.39	35.10	69.69	185.92	15.17	-	15.17	-	-
Reclassification	-	-	-	-	-	-	-	-	-	-	-	-
Disposals	3.84	1.85	3.14	-	4.06	40.43	53.32	-	-	-	-	-
Balance as at March 31, 2026	133.34	127.17	75.82	1.98	81.07	159.00	578.38	67.27	0.69	67.96	-	-
Net Block:												
As at March 31, 2025	56.71	113.90	43.90	1.32	46.29	174.50	436.62	38.32	-	38.32	5.78	2,603.92
As at March 31, 2026	50.89	91.50	46.36	0.93	63.72	237.49	490.89	46.09	-	46.09	18.73	2,603.92

10.1 Intangible assets under development ageing schedule:

Intangible assets under development	Amount in Intangible assets under development for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
As at March 31, 2025					
Loan Management System	-	-	-	-	-
Others	4.89	0.89	-	-	5.78
Total	4.89	0.89	-	-	5.78
As at March 31, 2026					
Loan Management System	6.89	-	-	-	6.89
Others	7.43	3.52	0.89	-	11.84
Total	14.32	3.52	0.89	-	18.73

10.2 Intangible assets under development, whose completion is overdue compared to its original plan:

Intangible assets under development	To be completed in				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
As at March 31, 2025					
Loan Management System	-	-	-	-	-
Others	5.78	-	-	-	5.78
Total	5.78	-	-	-	5.78
As at March 31, 2026					
Loan Management System	-	-	-	-	-
Others	4.42	-	-	-	4.42
Total	4.42	-	-	-	4.42

10.3 The Company does not have any intangible asset under development temporarily suspended or has exceeded its cost compared to its original plan.

11 Other non-financial assets

Particulars	As at	As at
	March 31, 2026	March 31, 2025
Prepaid expenses	34.18	33.43
Gratuity asset (net)	-	0.56
Advance to creditors	18.11	9.38
Capital advances	5.98	5.24
Advances to employees	3.94	2.12
Total	62.21	50.73

Notes forming part of Financial Statements

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12 Derivative financial instruments

(₹ In Million)

Particulars	As at March 31, 2026				As at March 31, 2025			
	Notional Amounts	Fair Value - Assets	Notional Amounts	Fair Value - Liabilities	Notional Amounts	Fair Value - Assets	Notional Amounts	Fair Value - Liabilities
Part I								
Currency derivatives								
Spot and forwards	20,353.63	798.21	-	-	-	-	9,337.29	98.45
Part II								
Included in above (Part I) are derivatives held for hedging and risk management purposes as follows:								
Cash flow hedging:								
- Currency derivatives	20,353.63	798.21	-	-	-	-	9,337.29	98.45

The Company is exposed to certain risks relating to its ongoing business operations. The primary risks managed using derivative instruments are foreign currency risk and interest rate risk.

The Company's risk management strategy and how it is applied to manage risk are explained in Note 47.4.

13 Payables

(A) Trade payables

(₹ In Million)

Particulars	As at March 31, 2026	As at March 31, 2025
Total outstanding dues of micro enterprises and small enterprises	4.04	4.40
Total outstanding dues of creditors other than micro enterprises and small enterprises	110.13	90.15
Total	114.17	94.55

13.1 The Company had requested its supplier to confirm the status so as to whether they are covered under the Micro, Small and Medium Enterprises Development Act, 2006 and is in the continuous process of obtaining such confirmation from its suppliers. The disclosure relating to unpaid amount as at the year end together with interest paid/ payable as required under the said Act have been given to the extent such parties could be identified on the basis of the information available with the Company regarding the status of the suppliers under MSMED Act, 2006.

(₹ In Million)

Particulars	As at March 31, 2026	As at March 31, 2025
The principal amount remaining unpaid to any supplier at the end of each accounting year	3.92	3.95
The interest due thereon at the end of each accounting year	-	-
The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year;	-	-
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 the Micro, Small and Medium Enterprises Development Act, 2006;	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-
The amount of interest due and payable to suppliers under MSMED Act, for payments already made	0.12	0.45
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	0.12	0.45

The aforementioned is based on the responses received by the Company to its inquiries with suppliers with regard to applicability under the said Act. This has been relied upon by the auditors.

Ageing of Trade payables as on March 31, 2026:

(₹ In Million)

Particulars	Unbilled	Not due	Outstanding for following periods from transaction date				Total
			Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	
(i) MSME	3.88	-	-	0.16	-	-	4.04
(ii) Others	108.89	-	1.06	0.18	-	-	110.13
(iii) Disputed dues - MSME	-	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-	-
Total	112.77	-	1.06	0.34	-	-	114.17

Ageing of Trade payables as on March 31, 2025:

(₹ In Million)

Particulars	Unbilled	Not due	Outstanding for following periods from transaction date				Total
			Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	
(i) MSME	4.05	-	0.35	-	-	-	4.40
(ii) Others	88.39	-	0.71	1.05	-	-	90.15
(iii) Disputed dues - MSME	-	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-	-
Total	92.44	-	1.06	1.05	-	-	94.55

(B) Other payables

(₹ In Million)

Particulars	As at March 31, 2026	As at March 31, 2025
Total outstanding dues of micro enterprises and small enterprises	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	12.27	5.41
Total	12.27	5.41

14 Debt securities

(₹ In Million)

Particulars	As at March 31, 2026	As at March 31, 2025
At amortized cost		
Secured		
- Listed redeemable Non Convertible Debentures		
Gross amount	8,212.20	11,356.54
Effective interest rate adjustments	(18.48)	(62.80)
Net amount	8,193.72	11,293.74
Total (A)	8,193.72	11,293.74
Debt securities in India	8,193.72	11,293.74
Debt securities outside India	-	-
Total (B)	8,193.72	11,293.74

14.1 No Non Convertible Debentures is guaranteed by directors and/or others.

14.2 Terms of repayment & rate of interest of Listed redeemable non convertible debentures:

(₹ In Million)

Tenure (from the date of Balance Sheet)	As at March 31, 2026		As at March 31, 2025	
	Rate of Interest	Amount	Rate of Interest	Amount
Due within 1 year	-	-	8.76%	1,000.00
Due within 1 year to 3 years	7.75% - 9.00%	6,000.00	9.00%	6,000.00
Due more than 3 Years	7.75%	2,000.00	9.00%	4,000.00
Total		8,000.00		11,000.00

Notes forming part of Financial Statements

(continued)

(₹ In Million)

Tenure (from the date of Balance Sheet)	As at March 31, 2026		As at March 31, 2025	
	Rate of Interest	Amount	Rate of Interest	Amount
Interest accrued		212.20		356.54
Effective interest rate adjustments		(18.48)		(62.80)
Net Amount		8,193.72		11,293.74

14.3 Details of Secured Redeemable Non Convertible Debentures:

(₹ In Million)

Name of Securities	Number	Allotment Date	Redemption Date	As at	
				March 31, 2026	March 31, 2025
Secured Rated Listed Redeemable Non Convertible Debenture Series A1 Tranche 1	10,000	27-Feb-24	27-May-25	-	1,000.00
9.00% Secured Rated Listed Redeemable Non Convertible Debenture Series A2	20,000	4-Mar-24	4-Mar-27	-	2,000.00
9.00% Secured Rated Listed Redeemable Non Convertible Debenture Series A3	20,000	13-May-24	13-May-27	2,000.00	2,000.00
9.00% Secured Rated Listed Redeemable Non Convertible Debenture Series A4	20,000	18-Jul-24	18-Jul-27	-	2,000.00
7.75% Secured Rated Listed Redeemable Non Convertible Debenture Series A5	40,000	4-Feb-25	4-Feb-30	4,000.00	4,000.00
8.14% Secured Rated Listed Redeemable Non Convertible Debenture Series A6	20,000	20-Aug-25	20-Aug-27	2,000.00	-
Total				8,000.00	11,000.00
Interest accrued				212.20	356.54
Effective interest rate adjustments				(18.48)	(62.80)
Total				8,193.72	11,293.74

14.4 Secured Rated Listed Redeemable Non Convertible Debenture Series A1 Tranche 1 Date Of Maturity 27/05/2025 (9.00% - Mar' 26):

Face value of Non Convertible Debentures is ₹0.10 Million. These debentures are redeemable at the end of 15 months from the date of allotment. Payment of Interest is Monthly and principal repayment at maturity.

9.00% Rate Reset Secured Rated Listed Redeemable Non Convertible Debenture Series A2 Date Of Maturity 04/03/2027:

Face value of Non Convertible Debentures is ₹0.10 Million. These debentures are redeemable at the end of 36 months from the date of allotment. Payment of Interest is Yearly and principal repayment at maturity.

9.00% Rate Reset Secured Rated Listed Redeemable Non Convertible Debenture Series A3 Date Of Maturity 13/05/2027:

Face value of Non Convertible Debentures is ₹0.10 Million. These debentures are redeemable at the end of 36 months from the date of allotment. Payment of Interest is Yearly and principal repayment at maturity.

9.00% Rate Reset Secured Rated Listed Redeemable Non Convertible Debenture Series A4 Date Of Maturity 18/07/2027:

Face value of Non Convertible Debentures is ₹0.10 Million. These debentures are redeemable at the end of 36 months from the date of allotment. Payment of Interest is Yearly and principal repayment at maturity.

7.75% Rate Reset Secured Rated Listed Redeemable Non Convertible Debenture Series A5 Date Of Maturity 04/02/2030:

Face value of Non Convertible Debentures is ₹0.10 Million. These debentures are redeemable half yearly in 4 tranches of 1000 Million each starting from August 2028. Payment of Interest is Yearly.

8.14% Rate Reset Secured Rated Listed Redeemable Non Convertible Debenture Series A6 Date Of Maturity 20/08/2027:

Face value of Non Convertible Debentures is ₹0.10 Million. These debentures are redeemable at the end of 24 months from the date of allotment. Payment of Interest is Monthly.

14.5 The debentures are secured by way of first pari passu charge on Standard Loans and advances of the Company. Minimum security cover of 1.1 times is required to be maintained throughout the year.

14.6 Compliance with Loan Covenants

The company has various financial and non-financial covenants (including debt related ratios and reporting requirements) in respect of its borrowings. As at March 31, 2026 the Company is in compliance with all such covenants as stipulated in the respective loan agreements/sanction letters.

15 Borrowings (other than debt securities)

(₹ In Million)

Particulars	As at March 31, 2026	As at March 31, 2025
At amortized cost		
Secured		
Term loans		
- Indian rupee loan from banks		
Gross amount	36,578.01	26,430.89
Effective interest rate adjustments	(119.26)	(128.68)
Net amount	36,458.75	26,302.21
- Indian rupee loan from financial institutions		
Gross amount	2,326.47	3,733.66
Effective interest rate adjustments	(1.79)	(5.36)
Net amount	2,324.68	3,728.30
- Foreign Currency loan from banks		
Gross amount	15,716.07	9,379.21
Effective interest rate adjustments	(43.33)	-
Net amount	15,672.74	9,379.21
- Foreign Currency loan from financial institutions		
Gross amount	4,767.21	-
Effective interest rate adjustments	(51.50)	-
Net amount	4,715.71	-
Working Capital Demand Loan		
- Indian rupee loan from banks	2,830.49	-
Collateralized borrowings	1,421.04	1,939.72
Total (A)	63,423.41	41,349.44
Borrowings in India	63,423.41	41,349.44
Borrowings outside India	-	-
Total (B)	63,423.41	41,349.44

- 15.1 a) **Term loan from banks:** These are secured by First Pari Passu charge by way of hypothecation of standard loan receivables of the Company and on all other book debts and current assets of the Company. Minimum security cover of 1.1 times is required to be maintained throughout the year.
- b) **Term loan from financial institutions:** These are secured by First Pari Passu charge by way of hypothecation of standard loan receivables of the Company and on all other book debts and current assets of the Company. Minimum security cover of 1.1 times is required to be maintained throughout the year.
- c) **Working capital demand loan from banks:** These are secured by First Pari Passu charge by way of hypothecation of standard loan receivables of the Company and on all other book debts and current assets of the Company. Minimum security cover of 1.1 times is required to be maintained throughout the year.
- d) **Foreign Currency loan from banks:** These are secured by First Pari Passu charge by way of hypothecation of standard loan receivables of the Company and on all other book debts and current assets of the Company. Minimum security cover of 1.1 times is required to be maintained throughout the year.
- e) **Foreign Currency loan from financial institutions:** These are secured by First Pari Passu charge by way of hypothecation of standard loan receivables of the Company and on all other book debts and current assets of the Company. Minimum security cover of 1.1 times is required to be maintained throughout the year.
- f) **Collateralized borrowings are secured against pool of Loan Assets. Refer Note 48 for more details.**

15.2 No term loan and any other borrowing is guaranteed by directors and/ or others.

15.3 The Company has not defaulted in repayment of principal and interest during the year ended March 31, 2026 and year ended March 31, 2025.

Notes forming part of Financial Statements

(continued)

15.4 The repayment of borrowings is done monthly and quarterly as per the sanctioned terms.

As at March 31, 2026

(₹ In Million)

Terms of Repayment	Indian rupee loan from banks		Indian rupee loan from financial institutions		Collateralized Borrowings		Foreign Currency loan from banks		Foreign Currency loan from financial institutions	
	Rate of Interest	Amount	Rate of Interest	Amount	Rate of Interest	Amount	Rate of Interest	Amount	Rate of Interest	Amount
Due within 3 years	6.80% to 9.90%	30,663.20	8.20% to 10.25%	2,168.91	8.45% - 9.40%	722.60	7.87% - 8.69%	13,280.80	7.69%	2,366.35
Due within 3-5 years	7.87% to 9.45%	5,576.02	8.20%	145.83	8.45% - 9.40%	320.09	7.87% - 8.69%	2,340.11	7.69%	2,366.36
Above 5 years	8.65% - 9.45%	270.44	-	-	8.45% - 9.40%	373.63	-	-	-	-
Total		36,509.66		2,314.74		1,416.32		15,620.91		4,732.71
Interest Accrued		68.35		11.73		4.72		95.16		34.50
Effective interest rate adjustments		(119.26)		(1.79)		-		(43.33)		(51.50)
Net amount		36,458.75		2,324.68		1,421.04		15,672.74		4,715.71

As at March 31, 2025

(₹ In Million)

Terms of Repayment	Indian rupee loan from banks		Indian rupee loan from financial institutions		Collateralized Borrowings		Foreign Currency loan from banks	
	Rate of Interest	Amount	Rate of Interest	Amount	Rate of Interest	Amount	Rate of Interest	Amount
Due within 3 years	7.80% - 10.70%	24,801.88	9% - 10.30%	3,714.54	9.00% - 10.15%	749.78	6.09%	7,625.66
Due within 3-5 years	8.22% - 9.90%	1,420.39	-	-	9.00% - 10.15%	423.15	9.39%	1,711.63
Above 5 years	9.25% - 10.05%	142.14	-	-	9.00% - 10.15%	759.85	-	-
Total		26,364.41		3,714.54		1,932.78		9,337.29
Interest Accrued		66.48		19.11		6.94		41.92
Effective interest rate adjustments		(128.68)		(5.36)		-		-
Net amount		26,302.21		3,728.30		1,939.72		9,379.21

15.5 Compliance with Loan Covenants

The company has various financial and non-financial covenants (including debt related ratios and reporting requirements) in respect of its borrowings. As at March 31, 2026 the Company is in compliance with all such covenants as stipulated in the respective loan agreements/sanction letters.

16 Other financial liabilities

(₹ In Million)

Particulars	As at March 31, 2026	As at March 31, 2025
Employee benefits payable	252.23	244.13
Lease liabilities [Refer Note 43.2]	244.57	174.30
Book overdraft	1,034.00	433.47
Payable on account of PTC pool	148.93	206.57
Payable to trusts	2.08	2.35
Other liabilities [Refer Note 16.1]	92.73	62.04
Total	1,774.54	1,122.86

16.1 Other liabilities majorly includes amounts payable to co-origination partners.

17 Current tax liabilities (net)

(₹ In Million)

Particulars	As at March 31, 2026	As at March 31, 2025
Provision for tax (net)	16.39	-
Total	16.39	-

18 Provisions

(₹ In Million)

Particulars	As at March 31, 2026	As at March 31, 2025
Provision for employee benefits- Gratuity (funded) [Refer Note 39]	11.23	-
Provision for loan commitments	5.85	2.92
Total	17.08	2.92

19 Deferred tax liabilities (net)

(₹ In Million)

Particulars	As at March 31, 2026	As at March 31, 2025
Deferred tax liabilities		
Depreciation and amortization	496.36	492.97
Unamortized Debenture Cost	4.65	-
Unamortized processing fees on term loan	54.33	49.54
Unamortized Incentive	81.39	81.34
Remeasurement of net defined benefits	(1.17)	1.73
Mark to market gain on mutual funds	0.05	4.93
Total Deferred tax liabilities	635.61	630.51
Deferred tax assets		
Expected credit losses	374.96	283.20
Provision for expenses	8.22	5.56
Provision for Investment in Security Receipts	25.78	-
Transaction cost of Loan assets	309.93	265.29
Deduction u/s 80JJAA	15.51	17.36
Derivative Financial Instrument	45.07	26.93
Deduction u/s 35D of Income Tax Act, 1961	12.70	19.05
Impact on account of leases	4.43	4.19
Total Deferred tax assets	796.60	621.57
Deferred tax liabilities (net)	(160.99)	8.94

Notes forming part of Financial Statements

(continued)

20 Other non-financial liabilities

(₹ In Million)

Particulars	As at	
	March 31, 2026	March 31, 2025
Statutory dues	50.92	80.50
Total	50.92	80.50

21 Equity share capital

(₹ In Million)

Particulars	As at March 31, 2026		As at March 31, 2025	
	No of shares	Amount	No of shares	Amount
Authorised				
Equity Shares of ₹10 each	1,300,000,000	13,000.00	1,300,000,000	13,000.00
	1,300,000,000	13,000.00	1,300,000,000	13,000.00
Issued, subscribed and fully paid-up				
Equity Shares of ₹10 each, fully paid up	1,106,414,229	11,064.14	1,085,999,088	10,859.99
	1,106,414,229	11,064.14	1,085,999,088	10,859.99
Treasury shares held through ESOP trust				
Equity Shares of ₹10 each, fully paid up	(709,500)	(7.10)	(814,500)	(8.15)
Equity shares [net of treasury shares]	1,105,704,729	11,057.04	1,085,184,588	10,851.84

21.1 Reconciliation of number of shares outstanding at the beginning and end of the reporting period:

(₹ In Million)

Particulars	As at March 31, 2026		As at March 31, 2025	
	No of shares	Amount	No of shares	Amount
Equity shares outstanding as at the beginning of the year	1,085,999,088	10,859.98	1,073,754,986	10,737.55
Add: Equity shares issued during the year	-	-	-	-
Add: Equity shares issued upon exercise of options under employee share option plan	20,415,141	204.15	12,244,102	122.43
Equity shares outstanding as at the end of the year	1,106,414,229	11,064.14	1,085,999,088	10,859.98

Reconciliation of number of treasury shares outstanding at the beginning and end of the reporting period:

(₹ In Million)

Particulars	As at March 31, 2026		As at March 31, 2025	
	No of shares	Amount	No of shares	Amount
Equity shares outstanding as at the beginning of the year	814,500	8.14	1,866,000	18.66
Add: Equity shares issued during the year	-	-	-	-
Add: Equity shares transferred upon exercise of options under employee share option plan	(105,000)	(1.05)	(1,051,500)	(10.52)
Equity shares outstanding as at the end of the year	709,500	7.10	814,500	8.14

For details of shares reserved for issue under ESOP of the Company and shares exercised under ESOP, refer note 40.

21.2 Terms and rights attached to equity shares:

The Company has single class equity shares having a par value of ₹10 per equity share. Accordingly, all equity shares rank equally with regard to dividends and share in the Company's residual assets. The equity shares are entitled to receive dividend as declared from time to time. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive the residual assets of the Company, in proportion to the number of equity shares held.

The holders of equity shares are entitled to dividends, if any, proposed by the Board of Directors and approved by Shareholders at the Annual General Meeting.

21.3 Details of share held by the holding Company:

Particulars	As at March 31, 2026		As at March 31, 2025	
	No. of shares	% of Holding	No. of shares	% of Holding
SBFC Holdings Pte Ltd.	579,188,410	52.35%	579,188,410	53.33%

21.4 Details of shareholders holding more than five percent shares in the Company:

Particulars	As at March 31, 2026		As at March 31, 2025	
	No. of shares	% of Holding	No. of shares	% of Holding
SBFC Holdings Pte Ltd.	579,188,410	52.35%	579,188,410	53.33%
SBI Small CAP Fund	89,651,687	8.10%	92,610,336	8.53%
Aditya Birla Sun Life Trustee Private Limited	57,290,333	5.18%	-	-

21.5 Details of shareholding of Promoters of the Company:

Particulars	As at March 31, 2026			As at March 31, 2025		
	No. of shares	% of Holding	% of Change during the year	No. of shares	% of Holding	% of Change during the year
SBFC Holdings Pte. Ltd	579,188,410	52.35%	(0.98%)	579,188,410	53.33%	(1.88%)

21.6 There are no bonus shares issued or shares bought back or shares issued for consideration other than cash by the Company during five years immediately preceding the balance sheet date.

21.7 There are no shares reserved for issue under options and contracts/commitments for the sale of shares or disinvestment, including the terms and amounts

21.8 1,05,000 equity shares have been transferred from Vistra ITCL (India) Limited, Trustee of SBFC Employee Welfare Trust to eligible employees pursuant to exercise of the outstanding vested options during the year. 2,04,15,141 equity shares have been issued to eligible employees pursuant to exercise of the outstanding vested Options under various SBFC Stock option policies during the year.

Notes forming part of Financial Statements

(continued)

22 Other equity

(₹ In Million)

Particulars	As at March 31, 2026	As at March 31, 2025
Statutory reserve u/s 45-IC of the RBI Act, 1934		
Balance as at the beginning of the year	1,883.45	1,193.11
Add: Amount transferred from surplus balance in the Statement of Profit and Loss	901.67	690.34
Balance as at the end of the year	2,785.12	1,883.45
Securities premium		
Balance as at the beginning of the year	11,165.20	10,788.61
Add: Transfer from employee share option outstanding pursuant to stock options exercised	205.29	66.89
Add: Premium on issue of share capital	612.05	299.71
Less: Share issue expenses (net of taxes)	-	0.88
Add/ (Less): Adjustment on account of treasury shares held through ESOP trust	0.95	9.11
Balance as at the end of the year	11,983.49	11,165.20
Employee share option outstanding		
Balance as at the beginning of the year	461.60	289.89
Add: Charge for the year	125.95	238.60
Less: Transferred to securities premium pursuant to stock options exercised	(205.29)	(66.89)
Balance as at the end of the year	382.26	461.60
Retained Earnings		
Surplus in Statement of Profit and Loss as at the beginning of the year	7,567.15	4,805.81
Add: Profit for the year	4,508.33	3,451.68
Less: Transfer to statutory reserve	(901.67)	(690.34)
Balance as at the end of the year	11,173.81	7,567.15
Remeasurement gain/ (loss) on defined benefit plans		
Balance as at the beginning of the year	12.41	7.27
Add: Other comprehensive income for the year (net of taxes)	(8.61)	5.14
Balance as at the end of the year	3.80	12.41
Other comprehensive income on cash flow hedge reserve		
Balance as at the beginning of the year	(80.09)	(21.03)
Add: Other comprehensive income for the year (net of taxes)	-	-
Less: Deletions during the year	(53.91)	(59.06)
Balance as at the end of the year	(134.00)	(80.09)
Share application money pending allotment		
Balance as at the beginning of the year	39.75	-
Add: Money received against pending allotment	-	39.75
Less: Share application money allotted	(39.75)	-
Balance as at the end of the year	-	39.75
TOTAL	26,194.48	21,049.47

Statutory reserve u/s 45-IC of the RBI Act, 1934: As required by section 45-IC of the RBI Act 1934, the Company maintains a reserve fund and transfers there in a sum not less than twenty per cent of its net profit every year as disclosed in the statement of profit and loss and before any dividend is declared.

Employee share option outstanding: The Company has a share option scheme under which options to subscribe for the Company's shares have been granted to certain employees including key management personnel. The share-based payment reserve is used to recognize the value of equity-settled share-based payments provided to employees, as part of their remuneration.

Securities Premium Reserve: Securities premium is used to record the premium on issue of shares. It can be utilised only for limited purposes in accordance with the provisions of the Companies Act, 2013. In case of equity settled share based payment transactions, the difference between fair value on grant date and nominal value share is accounted as securities premium.

Retained Earnings: Retained earnings are the profits that the Company has earned till date, less any transfers to statutory reserve.

Remeasurement gain/ (loss) on defined benefit plans: It represents the gains/ (losses) arising on account of actuarial valuation of defined benefit obligation.

Other comprehensive income on cash flow hedge reserve: It represents the cumulative gains/(losses) arising on mark to market of the derivative instruments designated as cash flow hedges through OCI and impact on account of revaluation of underlying hedged items.

23 Interest income

(₹ In Million)

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
On Financial Assets measured at Amortized Cost:		
Interest on loans	15,323.35	11,674.03
Interest on Treasury Bills	61.67	116.50
Interest on investment in Pass Through certificates (PTC)	-	12.07
Interest on deposits from banks	157.50	160.86
Total	15,542.52	11,963.46

24 Fees and commission income

(₹ In Million)

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Loan management services fee income	64.43	96.67
Commission Income - Insurance	308.69	61.83
Prepayment charges, foreclosure charges recovered from the customer	218.42	202.64
Other fee income [Refer Note 24.1]	467.00	338.00
Total	1,058.54	699.14

24.1 Fee Income includes Processing Fee on loan against Gold (not subject to EIR), Initial Money Deposit fees and Co-origination fees.

25 Net gain on fair value changes

(₹ In Million)

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Net gain/ (loss) on financial instruments at fair value through profit or loss:		
Mutual Fund		
(A) Total net gain on fair value changes	233.28	176.95
(B) Fair value changes:		
- Realized	233.10	157.37
- Unrealized	0.18	19.58
Security Receipts		
(A) Total net gain on fair value changes	(102.44)	-
(B) Fair value changes:		
- Realized	-	-
- Unrealized	(102.44)	-
Total net gain on fair value changes	130.84	176.95

26 Other operating income

(₹ In Million)

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Advertisement income	-	160.70
Other charges	56.31	50.91
Total	56.31	211.61

Notes forming part of Financial Statements

(continued)

27 Other income

(₹ In Million)

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Gain on lease termination (net of losses) [Refer Note 43]	0.40	1.72
Net gain/(loss) on de-recognition of property, plant and equipment	0.03	0.02
Others [Refer Note 27.1]	6.38	8.19
Total	6.81	9.93

27.1 Others include recovery from employees, sundry balance written back & gain on voluntary liquidation of subsidiary.

28 Finance costs (on financial liabilities measured at amortized cost)

(₹ In Million)

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Interest on borrowings	4,425.41	3,493.45
Interest on debt securities	926.59	685.10
Interest on lease liabilities [Refer Note 43.2]	20.70	13.05
Other interest expenses	1.04	0.84
Total	5,373.74	4,192.44

29 Impairment on financial instruments

(₹ In Million)

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
On financial instruments measured at amortised cost		
Impairment on loans	428.23	274.52
Loans written off (net of recovery)	826.68	462.68
Total	1,254.91	737.20

30 Employee benefits expense

(₹ In Million)

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Salaries and bonus	2,513.45	2,128.35
Contribution to provident fund and other funds [Refer Note 39(a)]	149.84	130.58
Employee share based payment expenses [Refer Note 40]	125.95	238.59
Staff training and welfare expenses	27.66	22.07
Gratuity expenses [Refer Note 39(b)]	44.14	12.73
Total	2,861.04	2,532.32

31 Other expenses

(₹ In Million)

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Travelling and conveyance	165.97	112.03
Printing and stationery	32.60	31.20
Communication Expenses	26.19	26.54
Business promotion expenses	10.54	10.19
Loss on sale/ discard of Property, plant and equipment/ Intangible assets	4.16	5.29
Repairs and maintenance	26.71	22.38
Office maintenance	126.77	118.49
Legal & professional expenses	192.68	183.85
Director sitting fees	8.16	7.30
Auditors' remuneration [Refer Note 31.1]	6.46	6.72
Corporate social responsibility expenditure [Refer Note 31.2]	64.89	39.92
Rent [Refer Note 43.4]	67.24	58.51
Rates and taxes	41.22	26.46
Electricity charges	33.88	33.14
Insurance charges	10.87	10.43
IT expenses	211.90	123.43
Bank charges	18.31	15.49
Seminar Expenses	8.47	4.82
Miscellaneous expenses	11.29	9.70
Total	1,068.31	845.89

31.1 Payments to auditors (excluding taxes)

(₹ In Million)

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Audit fees	4.75	5.27
Tax audit	0.27	0.29
Other tax matters and certification	1.44	1.16
Total	6.46	6.72

31.2 Corporate Social Responsibility expenditure

(₹ In Million)

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
a) Amount required to be spent by the Company during the year	67.76	43.78
Two percent of average net profit of the company as per section 135(5)	64.89	39.92
Liability for Surplus arising out of the CSR activities of the previous financial years, if any	2.87	3.86
Liability for Surplus arising out of the CSR activities of the current financial year, if any	-	-
b) Amount of expenditure incurred	71.36	44.91
Two percent of average net profit of the company as per section 135(5)	64.89	39.92
Liability for Surplus arising out of the CSR activities of the previous financial years, if any	2.87	3.86
Liability for Surplus arising out of the CSR activities of the current financial year, if any	3.60	1.13
c) (Excess)/ shortfall at the end of the year	-	-
d) Total of previous years shortfall	-	-
e) Reason for shortfall	-	-

Notes forming part of Financial Statements

(continued)

- f) Nature of CSR activities:
- Skill development under Apprenticeship Act (March 31, 2026; March 31, 2025)
 - Promoting education (March 31, 2026; March 31, 2025)
 - Promoting health care including preventive health care (March 31, 2026; March 31, 2025)
 - Promoting culture and heritage (March 31, 2026)
 - Preservation of environment (March 31, 2026)
- g) Where a provision is made with respect to a liability

(₹ In Million)		
Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Opening provision balance	2.87	3.86
Provision created during the year	6.17	4.00
Amount spent during the year	(6.47)	(4.99)
Closing provision balance	2.57	2.87

31.2.1 No amount has been spent by the Company for the construction/ acquisition of any new asset during the year ended March 31, 2026 and year ended March 31, 2025.

31.2.2 There have been no related party transactions during the year ended March 31, 2026 and March 31, 2025 in respect of CSR activities.

31.2.3 Section 198(4)(a) allows usual working charges to be deducted while computing the net profits for the purpose of section 198. The usual working charges can be interpreted as the expenditure incurred by the Company in the ordinary course of the business. Being an NBFC, the Company provides loans to various customers with or without collaterals. Given the fact that the Company is into the lending business, any credit losses incurred by the Company could be construed and 'usual working charges' i.e. credit losses are integral part of the lending business and should not be considered as capital in nature. Accordingly, Expected Credit Loss (ECL) provision has been treated as an allowable expenditure for the purpose of calculation of profits under section 198 of the Companies Act, 2013 for Corporate Social Responsibility.

32 Income Taxes

32.1 Income Tax recognized in Statement of Profit and Loss

(₹ In Million)		
Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Current tax		
In respect of the current year	1,688.07	1,226.71
In respect of the earlier year	(5.21)	(3.91)
Deferred tax		
In respect of the current year	(167.71)	(80.93)
In respect of the earlier year	12.45	(8.39)
Total Income tax expense recognized in the Statement of Profit and Loss	1,527.60	1,133.48

32.2 Reconciliation of income tax expense of the year:

The tax charge shown in the statement of profit and loss differs from the tax charge that would apply if all the profits had been charged at India corporate tax rate. A reconciliation between the tax expense and the accounting profit multiplied by India's domestic tax rate is as follows:

(₹ In Million)		
Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Profit before income tax expense	6,035.93	4,585.16
Income tax rate	25.168%	25.168%
Tax at statutory income tax rate	1,519.12	1,153.99
Tax effect of amounts which are non deductible/ not taxable in calculating taxable income		
CSR expense	16.33	10.05
Deduction u/s 80JJAA	(15.51)	(17.36)
Provision for expenses and doubtful debts for which deferred tax was not created	-	(0.80)
Income tax impact of previous year	(5.21)	(3.91)
Deferred tax impact of previous year	12.45	(8.39)
Other differences	0.42	(0.10)
Income tax expense	1,527.60	1,133.48

33 Deferred tax

The following table shows deferred tax recorded in the Balance sheet and changes recorded in the Income tax expense:

(₹ In Million)					
Deferred tax liability (net)	As at April 1, 2025	Recognized in Statement of Profit and Loss	Recognized in Securities Premium	Recognized in OCI	As at March 31, 2026
Deferred tax liability on account of:					
Depreciation and amortization	492.97	3.39	-	-	496.36
Unamortized Debenture Cost	-	4.65	-	-	4.65
Unamortized processing fees on term loan	49.54	4.79	-	-	54.33
Unamortized Incentive	81.34	0.05	-	-	81.39
Remeasurement of net defined benefits	1.73	-	-	(2.90)	(1.17)
Mark to market gain on mutual funds	4.93	(4.88)	-	-	0.05
	630.51	8.00	-	(2.90)	635.61
Deferred tax asset on account of:					
Expected credit losses	283.20	91.76	-	-	374.96
Provision for expenses	5.56	2.66	-	-	8.22
Provision for Investment in Secured Receipts	-	25.78	-	-	25.78
Transaction cost of Loan assets	265.29	44.64	-	-	309.93
Deduction u/s 80JJAA	17.36	(1.85)	-	-	15.51
Derivative Financial Instrument	26.93	-	-	18.13	45.06
Deduction u/s 35D of Income Tax Act, 1961	19.06	-	(6.35)	-	12.71
Impact on account of leases	4.18	0.27	-	-	4.43
	621.57	163.26	(6.35)	18.13	796.60
Deferred tax liability (net) and expense/ credit for the year	8.94	(155.26)	6.35	(21.03)	(160.99)

Notes forming part of Financial Statements

(continued)

(₹ In Million)

Deferred tax liability (net)	As at April 1, 2024	Recognized in Statement of Profit and Loss	Recognized in Securities Premium	Recognized in OCI	As at March 31, 2025
Deferred tax liability on account of:					
Depreciation and amortization	481.63	11.34	-	-	492.97
Unamortized processing fees on term loan	32.64	16.90	-	-	49.54
Unamortized Incentive	-	81.34	-	-	81.34
Remeasurement of net defined benefits	-	-	-	1.73	1.73
Mark to market gain on mutual funds	1.17	3.76	-	-	4.93
	515.44	113.34	-	1.73	630.51
Deferred tax asset on account of:					
Expected credit losses	228.49	54.71	-	-	283.20
Provision for expenses	7.47	(1.91)	-	-	5.56
Transaction cost of Loan assets	134.31	130.98	-	-	265.29
Deduction u/s 80JJAA	-	17.36	-	-	17.36
Derivative Financial Instrument	7.07	-	-	19.86	26.93
Deduction u/s 35D of Income Tax Act, 1961	25.39	-	(6.33)	-	19.06
Impact on account of leases	2.66	1.52	-	-	4.18
	405.39	202.66	(6.33)	19.86	621.57
Deferred tax liability (net) and expense/ credit for the year	110.05	(89.32)	6.33	(18.13)	8.94

34 Other comprehensive income

(₹ In Million)

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Other comprehensive income		
(A) Items that will not be reclassified to profit or loss		
- Remeasurement of the defined benefit plans	(11.51)	6.87
- Income tax relating to the remeasurement of defined benefit plans	2.90	(1.73)
(B) Items that will be reclassified to profit or loss		
- The effective portion of gains and loss on hedging instruments in a cash flow hedge	(72.04)	(78.92)
- Income tax relating to items that will be reclassified to profit or loss	18.13	19.86
Other comprehensive income for the year (net of tax)	(62.52)	(53.92)

35 Expected Credit Loss

35.1 Loan against Property

35.1.1 Credit quality of assets

(₹ In Million)

Particulars	As at March 31, 2026				As at March 31, 2025			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Internal rating grade*								
Performing								
High grade	69,870.45	-	-	69,870.45	56,896.37	-	-	56,896.37
Medium grade	-	2,904.41	-	2,904.41	-	1,878.93	-	1,878.93
Non-performing								
Individually impaired	-	-	2,366.68	2,366.68	-	-	1,928.39	1,928.39
Total#	69,870.45	2,904.41	2,366.68	75,141.54	56,896.37	1,878.93	1,928.39	60,703.69

35.1.2 An analysis of changes in the gross carrying amount and the corresponding Expected Credit Loss allowances in relation to lending is as follows:

(₹ In Million)

Particulars	As at March 31, 2026				As at March 31, 2025			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening balance	56,896.37	1,878.93	1,928.39	60,703.69	45,210.97	1,533.62	1,318.01	48,062.60
New assets originated/Assets derecognized/repaid (excluding write offs)	16,389.69	(434.20)	(1,517.64)	14,437.85	13,877.42	(153.30)	(636.09)	13,088.03
Transfers to Stage 1	257.03	(168.77)	(88.26)	-	228.86	(176.93)	(51.93)	-
Transfers to Stage 2	(2,060.15)	2,103.82	(43.67)	-	(1,087.23)	1,127.15	(39.92)	-
Transfers to Stage 3	(1,612.49)	(475.37)	2,087.86	-	(1,321.43)	(426.06)	1,747.49	-
Amounts written off (net of recovery)	-	-	-	-	(12.22)	(25.54)	(409.17)	(446.93)
Gross carrying amount closing balance #	69,870.45	2,904.41	2,366.68	75,141.54	56,896.37	1,878.93	1,928.39	60,703.69

Gross carrying amount includes staff loan of ₹ Nil (March 31, 2025 : ₹ Nil)

35.1.3 Reconciliation of Expected Credit Loss (ECL) balance is given below:

(₹ In Million)

Particulars	As at March 31, 2026				As at March 31, 2025			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
ECL allowance - opening balance	241.84	123.76	844.35	1,209.95	277.22	104.70	565.18	947.10
New assets originated/Assets derecognized/repaid (excluding write offs)	(37.16)	367.87	82.19	412.90	(41.25)	17.14	684.59	660.48
Transfers to Stage 1	37.21	(5.97)	(31.24)	-	21.55	(3.20)	(18.35)	-
Transfers to Stage 2	(9.03)	25.23	(16.20)	-	(6.78)	21.81	(15.03)	-
Transfers to Stage 3	(7.47)	(20.78)	28.25	-	(8.47)	(12.34)	20.81	-
Amounts written off (net of recovery)	-	-	-	-	(0.43)	(4.35)	(392.85)	(397.63)
ECL allowance - closing balance	225.39	490.11	907.35	1,622.85	241.84	123.76	844.35	1,209.95

*Internal rating grades are classified on below basis

Grade	Classification Basis	Stage
High grade	0-30 DPD	Stage 1
Medium grade	31-90 DPD	Stage 2
Individually impaired	>=91 DPD & Daily NPA	Stage 3

Notes forming part of Financial Statements

(continued)

35.2 Loan against Gold

35.2.1 Credit quality of assets

(₹ In Million)

Particulars	As at March 31, 2026				As at March 31, 2025			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Internal rating grade*								
Performing								
High grade	24,356.95	-	-	24,356.95	14,747.22	-	-	14,747.22
Medium grade	-	48.43	-	48.43	-	468.95	-	468.95
Non-performing								
Individually impaired	-	-	113.01	113.01	-	-	57.17	57.17
Total	24,356.95	48.43	113.01	24,518.39	14,747.22	468.95	57.17	15,273.34

35.2.2 An analysis of changes in the gross carrying amount and the corresponding Expected Credit Loss allowances in relation to lending is as follows:

(₹ In Million)

Particulars	As at March 31, 2026				As at March 31, 2025			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening balance	14,747.22	468.95	57.17	15,273.34	9,519.69	994.25	51.06	10,565.00
New assets originated/Assets derecognized/repaid (excluding write offs)	9,673.38	(415.57)	(12.76)	9,245.05	5,340.99	(600.88)	(22.50)	4,717.61
Transfers to Stage 1	6.51	(6.47)	(0.04)	-	0.91	(0.91)	-	-
Transfers to Stage 2	(4.96)	4.96	-	-	(81.69)	81.69	-	-
Transfers to Stage 3	(65.20)	(3.44)	68.64	-	(32.10)	(4.88)	36.98	-
Amounts written off (net of recovery)	-	-	-	-	(0.58)	(0.32)	(8.37)	(9.27)
Gross carrying amount closing balance	24,356.95	48.43	113.01	24,518.39	14,747.22	468.95	57.17	15,273.34

35.2.3 Reconciliation of Expected Credit Loss (ECL) balance is given below:

(₹ In Million)

Particulars	As at March 31, 2026				As at March 31, 2025			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
ECL allowance - opening balance	25.03	7.79	12.67	45.49	29.99	16.72	10.64	57.35
New assets originated	7.59	(6.75)	42.66	43.50	(4.63)	(9.07)	8.12	(5.57)
Transfers to Stage 1	0.12	(0.11)	(0.01)	-	0.01	(0.01)	-	-
Transfers to Stage 2	(0.01)	0.01	-	-	(0.24)	0.24	-	-
Transfers to Stage 3	(0.11)	(0.06)	0.17	-	(0.10)	(0.08)	0.18	-
Amounts written off (net of recovery)	-	-	-	-	(0.01)	(0.01)	(6.27)	(6.28)
ECL allowance - closing balance	32.62	0.88	55.49	88.99	25.03	7.79	12.67	45.49

*Internal rating grades are classified on below basis

Grade	Classification Basis	Stage
High grade	0-30 DPD	Stage 1
Medium grade	31-90 DPD	Stage 2
Individually impaired	>=91 DPD & Daily NPA	Stage 3

35.3 Unsecured loan

35.3.1 Credit quality of assets

(₹ In Million)

Particulars	As at March 31, 2026				As at March 31, 2025			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Internal rating grade*								
Performing								
High grade	99.91	-	-	99.91	303.12	-	-	303.12
Medium grade	-	7.85	-	7.85	-	30.76	-	30.76
Non-performing								
Individually impaired	-	-	123.28	123.28	-	-	105.85	105.85
Total #	99.91	7.85	123.28	231.04	303.12	30.76	105.85	439.73

35.3.2 An analysis of changes in the gross carrying amount and the corresponding Expected Credit Loss allowances in relation to lending is as follows:

(₹ In Million)

Particulars	As at March 31, 2026				As at March 31, 2025			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening balance	303.12	30.76	105.85	439.73	695.30	70.23	75.93	841.46
New assets originated/Assets derecognized/repaid (excluding write offs)	(179.93)	(10.47)	(18.29)	(208.69)	(314.98)	(21.44)	(58.83)	(395.25)
Transfers to Stage 1	5.85	(4.32)	(1.53)	-	10.56	(8.30)	(2.26)	-
Transfers to Stage 2	(10.40)	11.09	(0.69)	-	(34.19)	35.43	(1.24)	-
Transfers to Stage 3	(18.73)	(19.21)	37.94	-	(53.26)	(44.32)	97.58	-
Amounts written off (net of recovery)	-	-	-	-	(0.31)	(0.84)	(5.33)	(6.48)
Gross carrying amount closing balance #	99.91	7.85	123.28	231.04	303.12	30.76	105.85	439.73

Gross carrying amount includes staff loan of ₹1.66 (March 31, 2025 : ₹3.79 Million)

35.3.3 Reconciliation of Expected Credit Loss (ECL) balance is given below:

(₹ In Million)

Particulars	As at March 31, 2026				As at March 31, 2025			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
ECL allowance - opening balance	11.63	13.04	98.65	123.32	19.95	9.10	70.65	99.70
New assets originated/Assets derecognized/repaid (excluding write offs)	(9.45)	(1.58)	14.91	3.88	(8.42)	9.48	61.64	62.70
Transfers to Stage 1	2.79	(1.67)	(1.12)	-	2.66	(0.75)	(1.91)	-
Transfers to Stage 2	(0.40)	0.88	(0.48)	-	(0.99)	1.95	(0.96)	-
Transfers to Stage 3	(0.72)	(8.38)	9.10	-	(1.53)	(6.40)	7.93	-
Amounts written off (net of recovery)	-	-	-	-	(0.04)	(0.34)	(38.70)	(39.08)
ECL allowance - closing balance	3.85	2.29	121.06	127.20	11.63	13.04	98.65	123.32

*Internal rating grades are classified on below basis

Grade	Classification Basis	Stage
High grade	0-30 DPD	Stage 1
Medium grade	31-90 DPD	Stage 2
Individually impaired	>=91 DPD & Daily NPA	Stage 3

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36 Change in liabilities arising from financing activities

(₹ In Million)

Particulars	As at April 1, 2025	Cash Flow (Principal Component)	Cash Flow (Interest Component)	Interest Expenses	Amortization of Transaction Costs	Other Non-Cash Changes	As at March 31, 2026
Debt securities	11,293.74	(3,000.00)	(1,026.61)	865.61	60.98	-	8,193.72
Lease liabilities	174.30	(59.06)	(20.70)	20.70	-	129.33	244.57
Borrowings (other than debt securities)	41,349.44	22,074.80	(4,426.24)	4,319.91	105.50	-	63,423.41
Total liabilities from financing activities	52,817.48	19,015.74	(5,473.55)	5,206.22	166.48	129.33	71,861.70

(₹ In Million)

Particulars	As at April 1, 2024	Cash Flow (Principal Component)	Cash Flow (Interest Component)	Interest Expenses	Amortization of Transaction Costs	Other Non-Cash Changes	As at March 31, 2025
Debt securities	3,949.59	7,070.00	(365.01)	685.10	(45.94)	-	11,293.74
Lease liabilities	107.02	(54.76)	(13.05)	13.05	-	122.04	174.30
Borrowings (other than debt securities)	36,010.62	5,323.91	(3,457.31)	3,493.45	(21.23)	-	41,349.44
Total liabilities from financing activities	40,067.23	12,339.15	(3,835.37)	4,191.60	(67.17)	122.04	52,817.48

37 Maturity analysis of assets and liabilities

The table below shows an analysis of assets and liabilities analyzed according to when they are expected to be recovered or settled. They have been classified to mature and/or be repaid within 12 months or after 12 months. With regard to loans and advances to customers, the Company uses the same basis of expected repayment as used for estimating the Effective Interest Rate (EIR).

(₹ In Million)

PARTICULARS	As at March 31, 2026			As at March 31, 2025		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
ASSETS						
Financial Assets						
Cash and cash equivalents	4,810.42	-	4,810.42	2,653.98	-	2,653.98
Bank balances other than cash and cash equivalents	1,331.63	308.27	1,639.90	1,333.07	306.50	1,639.57
Derivative financial instruments	798.21	-	798.21	-	-	-
Trade receivables	202.87	-	202.87	148.06	-	148.06
Loans	36,542.02	61,509.91	98,051.93	25,137.16	49,903.78	75,040.94
Investments	1,227.91	696.53	1,924.44	3,052.66	215.63	3,268.29
Other financial asset	3.12	40.21	43.33	5.25	35.22	40.47
Non-Financial assets						
Current tax assets (net)	-	0.09	0.09	-	31.44	31.44
Deferred tax assets (net)	-	160.99	160.99	-	-	-
Property, plant and equipment	-	490.89	490.89	-	436.62	436.62
Intangible assets under development	-	18.73	18.73	-	5.78	5.78
Goodwill	-	2,603.92	2,603.92	-	2,603.92	2,603.92
Other intangible assets	-	46.09	46.09	-	38.32	38.32
Other non-financial assets	56.23	5.98	62.21	45.49	5.24	50.73
Total Assets	44,972.41	65,881.61	110,854.02	32,375.67	53,582.45	85,958.12
LIABILITIES						
Financial Liabilities						
Derivative financial instruments	-	-	-	98.45	-	98.45
Trade payables	-	-	-	-	-	-
(i) total outstanding dues of micro enterprises and small enterprises	4.04	-	4.04	4.40	-	4.40

(₹ In Million)

PARTICULARS	As at March 31, 2026			As at March 31, 2025		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	110.13	-	110.13	90.15	-	90.15
Other payables						
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	12.27	-	12.27	5.41	-	5.41
Debt securities	193.72	8,000.00	8,193.72	1,293.74	10,000.00	11,293.74
Borrowings (other than debt securities)	22,366.52	41,056.89	63,423.41	15,934.36	25,415.08	41,349.44
Other financial liabilities	1,574.48	200.06	1,774.54	969.82	153.04	1,122.86
Non-Financial Liabilities						
Current tax liabilities (net)	16.39	-	16.39	-	-	-
Provisions	17.08	-	17.08	2.92	-	2.92
Deferred tax liabilities (net)	-	-	-	-	8.94	8.94
Other non-financial liabilities	50.92	-	50.92	80.50	-	80.50
Total liabilities	24,345.55	49,256.95	73,602.50	18,479.75	35,577.06	54,056.81
Net	20,626.86	16,624.66	37,251.52	13,895.92	18,005.39	31,901.31

Capital Management

The primary objectives of the Company's capital management policy are to ensure that the Company complies with externally imposed capital requirements and maintains strong credit ratings and healthy capital ratios in order to support its business and to maximize shareholder value. The Company manages its capital structure and makes adjustments to it according to changes in economic conditions and the risk characteristics of its activities. Capital Management Policy, objectives and processes are under constant review by the Board. For details of Capital to Risk Assets Ratio (CRAR) [Refer Note 50.12.2]

Notes forming part of Financial Statements

(continued)

38 Fair value measurements
Financial instruments by category

Particulars	As at March 31, 2026			As at March 31, 2025		
	Fair value through Profit or Loss	Amortized cost	Fair value through Other Comprehensive Income	Fair value through Profit or Loss	Amortized cost	Fair value through Other Comprehensive Income
Financial Assets						
Investments						
- Mutual funds	89.88	-	-	1,990.64	-	-
- Treasury Bills	-	1,002.88	-	-	1,020.18	-
- Security receipts	831.68	-	-	257.47	-	-
Derivative financial instruments	-	-	798.21	-	-	-
Trade receivables	-	202.87	-	-	148.06	-
Loans	-	98,051.93	-	-	75,040.94	-
Cash and cash equivalents	-	4,810.42	-	-	2,653.98	-
Bank Balances other than cash and cash equivalents	-	1,639.90	-	-	1,639.57	-
Other financial assets	-	43.33	-	-	40.47	-
Total Financial Assets	921.56	105,751.33	798.21	2,248.11	80,543.20	-
Financial Liabilities						
Derivative financial instruments	-	-	-	-	-	98.45
Trade payables	-	114.17	-	-	94.55	-
Other payables	-	12.27	-	-	5.41	-
Debt securities	-	8,193.72	-	-	11,293.74	-
Borrowings (other than debt securities)	-	63,423.41	-	-	41,349.44	-
Other financial liabilities	-	1,774.54	-	-	1,122.86	-
Total Financial Liabilities	-	73,518.11	-	-	53,866.00	98.45
						82,791.31

38.1 Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognized and measured at fair value and (b) measured at amortized 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 accounting standard. An explanation of each level follows underneath the table.

(₹ In Million)						
Financial assets and liabilities measured at fair value - recurring fair value measurements	Note No.	Carrying Amount	Level 1	Level 2	Level 3	Total
As at March 31, 2026						
Financial assets						
<u>Financial Assets at Fair value through Other Comprehensive Income</u>						
Derivative financial instruments	12	798.21	-	798.21	-	798.21
<u>Financial Investments at Fair Value Through Profit or Loss</u>						
Mutual funds	7	89.88	89.88	-	-	89.88
<u>Financial Assets at Amortized Cost</u>						
Investment in Treasury Bills	7	1,002.88	1,002.88	-	-	1,002.88
Investment in Security receipts	7	831.68	-	-	831.68	831.68
Cash and cash equivalents	3	4,810.42	4,810.42	-	-	4,810.42
Bank Balances other than cash and cash equivalents	4	1,639.90	1,639.90	-	-	1,639.90
Trade receivables	5	202.87	-	-	202.87	202.87
Loans	6	98,051.93	-	-	100,573.63	100,573.63
Other financial assets	8	43.33	-	-	43.33	43.33
Total financial assets		107,471.10	7,543.08	798.21	101,651.51	109,992.80
Financial liabilities						
<u>Financial Liabilities at Fair value through Other Comprehensive Income</u>						
Derivative financial instruments	12	-	-	-	-	-
<u>Financial Liabilities at Amortized Cost</u>						
Trade payables	13	114.17	-	-	114.17	114.17
Other payables	13	12.27	-	-	12.27	12.27
Debt securities	14	8,193.72	-	-	8,193.72	8,193.72
Borrowings (other than debt securities)	15	63,423.41	-	-	63,423.41	63,423.41
Other financial liabilities	16	1,774.54	-	-	1,774.54	1,774.54
Total financial liabilities		73,518.11	-	-	73,518.11	73,518.11

(₹ In Million)						
Financial assets and liabilities measured at fair value - recurring fair value measurements	Note No.	Carrying Amount	Level 1	Level 2	Level 3	Total
As at March 31, 2025						
Financial assets						
<u>Financial Investments at Fair Value Through Profit or Loss</u>						
Mutual funds	7	1,990.64	1,990.64	-	-	1,990.64
<u>Financial Assets at Amortized Cost</u>						
Investment in Treasury Bills	7	1,020.18	1,020.18	-	-	1,020.18
Investment in Security receipts	7	257.47	-	-	257.47	257.47
Cash and cash equivalents	3	2,653.98	2,653.98	-	-	2,653.98
Bank Balances other than cash and cash equivalents	4	1,639.57	1,639.57	-	-	1,639.57
Trade receivables	5	148.06	-	-	148.06	148.06
Loans	6	75,040.94	-	-	77,062.94	77,062.94
Other financial assets	8	40.47	-	-	40.47	40.47

Notes forming part of Financial Statements

(continued)

(₹ In Million)

Financial assets and liabilities measured at fair value - recurring fair value measurements	Note No.	Carrying Amount	Level 1	Level 2	Level 3	Total
Total financial assets		82,791.31	7,304.37	-	77,508.94	84,813.31
Financial liabilities						
<u>Financial Liabilities at Fair value through Other Comprehensive Income</u>						
Derivative financial instruments	12	98.45	-	98.45	-	98.45
<u>Financial Liabilities at Amortized Cost</u>						
Trade payables	13	94.55	-	-	94.55	94.55
Other payables	13	5.41	-	-	5.41	5.41
Debt securities	14	11,293.74	-	-	11,293.74	11,293.74
Borrowings (other than debt securities)	15	41,349.44	-	-	41,349.44	41,349.44
Other financial liabilities	16	1,122.86	-	-	1,122.86	1,122.86
Total financial liabilities		53,964.45	-	98.45	53,866.00	53,964.45

38.2 Valuation technique used to determine fair value

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Level 1 to Level 3, as described below.

Quoted prices in an active market (Level 1): This level of hierarchy includes financial assets that are measured by reference to quoted prices (adjusted/unadjusted) for identical assets. This category consists of quoted mutual fund units and government securities.

Valuation techniques with observable inputs (Level 2): This level of hierarchy includes financial assets, measured using inputs other than quoted prices included within Level 1 that are observable for the asset, either directly (i.e.; as prices) or indirectly (i.e.; derived from prices). This category includes derivative financial instruments.

Valuation techniques with significant unobservable inputs (Level 3): This level of hierarchy includes financial assets measured using inputs that are not based on observable market data. Fair values are determined in whole or in part, using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data. This category includes investment in Security receipts.

There has been no transfer between level 1, level 2 and level 3 for the year ended March 31, 2026 and March 31, 2025.

The carrying amounts of trade receivables, trade payables and cash and cash equivalents are considered to be the same as their fair values, due to their short-term nature.

For financial assets and liabilities measured at fair value, the carrying amounts approximates the fair values.

39 Employee Benefits

(a) Defined Contribution plans

Provident Fund

The Company makes Provident Fund contributions to defined contribution retirement benefit plans for eligible employees. Under the schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The contributions as specified under the law are paid to the Employee Provident Fund Organization (Government).

The Company recognized expense as contribution to provident fund amounting to ₹137.01 Million (March 31, 2025: ₹119.30 Million) in the statement of profit and loss. The contributions payable to these plans by the Company are at rates specified in the rules of the schemes.

(b) Defined benefit plans

Gratuity Fund

Characteristics of defined benefit plan

The Company has a defined benefit gratuity plan in India (funded). The Company's defined benefit gratuity plan is a final salary plan for employees, which requires contributions to be made to SBFC Finance Limited employees group gratuity cash accumulation scheme.

Risks associated with defined benefit plan

Gratuity is a defined benefit plan and Company is exposed to the following risks:

- A. 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 mortality rates:** If actual mortality rates are higher than assumed mortality rate assumption than the Gratuity Benefits will be paid earlier than expected. Since there is no condition of vesting on the death benefit, the acceleration of cashflow will lead to an actuarial loss or gain depending on the relative values of the assumed salary growth and discount rate.
 - 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.
- B. 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.
- C. 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.
- D. 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.
- E. 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.

During the year ended March 31, 2026 and March 31, 2025, there were no plan amendments, curtailments and settlements.

The Life Insurance Corporation is managing the Gratuity Plan and the contributions to it is done as guided by rule 103 of Income Tax Rules, 1962.

Other Post Retirement Benefit Plan

The details of the Company's post-retirement benefit plans for its employees including whole-time directors are given below which is as certified by the actuary and relied upon by the auditors.

(c) The Code on Social Security, 2020 (New Labour Code)

Effective November 21, 2025, the Government of India consolidated 29 existing labour regulations into four Labour codes, namely, The Code on Wages, 2019, The Industrial Relations Code, 2020, The Code on Social Security, 2020 and the Occupational Safety, Health and Working Conditions Code, 2020, collectively referred to as the 'New Labour Codes'. The New Labour Codes has resulted in a one-time increase in provision for employee benefits on account of recognition of past service costs amounting to ₹22.22 Million. Based on the requirements as per the New Labour Codes and relevant Accounting Standard, the Company has assessed and accounted the estimated incremental impact in the statement of profit and loss for the year ended March 31, 2026.

Upon notification of the related Rules to the New Labour Codes by the Government and any further clarification from the Government on other aspects of the New Labour Codes, the Company will evaluate and account for additional impact if any, determined in subsequent periods.

(₹ In Million)

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Change in the Benefit Obligations:		
Liability at the beginning of the year	47.52	42.87
Current service cost	22.28	13.13
Interest cost	2.74	2.91
Benefits paid	(11.06)	(4.13)
Actuarial gains - due to change in financial assumptions	(0.14)	0.99
Actuarial gains - due to change in demographic assumptions	-	(6.37)
Actuarial losses - due to experience adjustments	12.21	(1.88)

Notes forming part of Financial Statements

(continued)

(₹ In Million)

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Past service cost	22.22	-
Liability at the end of the year	95.77	47.52
Fair value of plan assets:		
Fair value of plan assets at the beginning of the year	48.08	40.61
Interest income	3.10	3.31
Actual return on plan assets	0.56	(0.39)
Contributions	43.86	8.68
Benefits paid	(11.06)	(4.13)
Fair value of plan assets at the end of the year	84.54	48.08
Actual return on plan assets:		
Expected return on plan assets	-	-
Actuarial loss on plan assets	-	-
Actual return on plan assets	0.56	(0.39)
Reconciliation of the Liability Recognized in the Balance Sheet:		
Opening net Liability/ (Asset)	(0.56)	2.26
Transfer in obligation	-	-
Expense recognized in Profit and Loss	44.14	12.73
Expense recognized in Other Comprehensive Income	11.51	(6.87)
Contribution by the Company	(43.86)	(8.68)
Benefits paid by the Company / Insurance Companies	-	-
Amount recognized in the Balance Sheet under Liabilities/ (Assets) as on March 31, 2026: ₹11.23 Million (March 31, 2025: ₹0.56 Million) [Refer Note 11 and Note 18]	11.23	(0.56)

(₹ In Million)

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Expense Recognized in the Statement of Profit and Loss:		
Current service cost	22.28	13.13
Past service cost	22.22	-
Interest cost (net)	(0.36)	(0.40)
Expense recognized in the Statement of Profit and Loss	44.14	12.73

(₹ In Million)

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Expense Recognized in the Statement of Other Comprehensive Income:		
Due to change in financial assumptions	(0.14)	0.99
Due to change in demographic assumptions	-	(6.37)
Due to experience adjustments	12.21	(1.88)
Return on plan assets, excluding interest income	(0.56)	0.39
Net (Income)/ Expense for the year recognized in Statement of Other Comprehensive Income	11.51	(6.87)

Amount Recognized in the Balance Sheet:

(₹ In Million)

Particulars	As at March 31, 2026	As at March 31, 2025
Liability at the end of the year	95.77	47.52
Fair Value of Plan Assets at the end of the year	84.54	48.08
Amount recognized in the Balance Sheet	11.23	(0.56)
Experience Adjustment :		
On Plan Liabilities	-	-
On Plan Assets	-	-
Estimated contribution for next year	11.23	(0.56)

Investment Pattern:

(% Invested)

Particulars	As at March 31, 2026	As at March 31, 2025
Policy of Insurance	100%	100%
Total	100%	100%

Based on the above allocation and the prevailing yields on these assets, the long term estimate of the expected rate of return on fund assets has been arrived at March 31, 2026: 6.60% (March 31, 2025: 6.55%)

Principal Assumptions:

(% p.a.)

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Discount rate	6.60%	6.55%
Return on plan assets	6.60%	6.55%
Salary escalation	7.50%	7.50%
Withdrawal Rate (as per age band)		
25 & Below	20.00%	20.00%
25 to 35	40.00%	40.00%
35 to 45	40.00%	40.00%
45 to 55	20.00%	20.00%
55 & Above	-	-

The estimate of future salary increase, considered in the actuarial valuation takes account of inflation, seniority, promotion and other relevant factors.

Notes forming part of Financial Statements

(continued)

Fair value as at Grant Date for SBFC Stock Option Policy I 2018:

Grant Date	1-Oct-18	1-Oct-18	24-Dec-18	24-Dec-18	15-Mar-19	29-May-19	15-Feb-20	30-Mar-20	23-Dec-20	26-May-21
Fair Value of options as at Grant Date (in ₹)	3.61	3.55	3.31	3.24	3.13	4.07	4.30	4.52	3.95	8.90

Vesting schedule for SBFC Stock Option Policy I 2018:

Grant Date	1-Oct-18	1-Oct-18	24-Dec-18	24-Dec-18	15-Mar-19	29-May-19	15-Feb-20	30-Mar-20	23-Dec-20	26-May-21
12 months	17.5%	25.0%	17.5%	25.0%	25.0%	25.0%	17.5%	25.0%	25.0%	25.0%
15 months	7.5%	5.0%	7.5%	5.0%	5.0%	5.0%	7.5%	5.0%	5.0%	5.0%
18 months	7.5%	5.0%	7.5%	5.0%	5.0%	5.0%	7.5%	5.0%	5.0%	5.0%
21 months	7.5%	7.5%	7.5%	7.5%	7.5%	7.5%	7.5%	7.5%	7.5%	7.5%
24 months	7.5%	7.5%	7.5%	7.5%	7.5%	7.5%	7.5%	7.5%	7.5%	7.5%
27 months	7.5%	10.0%	7.5%	10.0%	10.0%	10.0%	7.5%	10.0%	10.0%	10.0%
30 months	7.5%	10.0%	7.5%	10.0%	10.0%	10.0%	7.5%	10.0%	10.0%	10.0%
33 months	7.5%	15.0%	7.5%	15.0%	15.0%	15.0%	7.5%	15.0%	15.0%	15.0%
36 months	10.0%	15.0%	10.0%	15.0%	15.0%	15.0%	10.0%	15.0%	15.0%	15.0%
39 months	10.0%	-	10.0%	-	-	-	10.0%	-	-	-
42 months	10.0%	-	10.0%	-	-	-	10.0%	-	-	-

40.1 If Vesting prior to IPO then upto 6 months from date of IPO, If Vesting after IPO then upto 6 months from date of Vesting

40.2 If Vesting prior to IPO then within 12 months from the date of the IPO, If Vesting after IPO then within 12 months from the date of the Vesting

40.3 If Vesting prior to IPO then 24 months from date of IPO, If Vesting after IPO then 6 months from date of Vesting

40.4 Upto 6 months from date of Vesting

40.5 Method used for accounting for shared based payment plan:

The Company uses fair value to account for the compensation cost of stock options to employees of the Company.

40.6 Fair value methodology:

The fair value of options have been estimated on the dates of each grant using the Black-Scholes model. The shares of Company are not listed on any stock exchange. Accordingly, the Company had considered the volatility of the Company's stock price based on historical volatility of similar listed enterprises. The various assumptions considered in the pricing model for the stock options granted by the Company are:

Particulars	SBFC Stock Option Policy I 2018	SBFC Stock Option Policy II 2018	SBFC Stock Option Policy 2021- I	SBFC Stock Option Policy 2021- II	SBFC Stock Option Policy 2021 - III - Special Grant	SBFC Stock Option Policy 2021- IV	SBFC Stock Option Policy 2021- V	SBFC Stock Option Policy 2023- I	SBFC Stock Option Policy 2023- II	SBFC Stock Option Policy 2023- III	SBFC Stock Option Policy 2024- I	SBFC Stock Option Policy 2025- I
Dividend yield	-	-	-	-	-	-	-	-	-	-	-	-
Expected volatility	20.00%	49.18%	45.67%	46.78%	48.77%	48.77%	54.83%	53.66%	33.28%	32.47%	30.45%	
Risk free interest rate	(Refer table below)	8.00%	4.55%	5.45%	5.85%	5.07%	5.07%	7.42%	7.24%	7.26%	5.90%	5.93%
Expected life of the option	5 years	3 years 6 months	5 years	6 years	5 years	5 years	4 years 6 months	4 years 6 months	4 years 6 months	4 years 6 months	4 years 6 months	4 years 6 months

Fair value methodology for SBFC Stock Option Policy I 2018:

Grant Date	1-Oct-18	1-Oct-18	24-Dec-18	24-Dec-18	15-Mar-19	29-May-19	15-Feb-20	30-Mar-20	23-Dec-20	26-May-21
Dividend yield	-	-	-	-	-	-	-	-	-	-
Expected volatility	20.00%	20.00%	20.00%	20.00%	20.00%	36.45%	37.43%	43.92%	49.24%	52.61%
Risk free interest rate	8%	7.87%	7.08%	7.07%	7.06%	6.34%	5.43%	5.11%	4.33%	4.50%
Expected life of the option	4 years	3 years 6 months	4 years	3 years 6 months	3 years 6 months	3 years 6 months	4 years	3 years 6 months	3 years 6 months	3 years 6 months

40.7 Option Movement during the year ended March 31, 2026

Particulars	SBFC Stock Option Policy I 2018	SBFC Stock Option Policy II 2018	SBFC Stock Option Policy 2021- I	SBFC Stock Option Policy 2021- II	SBFC Stock Option Policy 2021 - III - Special Grant	SBFC Stock Option Policy 2021- IV	SBFC Stock Option Policy 2021- V	SBFC Stock Option Policy 2023- I	SBFC Stock Option Policy 2023- II	SBFC Stock Option Policy 2023- III	SBFC Stock Option Policy 2024 - I	SBFC Stock Option Policy 2025 - I	Weighted average exercise price (₹)
Exercise Price per Share (in ₹)	12.50	12.50	19.00	40.00	40.00	21.45	40.00	55.00	55.00	87.28	116.26	87.04	
No. of options outstanding at April 1, 2025	-	-	105,000	2,007,547	1,760,416	7,751,956	5,315,625	2,892,374	20,300,000	4,600,000	-	-	49.38
Options granted during the year	-	-	-	-	-	-	-	-	-	-	4,997,000	9,838,000	96.88
Options exercised during the year	-	-	105,000	1,389,855	784,162	7,464,846	4,725,000	1,075,277	3,512,500	1,463,501	-	-	39.87
Options forfeited/ lapsed during the year	-	-	-	317,878	356,041	287,110	590,625	659,375	3,600,000	1,071,751	340,000	-	58.71
Number of options outstanding at March 31, 2026	-	-	-	299,814	620,213	-	-	1,157,722	13,187,500	2,064,748	4,657,000	9,838,000	75.53

Particulars	SBFC Stock Option Policy I 2018	SBFC Stock Option Policy II 2018	SBFC Stock Option Policy 2021- I	SBFC Stock Option Policy 2021- II	SBFC Stock Option Policy 2021 - III - Special Grant	SBFC Stock Option Policy 2021- IV	SBFC Stock Option Policy 2021- V	SBFC Stock Option Policy 2023- I	SBFC Stock Option Policy 2023- II	SBFC Stock Option Policy 2023- III	SBFC Stock Option Policy 2024 - I	SBFC Stock Option Policy 2025 - I	Weighted average exercise price (₹)
Exercise Price per Share (in ₹)	12.50	12.50	19.00	40.00	40.00	21.45	40.00	55.00	55.00	87.28			
No. of options outstanding at April 1, 2024	54,000	-	1,180,000	3,518,114	2,429,625	12,760,417	8,925,000	5,040,004	20,300,000	-	-	-	42.16
Options granted during the year	-	-	-	-	-	-	-	-	-	-	4,874,000	-	87.28
Options exercised during the year	54,000	-	997,500	1,300,580	639,181	5,008,461	3,609,375	1,686,505	-	-	-	-	33.23
Options forfeited/ lapsed during the year	-	-	77,500	209,987	30,028	-	-	461,125	-	-	274,000	-	57.33
Number of options outstanding at March 31, 2025	-	-	105,000	2,007,547	1,760,416	7,751,956	5,315,625	2,892,374	20,300,000	4,600,000	-	-	49.38

Notes forming part of Financial Statements

(continued)

40.8 The following table summarizes information about stock option plans:-

Policy Name	Exercise Price (₹)	Year ended March 31, 2026		Year ended March 31, 2025	
		Numbers	Weighted Average Remaining Life (Months)*	Numbers	Weighted Average Remaining Life (Months)*
SBFC Stock Option Policy I 2018	12.50	-	-	-	-
SBFC Stock Option Policy II 2018	12.50	-	-	-	-
SBFC Stock Option Policy 2021- I	19.00	-	-	105,000	-
SBFC Stock Option Policy 2021- II	40.00	299,814	0.66	2,007,547	4.35
SBFC Stock Option Policy 2021 - III - Special Grant	40.00	620,213	4.53	1,760,416	9.92
SBFC Stock Option Policy 2021- IV	21.45	-	-	7,751,956	3.04
SBFC Stock Option Policy 2021- V	40.00	-	-	5,315,625	3.25
SBFC Stock Option Policy 2023- I	55.00	1,157,722	4.51	2,892,374	10.48
SBFC Stock Option Policy 2023- II	55.00	13,187,500	7.61	20,300,000	17.14
SBFC Stock Option Policy 2023- III	87.28	2,064,748	10.97	4,600,000	15.59
SBFC Stock Option Policy 2024 - I	116.26	4,657,000	18.32	-	-
SBFC Stock Option Policy 2025 - I	87.04	9,838,000	25.08	-	-

Notes:-

*Weighted Average Remaining life represents the life for vesting. Exercise period life is in addition to the vesting life.

During the year 2018-19 & 2021-22, the Company has provided loan to the Employee welfare trust for purchase of shares issued by the Company. These shares will be vested to the employee and will be settled through issue of own equity instrument.

The charge under employee benefit expense for the year ended March 31, 2026 amounted to ₹125.95 Million (March 31, 2025: ₹238.59 Million)

41 Segment Information

The Company operates mainly in the business segment of fund based financing activity. All other activities revolve around the main business. Further, all activities are carried out within India. During the current year, the Company has obtained Certificate of Registration dated November 25, 2024 from IRDAI to act as a 'Corporate Agent (Composite)' under the Insurance Act, 1938. The Company will now be able to solicit insurance products to its customers as a Corporate Agent. As such, there are no separate reportable segments as per the provisions of Ind AS 108 on 'Operating Segments'.

42 Related party disclosures

(a) Key management personnel of the Company

Key management personnel are those individuals who have the authority and responsibility for planning and exercising power to directly or indirectly control the activities of the Company and its employees. The Company includes the members of the Board of Directors which include independent directors (and its sub-committees) and Executive Committee to be key management personnel for the purposes of Ind AS 24 Related Party Disclosures.

Sr No	Name of Key Management Personnel	Designation
1	Mr. Aseem Dhru	Managing Director & CEO (upto March 31, 2026)
2	Mr. Neeraj Swaroop	Independent Director and Chairperson
3	Mr. Rajesh Mannalal Agrawal	Independent Director (upto November 12, 2025)
4	Ms. Surekha Marandi	Independent Director
5	Mr. Ravi Venkatraman	Independent Director
6	Mr. Koni Uttam Nayak	Independent Director
7	Mr. John Mescall	Non-Executive Nominee Director
8	Mr. Jonathan Tadeusz Tatur	Non-Executive Nominee Director
9	Mr. Leroy James Langeveld	Non-Executive Nominee Director (w.e.f, April 26, 2025)

Sr No	Name of Key Management Personnel	Designation
10	Mr. Mahesh Dayani	Executive Director (w.e.f. February 28, 2025 upto March 31, 2026)
11	Mr. Narayan Barasia	Chief Financial Officer
12	Ms. Namrata Sajnani	Company Secretary & Chief Compliance Officer

(b) Related parties where control exists:

1	Holding Company	SBFC Holdings Pte. Limited
2	Subsidiary Company	SBFC Home Finance Private Limited (upto January 27, 2025)
3	Post-employment benefit plan	SBFC Finance Limited Employees GGCA Scheme
4	Controlled Employee Welfare trust	SBFC Employee Welfare Trust

(c) Related party transactions

Particulars	(₹ In Million)	
	For the year ended March 31, 2026	For the year ended March 31, 2025
Key Management Personnel		
Sitting Fees:		
Mr. Neeraj Swaroop	2.20	1.90
Mr. Rajesh Mannalal Agrawal	0.40	0.50
Ms. Surekha Marandi	1.90	1.60
Mr. Ravi Venkatraman	2.10	2.00
Mr. Uttam Koni Nayak	1.50	1.30
Remuneration to KMPs:		
Mr. Aseem Dhru	72.24	64.10
Mr. Mahesh Dayani	48.57	2.31
Mr. Narayan Barasia	33.42	29.24
Ms. Namrata Sajnani	6.05	2.92
Mr. Jay Mistry	-	0.83
Employee Share Based Payment:		
Mr. Aseem Dhru	55.60	67.61
Mr. Mahesh Dayani	39.13	3.87
Mr. Narayan Barasia	28.99	33.16
Ms. Namrata Sajnani	0.51	0.09
Mr. Jay Mistry	-	(0.24)
Share Application money pending allotment		
Mr. Aseem Dhru ¹	-	32.17
Issue of Equity Share Capital:		
Mr. Aseem Dhru ¹	326.96	117.97
Mr. Mahesh Dayani	100.78	-
Mr. Narayan Barasia	104.64	29.78
Ms. Namrata Sajnani	0.47	-
Mr. Jay Mistry	-	0.13
Controlled Employee Welfare trust		
Loan repaid:		
Trustee of Employee welfare Trust	2.00	19.63
Post-employment benefit plan		
Gratuity:		
SBFC Finance Limited Employees GGCA Scheme	43.86	8.68
Subsidiary Company		
Reimbursement of expenses paid on behalf of Subsidiary:		

Notes forming part of Financial Statements

(continued)

(₹ In Million)

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
SBFC Home Finance Private Limited	-	2.85
Expenses paid on behalf of Subsidiary:		
SBFC Home Finance Private Limited	-	0.01
Other Income		
SBFC Home Finance Private Limited	-	0.28

¹ Issue of equity share capital during the year ended March 31, 2026 of INR 326.96 Million includes INR 32.17 Million parked in share application money pending allotment as on March 31, 2025

Related party balances

(₹ In Million)

Particulars	As at March 31, 2026	As at March 31, 2025
Loan given		
Trustee of Employee welfare trust	10.77	12.76

43 Leases

43.1 The changes in the carrying value of right of use assets are as follows:

(₹ In Million)

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Balance as at beginning of the year	174.50	99.73
Impact of restatements		
Addition during the year	133.10	136.80
Deletion/ Termination during the year	(40.85)	(93.00)
Depreciation charge for the year	(69.69)	(54.90)
Depreciation on deletion/ termination	40.43	85.87
Balance as at end of the year	237.49	174.50

43.2 The following is the movement in lease liabilities:

(₹ In Million)

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Balance as at beginning of the year	174.30	107.02
Addition during the year	132.11	128.72
Deletion/ Termination during the year	(2.78)	(6.68)
Finance cost accrued during the year	20.70	13.05
Payment made during the year	(79.76)	(67.81)
Balance as at end of the year	244.57	174.30

43.3 Contractual maturities of lease liabilities on an undiscounted basis:

Maturity Profile of Lease liabilities:

(₹ In Million)

Lease Liabilities	Less than 1 year	1 year to 3 years	3 years to 5 years	5 years and above	Total
March 31, 2026	61.33	108.07	75.97	91.62	336.99
March 31, 2025	69.67	71.46	50.86	30.71	222.71

43.4 Impact of Ind AS 116 in the Statement of Profit and Loss:

- (i) Rental expense recorded for short-term leases for the year ended March 31, 2026 was ₹67.24 Million (March 31, 2025: ₹58.51 Million)
- (ii) The aggregate depreciation on Right to use assets has been included under depreciation and amortisation expense in the Statement of Profit and Loss.
- (iii) The aggregate interest on Lease liabilities has been included under Finance costs in the Statement of Profit and Loss.

44 In accordance with Ind AS 33- Earnings per Share, the computation of earnings per share is set out below:

Particulars			For the year ended March 31, 2026	For the year ended March 31, 2025
Net Profit after tax as per Statement of Profit and Loss	(A)	₹ in Million	4,508.33	3,451.68
Weighted average number of equity shares for calculating Basic EPS	(B)	Nos.	1,092,849,042	1,077,203,019
Add: Equity shares for no consideration arising on grant of stock options under ESOP		Nos.	7,914,970	19,011,349
Weighted average number of equity shares for calculating Diluted EPS	(C)	Nos.	1,100,764,012	1,096,214,368
Basic earnings per equity share (in ₹) (Face value of ₹10 per share)	(A)/(B)	₹ per share	4.13	3.20
Diluted earnings per equity share (in ₹) (Face value of ₹10 per share)	(A)/(C)	₹ per share	4.10	3.15

- 45 As on the date of balance sheet, there were no internal or external indications exists that require management to assess the recoverability amount of the asset. Therefore, the Company believes no impairment of assets is required as per Ind AS 36 "Impairment of Assets".

The Company has carried impairment testing by discounting the projected future cash flows and has enough head room against the carrying amount of ₹2,603.92 Million. Considering the head room that the Company has, there is no need for impairment. Therefore, there is no Impairment of Goodwill in the books as on March 31, 2026 and March 31, 2025.

46 Contingent Liabilities and other commitments to the extent not provided for:

(₹ In Million)

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
(a) Contingent liabilities		
Claims against the Company not acknowledged as Debts	15.66	24.40
(b) Capital commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	39.92	10.23
Commitments related to loans sanctioned but undrawn	782.44	721.98
Other Commitments	-	-

- 46.1 The Company's pending litigations comprise of claims against the Company by the customers and proceedings pending with other authorities. The Company has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed the contingent liabilities where applicable, in the financial statements. The Company does not expect the outcome of these proceedings to have a materially adverse effect on its financial statements.

47 Risk Disclosures

The Company's risk is managed through an integrated risk management framework, including ongoing identification, measurement and monitoring, subject to risk limits and other controls. This process of risk management is critical to the Company's continuing profitability and each individual within the Company is accountable for the risk exposures relating to his or her responsibilities. The Company is exposed to credit risk, liquidity risk, interest rate risk and price risk.

It is the Company's policy to ensure that a robust risk awareness is embedded in its organizational risk culture.

47.1 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 manages and controls credit risk by setting limits on the amount of risk it is willing to accept for individual counterparties.

Notes forming part of Financial Statements

(continued)

47.1.1 Impairment assessment

During the current year, the Company has made refinement in the ECL model and said changes have been updated in the ECL policy which is duly approved by the audit committee. However, there is no material impact on the financial statements of the Company.

Exposure at Default

EAD is taken as the gross exposure under a facility upon default of an obligor. The amortized principal and the interest accrued is considered as EAD for the purpose of ECL computation

The advances have been bifurcated into following three stages:

Stage 1

All exposures where there has not been a significant increase in credit risk since initial recognition or that has low credit risk at the reporting date and that are not credit impaired upon origination are classified under this stage.

The Company classifies all standard advances and advances up to 0-30 days default under this category. Stage 1 loans also include facilities where the credit risk has improved, and the loan has been reclassified from Stage 2.

Stage 2

All exposures where there has been a significant increase in credit risk since initial recognition but are not credit impaired are classified under this stage. Financial assets past due for 31-90 days are classified under this stage. The Company uses the below criteria for assessing movement to Stage 2:

- Financial assets past due between 31-90
- The Company becomes aware about any deterioration in the financial condition and reputation of the obligor which the management believes may lead to significant deterioration in credit risk

Stage 3

All exposures 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 are classified in this stage. For exposures that have become credit impaired, a lifetime ECL is recognised and interest revenue is calculated by applying the effective interest rate to the amortised cost (net of provision) rather than the gross carrying amount. Stage 3 is considered where "Contractual payments of principal and/or interest are past due for more than 90 days. Non performing Asset classification is done in line with Reserve Bank of India Master Circular on Prudential norms on Income Recognition, Asset Classification and Provisioning pertaining to Advances and Clarifications dated November 12, 2021, February 15, 2022 and November 28, 2025.

Significant increase in credit risk

The ECL allowance is based on the credit losses expected to arise over the life of the asset (the lifetime expected credit loss), unless there has been no significant increase in credit risk since origination, in which case, the allowance is based on the 12 months' expected credit loss.

The Company has established a policy to perform an assessment, at the end of each reporting period, of whether a financial instrument's credit risk has increased significantly since initial recognition, by considering the change in the risk of default occurring over the remaining life of the financial instrument. The Company does the assessment of significant increase in credit risk at a borrower level. If a borrower has various facilities having different past due status, then the highest days past due (DPD) is considered to be applicable for all the facilities of that borrower.

PD estimation process

Probability of default ("PD") is defined as the likelihood of default over a particular time horizon. The PD of an obligor is a fundamental risk parameter in credit risk analysis and depends on obligor specific as well as macroeconomic risk factors. The impact of macroeconomic criteria on the PD results in two different PD estimates, through-the-cycle ("TTC") and the point-in-time ("PIT") PD. A TTC PD estimate remains largely unaffected by the economic cycle, while a PIT PD estimate varies with the economic cycle.

Loss given default

The Loss Given Default is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, including from the realisation of any collateral. It is usually expressed as a percentage of the EAD.

47.1.2 Analysis of risk concentration - Refer Note 50.26

47.1.3 Collateral and other credit enhancements

The amount and type of collateral required depends on an assessment of the credit risk of the counterparty. Company has Guidelines in place covering the acceptability and valuation of each type of collateral. The Company also adheres to the RBI guidelines in respect of maintenance of adequate Loan to Value Ratios.

The main types of collateral for loans are Registered / equitable mortgage of property, Hypothecation of assets including Gold.

Management monitors the market value of collateral and requests additional collateral in accordance with the underlying agreement.

In case of defaults by customers, where the Company is unable to recover the dues, the Company through a legal process enforces the security and recover the dues.

47.2 Liquidity risk and funding management

Liquidity risk is defined as the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. Liquidity risk arises because of the possibility that the Company might be unable to meet its payment obligations when they fall due as a result of mismatches in the timing of the cash flows under both normal and stress circumstances. Such scenarios could occur when funding needed for illiquid asset positions is not available to the Company on acceptable terms. To limit this risk, management has arranged for diversified funding sources and adopted a policy of managing assets with liquidity in mind and monitoring future cash flows and liquidity on a daily basis.

Liquidity risk is managed in accordance with our Asset Liability Management Policy. This policy is framed as per the current regulatory guidelines and is approved by the Board of Directors. The Asset Liability Management Policy is reviewed periodically to incorporate changes as required by regulatory stipulation or to realign the policy with changes in the economic landscape. The Company also maintains LCR in accordance with RBI guidelines and board approved Liquidity risk framework. The Asset Liability Committee (ALCO) of the Company formulates and reviews strategies, LCR and provides guidance for management of liquidity risk within the framework laid out in the Asset Liability Management Policy.

Analysis of financial assets and liabilities by remaining contractual maturities is provided in **Note 37**

Maturity Profile of financial liabilities:

The table below summarises the maturity profile of the Company's financial liabilities on discounted basis

March 31, 2026	Less than 1 year	1 year to 3 years	3 years to 5 years	5 years and above	Total
Trade Payables	114.17	-	-	-	114.17
Other Payables	12.27	-	-	-	12.27
Debt securities	193.72	6,000.00	2,000.00	-	8,193.72
Borrowings other than debt securities	22,126.90	29,176.69	10,428.33	270.45	62,002.37
Collateralized borrowings	239.62	487.70	320.09	373.63	1,421.04
Other financial liabilities	1,574.48	78.43	55.14	66.49	1,774.54
Total	24,261.16	35,742.82	12,803.56	710.57	73,518.11

March 31, 2025	Less than 1 year	1 year to 3 years	3 years to 5 years	5 years and above	Total
Derivative financial instruments	98.45	-	-	-	98.45
Trade Payables	94.55	-	-	-	94.55
Other Payables	5.41	-	-	-	5.41
Debt securities	1,293.74	10,000.00	-	-	11,293.74
Borrowings other than debt securities	15,705.12	20,430.44	3,146.31	127.85	39,409.73
Collateralized borrowings	229.24	527.49	423.15	759.85	1,939.72
Other financial liabilities	1,003.09	55.93	39.81	24.04	1,122.86
Total	18,429.60	31,013.86	3,609.27	911.74	53,964.46

Notes forming part of Financial Statements

(continued)

47.3 Interest rate risk

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or the fair values of financial instruments.

The core business of the Company is providing loan against property, loan against gold and personal loans. The Company borrows through various financial instruments to finance its core lending activity. These activities expose the Company to interest rate risk.

Interest rate risk is measured through earnings at risk from an earnings perspective and through duration of equity from an economic value perspective. Further, exposure to fluctuations in interest rates is also measured by way of gap analysis, providing a static view of the maturity and re-pricing characteristic of Balance sheet positions. An interest rate sensitivity gap report is prepared by classifying all rate sensitive assets and rate sensitive liabilities into various time period categories according to contracted/ behavioural maturities or anticipated re-pricing date. The difference in the amount of rate sensitive assets and rate sensitive liabilities maturing or being re-priced in any time period category, gives an indication of the extent of exposure to the risk of potential changes in the margins on new or re-priced assets and liabilities. The interest rate risk is monitored on a quarterly basis.

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

(₹ In Million)

For the year ended	Hypothetical Increase / (decrease) in basis points	Impact in profit or loss		Impact in equity	
For the year ended March 31, 2026					
Borrowings (₹)	25/ (25)	(111.69)	111.69	(83.58)	83.58
	50/ (50)	(223.38)	223.38	(167.16)	167.16
Loans (₹)	25/ (25)	166.66	(166.66)	124.71	(124.71)
	50/ (50)	333.31	(333.31)	249.42	(249.42)
For the year ended March 31, 2025					
Borrowings (₹)	25/ (25)	(74.30)	74.30	(55.60)	55.60
	50/ (50)	(148.60)	148.60	(111.20)	111.20
Loans (₹)	25/ (25)	132.22	(132.22)	98.94	(98.94)
	50/ (50)	264.43	(264.43)	197.88	(197.88)

47.4 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 mainly exposed to changes in USD. The below table demonstrates the sensitivity to a 5% increase or decrease in the respective foreign currency rates against INR, with all other variables held constant. The sensitivity analysis is prepared on the net unhedged exposure of the Company as at the reporting date. 5% represents management's assessment of reasonably possible change in foreign exchange rate. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the foreign currency borrowings from banks and vendor payments. The Company has hedged its foreign currency exposure arising from bank borrowings through forward contracts in such a manner that it has fixed determinate outflows in its functional currency and as such there would be no significant impact of movement in foreign currency rates on the Company.

As of balance sheet date, Company's net foreign currency exposure expressed in INR that is not hedged is ₹ Nil (March 31, 2025 - Nil)

(₹ In Million)

Foreign Currency	Hypothetical Increase / (decrease) by %	Impact in profit or loss		Impact in equity	
For the year ended March 31, 2026					
Currency Sensitivity - USD	5/ (5)	-	-	-	-
For the year ended March 31, 2025					
Currency Sensitivity - USD	5/ (5)	-	-	-	-

48 Transferred financial assets that are not derecognized in their entirety

The Company has entered into securitization arrangements to transfer the part of its portfolio of Loan against property. The terms of the arrangement included over collateralization of the assets of the Company through lien on Fixed deposits. Since the Company had retained significant risk in the transfer of the portfolio, the asset is retained in the books. Consequently, the amount received as sale consideration is shown as Collateralized borrowings in the financial statements.

(₹ In Million)

Securitisations	As at March 31, 2026	As at March 31, 2025
Carrying amount of transferred assets measured at amortised cost	1,799.78	2,275.74
Carrying amount of associated liabilities	1,421.04	1,939.72
Fair value of assets	1,806.19	2,293.38
Fair value of associated liabilities	1,421.04	1,939.72

49 Following are the additional disclosures required as per Schedule III to the Companies Act, 2013 vide Notification dated March 24, 2021:

49.1 Relationship with Struck off Companies:

To the best of the abilities, the Company has not identified any relationship with Company except mentioned below which has been struck off by the respective Registrar of Companies and such information is available vide public notice (Form No. STK-7) u/s 248 of the Act.

(₹ In Million)

Sr No	Name of Struck off Company	Nature of transaction	As at March 31, 2026	As at March 31, 2025	Relationship with the struck off Company, if any, to be disclosed
1	Fulgent Interior Private Limited	Loan given	1.00	1.14	Borrower
2	S S Institute of Technical Studies Private Limited	Loan given	2.38	2.39	Borrower

49.2 Registration of charges or satisfaction with Registrar of Companies (ROC):

There was no delay in filing form for charge creation/ modification/ satisfaction for the year ended March 31, 2026 and year ended March 31, 2025.

49.3 The Company has borrowings from banks and financial institutions on the basis of security of current assets and the quarterly returns filed by the Company with the banks and financial institutions are in accordance with the unaudited books of account of the Company for the respective quarters for the current year and previous year except the below quarters:

Quarter ended	Nature of current Assets/ Liabilities where differences were observed	Amount as per books of account	Amount disclosed as per quarterly return/ statement	Difference	Reasons for material variance
Mar-25	Total Borrowings	50,766.25	50,767.42	(1.17)	Note-1
Note 1:	The difference is arising on account of restatement of ECB Liability on spot rate as on reporting date. Provisional quarterly statement have been submitted to lenders. The Company is in process of submission of updated quarterly statement.				

49.4 The Company has taken borrowings from banks and financial institutions and utilised them for the specific purpose for which they were taken as at the Balance sheet date. Unutilised funds as at March 31, 2026 are held by the Company in the form of bank balances, debt mutual funds and short term fixed deposits till the time the utilisation is made subsequently.

49.5 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 and rules made thereunder, as at March 31, 2026 and March 31, 2025.

49.6 Wilful Defaulter:

The Company is not a declared wilful defaulter by any bank or financial Institution or other lender, in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India, during the year ended March 31, 2026 and March 31, 2025.

49.7 Compliance with number of layers of companies:

The Company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017.

Notes forming part of Financial Statements

(continued)

49.8 Undisclosed Income:

There have been no transactions which have not been recorded in the books of accounts, that have been surrendered or disclosed as income during the year ended March 31, 2026 and March 31, 2025, in the tax assessments under the Income Tax Act, 1961. There have been no previously unrecorded income and related assets which were to be properly recorded in the books of account during the year ended March 31, 2026 and March 31, 2025.

49.9 Details of Crypto Currency or Virtual Currency:

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

49.10 Title Deeds of Immovable Properties not held in the name of the Company:

The Company does not hold any immovable property as on March 31, 2026 and March 31, 2025. All the lease agreements are duly executed in favour of the Company for properties where the Company is the lessee.

49.11 Revaluation of Property, plant and equipment and Intangible assets

There is no revaluation of Property, plant and equipment and other intangible assets during the year ended March 31, 2026 and March 31, 2025.

49.12 Utilisation of Borrowed funds and share premium:

As a part of normal lending business, the Company grants loans and advances on the basis of security/ guarantee provided by the Borrower/ co-borrower and makes investments. These transactions are part of Company's normal non-banking finance business, which is conducted ensuring adherence to all regulatory requirements.

49.13 (a) Other than the transactions described above, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in party identified by or on behalf of the Company (Ultimate Beneficiaries).

(b) The Company has also not received any fund from any parties (Funding Party) with the understanding that the Company shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

49.14 Analytical Ratios

	Numerator	Denominator	March 31, 2026	March 31, 2025	% Variance
Capital to Risk Weighted Assets Ratio	Total Capital Funds	Total Risk weighted assets	32.84%	36.10%	(9.03%)
Tier I Capital	Aggregate Tier I Capital (Net Owned Fund)	Total Risk weighted assets	32.84%	36.10%	(9.03%)
Tier II Capital	Aggregate Tier II Capital	Total Risk weighted assets	-	-	-
LCR			145.36%	261.09%	(44.33%)

50 Disclosure pursuant to Reserve Bank of India notification RBI/DOR/2025-26/359 DOR.ACC.REC. No.278/21.04.018/2025-26 dated November 28, 2025

50.1 Loans against gold and silver collateral

50.1.1 Details of loans extended against eligible gold collateral

Particulars	Loan outstanding		Average ticket size (₹ millions)	Average LTV ratio	Gross NPA (%)
	₹ Millions	As % of Total Loans			
1. Opening balance of the FY [(a)+(b)]	15,273.34	19.99%	0.11	65.65%	0.37%
(a) Consumption loans	13,562.97	17.75%	0.11	65.53%	0.33%
of which bullet repayment loans	13,562.97	17.75%	0.11	65.53%	0.33%
(b) Income generating loans	1,710.37	2.24%	0.11	66.68%	0.76%
2. New loans sanctioned and disbursed during the FY [(c)+(d)]	22,416.39	22.44%	0.13	41.12%	NA
(c) Consumption loans	20,886.93	20.91%	0.13	41.01%	NA
of which bullet repayment loans	20,886.93	20.91%	0.13	41.01%	NA
(d) Income generating loans	1,529.46	1.53%	0.15	42.78%	NA
3. Renewals sanctioned and disbursed during the FY	3,209.97	3.21%	0.21	41.09%	NA
4. Top-up loans sanctioned and disbursed during the FY	37,164.34	37.20%	0.22	55.42%	NA
5. Loans repaid during the FY [(e)+(f)]	53,545.65	53.60%	0.12	NA	NA
(e) Consumption loans	49,979.18	50.03%	0.12	NA	NA
of which bullet repayment loans	49,979.18	50.03%	0.12	NA	NA
(f) Income generating loans	3,566.46	3.57%	0.12	NA	NA
6. Non-Performing Loans recovered during the FY [(g) + (h)]	113.01	0.11%	0.09	NA	NA
(g) Consumption loans	102.43	0.10%	0.09	NA	NA
of which bullet repayment loans	102.43	0.10%	0.09	NA	NA
(h) Income generating loans	10.58	0.01%	0.09	NA	NA
7. Loans written off during the FY [(i) + (j)]	-	-	-	NA	NA
(i) Consumption loans	-	-	-	NA	NA
of which bullet repayment loans	-	-	-	NA	NA
(j) Income generating loans	-	-	-	NA	NA
8. Closing balance at the end of FY [(k) + (l)]	24,518.39	24.55%	0.15	45.09%	0.46%
(k) Consumption loans	22,901.25	22.93%	0.15	45.02%	0.45%
of which bullet repayment loans	22,901.25	22.93%	0.15	45.02%	0.45%
(l) Income generating loans	1,617.14	1.62%	0.17	46.09%	0.65%

Note:

- Average LTV ratio is calculated as ratio of sum of LTVs of loans at the time of sanction to total number of such loans.
- Total loans have been considered as gross loans as on March 31, 2025 for point 1 & gross loans as on March 31, 2026 for points 2 to 8.
- The above information is based on data compiled by management and relied upon by the auditors.

Notes forming part of Financial Statements

(continued)

50.1.2 Details of gold collateral and auctions

(₹ Millions)

Sr. Particulars No.	
(a) Unclaimed gold collateral at the end of the financial year (in grams)	29.89
(b) Number of loan accounts in which auctions were conducted	3,180
(c) Total outstanding in loan accounts mentioned in (b)	188.26
(d) Gold collateral acquired during the FY due to default of loans (in grams)	33,580.26 gms
(e) Gold collateral auctioned during the FY (in grams)	28,561.66 gms
(f) Recovery made through auctions during the FY	259.24
(g) Recovery percentage:	
(h) as % of value of gold collateral	At Reserve Price - 92% At Spot Price - 88%
(i) as % of outstanding loan	138%

Note: The above information is based on data compiled by management and relied upon by the auditors.

50.2 Details of Co-lending arrangements

(₹ Millions)

Sr. Particulars No.	
(i) Quantum of CLAs	17,084.43
SBFC	3,416.89
Non-SBFC	13,667.54
(ii) Weighted average rate of interest	13.33%
(iii) Fees charged / paid	108.34
(iv) Broad sectors in which CLA was made	MSME Loans
(v) Performance of loans under CLA	GNPA- 3.27%
(vi) Default loss guarantee, if any	NA

Note:

(i) The above note has been prepared on a gross loans basis which represents principal balance of loans

(ii) The above information is based on data compiled by management and relied upon by the auditors.

50.3 Disclosures relating to securitisation

Sl. No.	Particulars	As on March 31, 2026	As on March 31, 2025
1	No of SPEs holding assets for securitisation transactions originated by the originator (only the SPVs relating to outstanding securitization exposures to be reported here)	4	4
2	Total amount of securitised assets as per books of the SPEs*	1,811.27	2,324.88
3	Total amount of exposures retained by the originator to comply with MRR as on the date of balance sheet		
a)	Off-balance sheet exposures		
	• First loss	-	-
	• Others	-	-
b)	On-balance sheet exposures		
	• First loss	306.50	306.50
	• Others	394.95	392.10

Sl. No.	Particulars	As on March 31, 2026		As on March 31, 2025	
4	Amount of exposures to securitisation transactions other than MRR				
a)	Off-balance sheet exposures				
i)	Exposure to own securitisations				
	• First loss	-	-	-	-
	• Others	-	-	-	-
ii)	Exposure to third party securitisations				
	• First loss	-	-	-	-
	• Others	-	-	-	-
b)	On-balance sheet exposures				
i)	Exposure to own securitisations				
	• First loss	-	-	-	-
	• Others	-	-	-	-
ii)	Exposure to third party securitisations				
	• First loss	-	-	-	-
	• Others	-	-	-	-
5	Sale consideration received for the securitised assets and gain/loss on sale on account of securitisation				
6	Form and quantum (outstanding value) of services provided by way of, liquidity support, post-securitisation asset servicing, etc.				
	Services Provided	No of Transaction	Value of Facility	No of Transaction	Value of Facility
	Post Securitization Assets Servicing- Servicing agent	4	1,811.27	4	2,324.88
7	Performance of facility provided. Please provide separately for each facility viz. Credit enhancement, liquidity support, servicing agent etc. Mention percent in bracket as of total value of facility provided.	Credit Enhancement	%	Credit Enhancement	%
	(a) Opening Balance	306.50	6.10%	349.95	6.97%
	(b) Cumulative Amount paid During the year	-	-	-	-
	(c) Cumulative Repayment received during the year	-	-	43.45	3.95%
	(d) Amount reduce due to pool Maturity	-	-	-	-
	(e) Outstanding amount	306.50	6.10%	306.50	6.10%
8	Average default rate of portfolios observed in the past. Please provide breakup separately for each asset class i.e. RMBS, Vehicle Loans etc*				
	Loan against Property		5.80%		4.55%
9	Amount and number of additional/ top up loan given on same underlying asset. Please provide breakup separately for each asset class i.e. RMBS, Vehicle Loans etc				
10	Investor complaints				

The above disclosures are updated basis the certificate received from auditors of SPE's and relied upon by the auditors.

* Default rate % is calculated on the basis of NPA POS on Securitization Pool POS as on March 31, 2026 and March 31, 2025 respectively.

Notes forming part of Financial Statements

(continued)

50.4 Details of stressed loans transferred during the year ended March 31, 2026

Particulars	To ARCs	
	For the year ended March 31, 2026	For the year ended March 31, 2025
No. of accounts	2,948	894
Aggregate principal outstanding of loans transferred	1,832.29	764.88
Weighted average residual tenor of the loans transferred	6.56	10.69
Net book value of loans transferred (at the time of transfer)	983.42	404.87
Aggregate consideration	1,043.55	420.40
Additional consideration realized in respect of accounts transferred in earlier years	-	-

50.5 Disclosure of Restructured Accounts

(₹ In Million)

Sl No.	Other than SME and CDR Debt Restructuring Mechanism	Asset Classification Details	March 31, 2026					March 31, 2025				
			Standard	Sub-Standard	Doubtful	Loss	Total	Standard	Sub-Standard	Doubtful	Loss	Total
1	Restructured Accounts as on April 1 of the FY (opening figures)*	No. of borrowers	529	64	21	-	614	654	259	-	-	913
		Amount outstanding	480.91	23.28	8.66	-	512.85	571.42	173.83	-	-	745.25
		Provision thereon	73.01	9.17	6.91	-	89.09	84.60	81.55	-	-	166.15
2	Fresh restructuring/ repayments during the year#	No. of borrowers	(71)	(33)	(13)	-	(117)	(99)	(173)	-	-	(272)
		Amount outstanding	(85.59)	(14.02)	(6.74)	-	(106.35)	(88.32)	(133.26)	-	-	(221.58)
		Provision thereon	(10.91)	(2.78)	(5.65)	-	(19.34)	(11.34)	(59.14)	-	-	(70.48)
3	Upgradations to restructured standard category during the year	No. of borrowers	9	(6)	(3)	-	-	18	(18)	-	-	-
		Amount outstanding	5.59	(4.73)	(0.86)	-	-	18.50	(18.28)	-	-	0.22
		Provision thereon	1.70	(1.44)	(0.26)	-	-	2.79	(6.92)	-	-	(4.13)
4	Restructured standard advances which cease to attract higher provisioning and / or additional risk weight at the end of the FY and hence need not be shown as restructured standard advances at the beginning of the next FY	No. of borrowers	-	-	-	-	-	-	-	-	-	-
		Amount outstanding	-	-	-	-	-	-	-	-	-	-
		Provision thereon	-	-	-	-	-	-	-	-	-	-
5	Downgradations of restructured accounts during the FY	No. of borrowers	(30)	5	25	-	-	(44)	23	21	-	-
		Amount outstanding	(19.63)	14.30	5.33	-	-	(20.70)	10.19	8.66	-	(1.86)
		Provision thereon	(3.07)	0.87	2.20	-	-	(3.05)	2.85	6.91	-	6.72
6	Write-offs of restructured accounts during the FY	No. of borrowers	-	-	-	-	-	-	(27)	-	-	(27)
		Amount outstanding	-	-	-	-	-	-	(9.19)	-	-	(9.19)
		Provision thereon	-	-	-	-	-	-	(9.18)	-	-	(9.18)
7	Restructured Accounts as on March 31 of the FY (closing figures*)	No. of borrowers	437	30	30	-	497	529	64	21	-	614
		Amount outstanding	381.28	18.83	6.39	-	406.50	480.91	23.28	8.66	-	512.85
		Provision thereon	60.73	5.82	3.20	-	69.75	73.01	9.17	6.91	-	89.08

* Excluding the figures of Standard Restructured Advances which do not attract higher provisioning or risk weight (if applicable).

The figures in amount outstanding include repayments from borrowers which are active as on March 31, 2026 & March 31, 2025.

Note:

- (a) Since the disclosure of restructured advance account pertains to section "Others", the section "Under CDR Mechanism" and "Under SME Debt Restructuring Mechanism" as per format prescribed in the guidelines are not included above.
- (b) Provision has been considered as per ECL.
- (c) For the purpose of arithmetical accuracy, movement in amount outstanding and provisions is adjusted under "Fresh restructuring/ repayments during the year".

50.6 Particulars of resolution plan and restructuring

(₹ In Million)

Type of Borrower	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of September 30, 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 March 31, 2026
Personal Loans #	21.55	-	-	2.70	18.85
Corporate persons*	-	-	-	-	-
Of which MSMEs	-	-	-	-	-
Others	-	-	-	-	-
Total	21.55	-	-	2.70	18.85

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

This represents Salaried customers.

(₹ In Million)

Type of Borrower	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of March 31, 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 September 30, 2025
Personal Loans #	24.19	0.96	-	1.68	21.55
Corporate persons*	-	-	-	-	-
Of which MSMEs	-	-	-	-	-
Others	-	-	-	-	-
Total	24.19	0.96	-	1.68	21.55

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

This represents Salaried customers.

(₹ In Million)

Type of Borrower	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of September 30, 2024 (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 March 31, 2025
Personal Loans #	25.29	0.22	-	1.11	24.19
Corporate persons*	-	-	-	-	-
Of which MSMEs	-	-	-	-	-
Others	-	-	-	-	-
Total	25.29	0.22	-	1.11	24.19

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

This represents Salaried customers.

Notes forming part of Financial Statements

(continued)

(₹ In Million)

Type of Borrower	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of March 31, 2024 (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 September 30, 2024
Personal Loans #	36.31	3.75	0.75	10.27	25.29
Corporate persons*	-	-	-	-	-
Of which MSMEs	-	-	-	-	-
Others	-	-	-	-	-
Total	36.31	3.75	0.75	10.27	25.29

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

This represents Salaried customers.

50.7 Exposures

50.7.1 Exposure to Real Estate Sector

(₹ In Million)

Particulars	As at March 31, 2026	As at March 31, 2025
(i) Direct Exposure:		
(a) Residential Mortgages		
Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented	67,934.22	54,206.89
(b) 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 limits	7,207.32	6,496.80
(c) Investments in Mortgage Backed Securities (MBS) and other securitised exposures -		
a. Residential	-	-
b. Commercial Real Estate	-	-
(ii) Indirect Exposure:		
Fund based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs)	-	-
Total Exposure to Real Estate sector	75,141.54	60,703.69

50.7.2 Exposures to Capital Market

(₹ In Million)

Particulars	As at March 31, 2026	As at March 31, 2025
(i) Direct investment in equity shares, convertible bonds, convertible debentures and units of equity oriented mutual funds the corpus of which is not exclusively invested in corporate debt	-	-
(ii) Advances against shares / bonds / debentures or other securities or on clean basis to individuals for investment in shares (including IPOs / ESOPs), convertible bonds, convertible debentures, and units of equity oriented mutual funds	-	-
(iii) Advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security	-	-

(₹ In Million)

Particulars	As at March 31, 2026	As at March 31, 2025
(iv) Advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares / convertible bonds / convertible debentures / units of equity oriented mutual funds does not fully cover the advances	-	-
(v) Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers	-	-
(vi) Loans sanctioned to corporates against the security of shares / bonds / debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources	-	-
(vii) Bridge loans to companies against expected equity flows / issues	-	-
(viii) Underwriting commitments taken up by the NBFCs in respect of primary issue of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds	-	-
(ix) Financing to stockbrokers for margin trading	-	-
(x) All exposures to Alternative Investment Funds:		
(i) Category I	-	-
(ii) Category II	-	-
(iii) Category III	-	-
Total Exposure to Capital Market	-	-

50.7.3 Sectoral Exposure

Sectors	March 31, 2026			March 31, 2025		
	Total Exposure (₹ in Million)	Gross NPAs (₹ in Million)	Percentage of Gross NPAs to total exposure in the sector	Total Exposure (₹ in Million)	Gross NPAs (₹ in Million)	Percentage of Gross NPAs to total exposure in the sector
1 Agriculture & allied activities	-	-	-	-	-	-
2 Industry						
2.1 Micro and Small	6,276.18	181.89	2.90%	5,233.14	125.52	2.40%
2.2 Medium	7.85	-	-	9.70	-	-
2.3 Large	-	-	-	-	-	-
Total of Industry	6,284.03	181.89	2.89%	5,242.84	125.52	2.39%
3 Services						
3.1 Tourism, Hotel and Restaurants	2,568.68	101.20	3.94%	2,070.58	64.95	3.14%
3.2 Professional Services	3,258.79	67.00	2.06%	2,313.43	43.33	1.87%
3.3 Retail Trade	39,804.14	1,298.68	3.26%	31,396.68	1,076.72	3.43%
3.4 Other Services	23,225.90	717.93	3.09%	19,680.16	617.88	3.14%
Total of Services	68,857.51	2,184.81	3.17%	55,460.85	1,802.88	3.25%
4 Unsecured personal loans	231.04	123.28	53.36%	439.73	105.85	24.07%
5 Auto loans	-	-	-	-	-	-
6 Other loans - Loan against Gold	24,518.39	113.01	0.46%	15,273.34	57.17	0.37%

Exposure to specific sub-sector/industry is less than 10 per cent of Tier I Capital, such exposures are clubbed and disclosed as "Others" within that sector.

Notes forming part of Financial Statements

(continued)

50.7.4 Intra Group Exposure

Particulars	(₹ In Million)	
	As at March 31, 2026	As at March 31, 2025
(i) Total amount of Intra group exposure	-	-
(ii) Total amount of top 20 intra-group exposures	-	-
(iii) Percentage of intra-group exposures to total exposure of the NBFC on borrowers / customers	-	-

50.7.5 Unhedged foreign currency exposure

As of balance sheet date, Company's net foreign currency exposure expressed in INR that is not hedged is Nil (March 31, 2025 - Nil)

50.7.6 Percentage of loans granted against collateral of gold jewellery to total assets

Particulars	(₹ In Million)	
	As at March 31, 2026	As at March 31, 2025
(i) Gold Loans granted against collateral of gold jewellery	24,518.39	15,273.34
(ii) Total assets of the Company	110,854.02	85,958.12
(iii) Percentage of Gold Loans to Total Assets	22.12%	17.77%

50.8 Related Party Disclosure

Related Party	Parent (as per ownership or control)		Subsidiaries		Directors		Key Managerial Personnel		Controlled Employee Welfare trust		Others*		Total	
	Current year	Previous year	Current year	Previous year	Current year	Previous year	Current year	Previous year	Current year	Previous year	Current year	Previous year	Current year	Previous year
Borrowings	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Deposits	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Placement of deposits	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Advances	-	-	-	-	-	-	-	-	10.77	12.76	-	-	10.77	12.76
Maximum o/s advances during the year	-	-	-	2.84	-	-	-	-	12.76	32.39	-	-	-	-
Investments	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Purchase of fixed/ other assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Sale of fixed/ other assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest paid	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest received	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Issue of Equity Share Capital/ Conversion of partly paid to fully paid up equity share	-	-	-	-	427.74	150.14	10511	29.91	-	-	-	-	532.85	180.05
Remuneration	-	-	-	-	120.81	66.41	39.47	32.98	-	-	-	-	160.28	99.39
ESOP Exercise through ESOP trust	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Loan given	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Loan repaid	-	-	-	-	-	-	-	-	2.00	19.63	-	-	2.00	19.63
ESOP expenses	-	-	-	-	94.73	71.48	29.50	33.01	-	-	-	-	124.23	104.49
Director Sitting fees	-	-	-	-	8.10	7.30	-	-	-	-	-	-	8.10	7.30
Others*	-	-	-	3.14	-	-	-	-	-	-	43.86	8.68	43.86	11.82

* Others include total for the items which are not more than 5 per cent of total related party transactions.

Note: There are no transactions with Relatives of KMP/ Directors and the Company does not have any Associates/ Joint Ventures.

Notes forming part of Financial Statements

(continued)

50.9 Disclosure of complaints

1) Summary information on complaints received by the Company from customers and from the Offices of Ombudsman

(₹ In Million)

Particulars	As at March 31, 2026	As at March 31, 2025
Complaints received by the Company from its customers		
1 No. of complaints pending at the beginning of the year	1	-
2 No. of complaints received during the year	# 405	218
3 No. of complaints disposed during the year	# 406	217
3.1 of which, number of complaints rejected by the Company	39	64
4 No. of complaints pending at the end of the year*	-	1
*Subsequently redressed		
Maintainable complaints received by the Company from Office of Ombudsman		
5* Number of maintainable complaints received by the Company from Office of Ombudsman	76	54
5.1 Of 5, number of complaints resolved in favour of the Company by Office of Ombudsman	74	54
5.2 Of 5, number of complaints resolved through conciliation/mediation/advisories issued by Office of Ombudsman	2	2
5.3 Of 5, number of complaints resolved after passing of Awards by Office of Ombudsman against the Company	-	-
6* Number of Awards unimplemented within the stipulated time (other than those appealed)	-	-

There were 14 service requests received during the year ended March 31, 2025 were identified as complaints during the year ended March 31, 2026.

2) Top five grounds of complaints received by the Companies from customers

As at March 31, 2026

Sr. No.	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)
1	EMI Banking Related	-	82	74%	-	-
2	Loan Closure Process	-	51	122%	-	-
3	Others	-	227	164%	-	-
4	Sales Process	-	29	(41%)	-	-
5	Debt Management	1	16	23%	-	-
Total		1	405		-	-

As at March 31, 2025

Sr. No.	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)
1	EMI Banking Related	-	47	(82%)	1	-
2	Loan Closure Process	-	23	(89%)	-	-
3	Others	-	86	(44%)	-	-
4	Sales Process	-	49	(39%)	-	-
5	Debt Management	-	13	(68%)	-	-
Total		-	218		1	-

50.10 Public Disclosure on Liquidity Risk as per RBI/DOR/2025-26/359 DOR.ACC.REC.No.278/21.04.018/2025-26 dated November 28, 2025

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

S. No	Number of Significant Counterparties	Amount (₹ In Million)	% of Total deposits	% of Total Liabilities
1	21	67,261.68	-	91.39%

(ii) Top 20 large Deposits

Not applicable, since the Company is a non-deposit taking Non-Banking Financial Company.

(iii) Top 10 Borrowings

	Amount (₹ In Million)	% of Total borrowings
	48,677.84	67.97%

(iv) Funding concentrations based on significant instrument/Product

S. No	Name of product/ instrument	Amount (₹ In Million)	% of Total Liabilities
1	Debt securities	8,193.72	11.13%
2	Term loans	59,171.88	80.39%
3	Working Capital Demand Loan	2,830.49	3.85%
4	Collateralized borrowings	1,421.04	1.93%

(v) Stock Ratios

S. No	Stock ratio	Percentage
1	Commercial papers as a % of total liabilities	Nil
2	Commercial papers as a % of total assets	Nil
3	Non-convertible debentures (original maturity of less than one year) as a % of total liabilities	Nil
4	Non-convertible debentures (original maturity of less than one year) as a % of total assets	Nil
5	Other short-term liabilities as a % of total liabilities	2.43%
6	Other short-term liabilities as a % of total assets	1.61%

Notes for point (i) to (v):

- Significant counterparty is defined as lenders accounting in aggregate for more than 1% of total liabilities.
- Total liabilities has been computed as sum of all liabilities (balance sheet figure) less equity share capital and other equity.
- Total Borrowings as on March 31, 2026 have been considered as per Ind AS.

(vi) Institutional set-up for liquidity risk management

- The Liquidity Risk Management framework of the Company is governed by its Liquidity Risk Management policy and procedures approved by the Board.
- The Board of Directors of the Company have the overall responsibility of management of liquidity risk. Board decides the strategy, policies and procedures of the NBFC to manage liquidity risk in accordance with the liquidity risk tolerance/limits decided by it.
- Risk Management Committee (RMC) reports to the Board and evaluates overall risks faced by the Company including liquidity risk.
- Asset Liability Management Committee (ALCO) of the Company implements the liquidity risk management strategy and ensures adherence to the risk tolerance/limits set by the Board.
- In order to ensure a diversified borrowing mix, concentration of borrowing through various sources are monitored.

Notes forming part of Financial Statements

(continued)

50.11 Disclosure of provisions required under IRACP and impairment allowances made under IND AS 109

(₹ In Million)

Asset Classification as per RBI Norms as at March 31, 2026	Asset classification as per Ind AS 109	Gross Carrying Amount as per Ind AS 109	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
(1)	(2)	(3)	(4)	(5)=(3)-(4)	(6)	(7) = (4)-(6)
Performing Assets						
Standard	Stage 1	94,327.31	261.86	94,065.45	381.25	(119.39)
	Stage 2	2,960.69	493.28	2,467.41	31.08	462.20
Subtotal		97,288.00	755.14	96,532.86	412.33	342.81
Non-Performing Assets (NPA)						
Substandard	Stage 3	2,142.56	797.67	1,344.89	217.17	580.50
Doubtful						
up to 1 year	Stage 3	333.65	176.94	156.71	124.74	52.20
1 to 3 years	Stage 3	54.42	36.95	17.47	31.33	5.62
More than 3 years	Stage 3	2.97	2.65	0.32	2.97	(0.32)
Subtotal for doubtful		391.04	216.54	174.50	159.04	57.50
Loss	Stage 3	69.37	69.69	(0.32)	69.69	-
Subtotal for NPA		2,602.97	1,083.90	1,519.07	445.90	638.00
Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current Income Recognition, Asset Classification and Provisioning (IRACP) norms.	Stage 1	-	5.85	-	-	-
	Stage 2	-	-	-	-	-
	Stage 3	-	-	-	-	-
Subtotal		-	5.85	-	-	-
Total	Stage 1	94,327.31	267.71	94,065.45	381.25	(119.39)
	Stage 2	2,960.69	493.28	2,467.41	31.08	462.20
	Stage 3	2,602.97	1,083.90	1,519.07	445.90	638.00
	Total	99,890.97	1,844.89	98,051.93	858.23	980.81

(₹ In Million)

Asset Classification as per RBI Norms as at March 31, 2025	Asset classification as per Ind AS 109	Gross Carrying Amount as per Ind AS 109	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
(1)	(2)	(3)	(4)	(5)=(3)-(4)	(6)	(7) = (4)-(6)
Performing Assets						
Standard	Stage 1	71,946.74	275.60	71,671.14	291.03	(15.43)
	Stage 2	2,377.09	143.02	2,234.07	33.84	109.18
Subtotal		74,323.83	418.62	73,905.21	324.87	93.75
Non-Performing Assets (NPA)						
Substandard	Stage 3	1,852.19	788.30	1,063.89	188.14	600.16
Doubtful						
up to 1 year	Stage 3	193.52	130.96	62.56	55.85	75.11
1 to 3 years	Stage 3	35.63	26.46	9.17	14.01	12.45
More than 3 years	Stage 3	7.78	7.64	0.14	7.80	(0.16)
Subtotal for doubtful		236.93	165.06	71.87	77.66	87.40

(₹ In Million)

Asset Classification as per RBI Norms as at March 31, 2025	Asset classification as per Ind AS 109	Gross Carrying Amount as per Ind AS 109	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
(1)	(2)	(3)	(4)	(5)=(3)-(4)	(6)	(7) = (4)-(6)
Loss	Stage 2	1.55	1.56	(0.01)	1.56	-
	Stage 3	2.28	2.30	(0.02)	2.30	-
Subtotal for NPA		2,091.40	955.66	1,135.74	268.10	687.56
Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current Income Recognition, Asset Classification and Provisioning (IRACP) norms.	Stage 1	-	2.92	-	-	-
	Stage 2	-	-	-	-	-
	Stage 3	-	-	-	-	-
Subtotal		-	2.92	-	-	-
Total	Stage 1	71,946.74	278.52	71,671.14	291.03	(15.43)
	Stage 2	2,378.64	144.58	2,234.06	35.40	109.18
	Stage 3	2,091.40	955.66	1,135.74	268.10	687.56
	Total	76,416.78	1,378.76	75,040.94	594.53	781.31

50.12.1 Summary of significant accounting policies

The accounting policies regarding key areas of operations are disclosed as Note 2 to the financial statements.

50.12.2 Capital

Particulars	As at March 31, 2026	As at March 31, 2025
(i) CRAR (%)	32.84%	36.10%
(ii) CRAR - Tier 1 Capital (%)	32.84%	36.10%
(iii) CRAR - Tier 2 Capital (%)	-	-
(iv) Amount of subordinated debt raised as Tier - 2 capital	-	-
(v) Amount raised by issue of Perpetual Debt Instruments	-	-

50.12.3 Investments

(₹ In Million)

Particulars	As at March 31, 2026	As at March 31, 2025
Value of Investments		
(i) Gross Value of Investments		
(a) In India	1,924.44	3,268.29
(b) Outside India	-	-
(ii) Provisions for Depreciation		
(a) In India	-	-
(b) Outside India	-	-
(iii) Net Value of Investments		
(a) In India	1,924.44	3,268.29
(b) Outside India	-	-
Movement of provisions held towards depreciation on investments		
(i) Opening balance	-	-
(ii) Add : Provisions made during the year	-	-
(iii) Less : Write-off / write-back of excess provisions during the year	-	-
(iv) Closing balance	-	-

Notes forming part of Financial Statements

(continued)

50.12.4 Derivatives

50.12.4.1 Forward Rate Agreement / Interest Rate Swap

(₹ In Million)

Particulars	As at March 31, 2026	As at March 31, 2025
(i) The notional principal of swap agreements	-	-
(ii) Losses which would be incurred if counterparties failed to fulfill their obligations under the agreements	-	-
(iii) Collateral required by the NBFC upon entering into swaps	-	-
(iv) Concentration of credit risk arising from the swaps	-	-
(v) The fair value of the swap book	-	-

50.12.4.2 Exchange Traded Interest Rate (IR) Derivatives

(₹ In Million)

Particulars	As at March 31, 2026	As at March 31, 2025
(i) Notional principal amount of exchange traded IR derivatives undertaken during the year	-	-
(ii) Notional principal amount of exchange traded IR derivatives outstanding as at end of the year	-	-
(iii) Notional principal amount of exchange traded IR derivatives outstanding and not "highly effective"	-	-
(iv) Mark-to-market value of exchange traded IR derivatives outstanding and not "highly effective"	-	-

50.12.4.3 Disclosures on Risk Exposure in Derivatives

Qualitative Disclosures

The Company has a Board approved policy in dealing with derivative transactions. Derivative transaction consists of hedging of foreign exchange transactions, which includes forward contracts. The Company undertakes derivative transactions for hedging on-balance sheet assets and liabilities. Such outstanding derivative transactions are accounted on accrual basis over the life of the underlying instrument. The Asset Liability Management Committee and Risk Management Committee closely monitors such transactions and reviews the risks involved.

The Company has entered into derivative agreement to mitigate the foreign exchange risk pertaining to foreign currency borrowing. The description of risk policies and risk mitigation strategies are disclosed in Note 47.4 of the financial statements.

Quantitative Disclosures

(₹ In Million)

Particulars	As at March 31, 2026	As at March 31, 2025
	Currency Derivatives	Currency Derivatives
(i) Derivatives (Notional Principal Amount) For Hedging	(20,353.63)	(9,337.29)
(ii) Marked to Market Positions		
a) Asset (+)	-	-
b) Liability (-)	-	-
(iii) Credit Exposure	-	-
(iv) Unhedged Exposures (Refer Note 47.4)	-	-

50.13 Asset Liability Management Maturity pattern of certain items of Assets and Liabilities

(₹ In Million)

	1 to 7 days	8 to 14 days	15 to 30/ 31 days	Over 1 month and upto 2 months	Over 2 months and upto 3 months	Over 3 months and upto 6 months	Over 6 months and upto 1 year	Over 1 year and upto 3 years	Over 3 years and upto 5 years	Over 5 years	Total
As at March 31, 2026											
Advances [Refer Notes ii and iv below]	2,648.63	869.06	2,108.04	3,822.53	3,852.68	11,526.32	11,714.76	22,184.83	23,597.74	15,727.34	98,051.93
Investment [Refer Notes ii and iv below]	110.70	-	-	-	20.79	20.79	1,075.63	457.42	239.11	-	1,924.44
Borrowings	325.39	44.44	207.64	778.97	(959.11)	4,773.40	11,553.83	25,818.08	8,041.96	644.08	51,228.68
Foreign Currency liabilities [Refer Notes iii and vi below]	34.83	-	-	522.63	4,417.05	283.55	577.63	9,846.30	4,706.46	-	20,388.45
As at March 31, 2025											
Advances [Refer Notes ii and iv below]	2,109.22	575.44	1,393.56	2,531.87	2,556.51	7,644.57	8,325.99	18,109.08	19,084.97	12,709.73	75,040.94
Investment [Refer Notes ii and iv below]	2,496.88	-	-	-	6.44	6.44	542.90	141.61	74.02	-	3,268.29
Borrowings	285.57	63.17	177.32	1,561.80	(4,421.02)	3,966.22	7,927.46	26,101.53	6,714.23	887.70	43,263.97
Foreign Currency liabilities	41.92	-	-	-	7,625.66	-	-	856.40	855.23	-	9,379.21

Notes

- Maturity pattern of assets and liability has been compiled by management on contractual payment basis and relied upon by the auditors.
- Amount shown in the tables are after netting off the provision
- Amount disclosed represents the amortised cost of the borrowings and foreign currency liabilities as per Ind AS as given in Note 2.4 of the financial statement.
- Amount disclosed represents the amortised cost of loans and advances and Investments and fair value in case of FVTPL instruments as per Ind AS as given in Note 2.4 of the financial statements.
- Assets and liabilities bifurcation into various buckets is based on RBI guidelines.

50.14 Details of financing of parent Company products

The Company does not finance parent Company products

50.15 Details of Single Borrower Limit (SGL) / Group Borrower Limit (GBL) exceeded by the NBFC

(₹ In Million)

Single borrower limit exceeded during the year	Name of the Company	Outstanding Loans and Advances
The Company has not exceeded Single Borrower Limit (SGL) / Group Borrower Limit (GBL) during the year March 31, 2026 (March 31, 2025: Nil)	-	-

Notes forming part of Financial Statements

(continued)

50.16 Unsecured Advances

Gross carrying amount of Unsecured Loans as on March 31, 2026 is ₹231.04 Million (March 31, 2025: ₹439.73 Million). There are no advances secured against intangible assets.

50.17 Breach of covenant

There have been no instances of breach of covenant of loans availed or debt securities issued.

50.18 Registration obtained from other financial sector regulators

Sr No	Regulator	Registration No.	Valid Upto
1	Insurance Regulatory and Development Authority of India	CA0995 (to act as a Corporate Agent- Composite)	November 24, 2027

50.19 Area of Operation

Diversified pan-India network with presence in 18 states & 2 Union Territories via 251 branches.

50.20 Ratings assigned by credit rating agencies and migration of ratings during the year ended:

Facility	March 31, 2026		
	ICRA	IndiaRatings	CARE
Bank Loan	[ICRA]AA-(Stable)	Ind AA- (Stable)	[CARE]AA-(Stable)
Non - Convertible Debentures	-	Ind AA- (Stable)	[CARE]AA-(Stable)
Commercial Papers	-	-	CARE A1+
Facility	March 31, 2025		
	ICRA	IndiaRatings	CARE
Bank Loan & Non - Convertible Debentures Rating	[ICRA]AA-(Stable)	Ind AA- (Stable)	[CARE]AA-(Stable)

50.21 Remuneration to Directors

Refer Note 42(c) for details in relation to remuneration to Directors.

50.22 Net profit or loss for the period, prior period items and changes in accounting policies

There are no prior period items that have impact on the current year's or previous year's profit and loss.

50.23 Revenue Recognition

There is no transaction in which the Revenue recognition has been postponed or pending the resolution of significant uncertainty.

50.24 Provisions and Contingencies

Break up of 'Provisions and Contingencies' shown under the head Expenditure in Statement of Profit and Loss:

Particulars	(₹ In Million)	
	As at March 31, 2026	As at March 31, 2025
(a) Provisions for depreciation on Investment	-	-
(b) Provision towards NPA*	128.24	309.19
(c) Provision made towards income tax	1,695.31	1,214.41
(d) Other provisions and Contingencies	-	-
(e) Provision for gratuity	44.14	12.73
(f) Provision for leave encashment	-	-
(g) Provision for depreciation	201.09	168.08
(h) Provision for standard assets	336.52	(39.06)

*excluding recovery from Credit Guarantee Fund Trust for Micro and Small Enterprises (CGTMSE) Scheme ₹ Nil (March 31, 2025 ₹ Nil)

50.25 Draw Down from Reserves

The Company has not drawn down any reserves during the current or previous year.

50.26 Concentration of Deposits, Advances, Exposures and NPAs

(a) Concentration of Deposits (for deposit taking NBFCs)

Particulars	(₹ In Million)	
	As at March 31, 2026	As at March 31, 2025
Total Deposits of twenty largest depositors	-	-
Percentage of Deposits of twenty largest depositors to Total Deposits of the NBFC	-	-

Note: The Company is not a deposit taking NBFC and has not obtained any deposits from public

(b) Concentration of Advances

Particulars	(₹ In Million)	
	As at March 31, 2026	As at March 31, 2025
Total Advances to twenty largest borrowers	190.22	231.20
Percentage of Advances to twenty largest borrowers to Total Advances of the NBFC	0.19%	0.30%

(c) Concentration of Exposures

Particulars	(₹ In Million)	
	As at March 31, 2026	As at March 31, 2025
Total Exposure to twenty largest borrowers/ customers	190.22	231.20
Percentage of Exposures to twenty largest borrowers/ customers to Total Exposure of the NBFC on borrowers / customers	0.19%	0.30%

(d) Concentration of NPAs

Particulars	(₹ In Million)	
	As at March 31, 2026	As at March 31, 2025
Total Exposure to top four NPA accounts	26.64	32.70

(e) Sector wise NPAs

Sector	Percentage of NPAs to Total Advances in that sector	
	As at March 31, 2026	As at March 31, 2025
1 Agriculture & allied activities	-	-
2 MSME	2.89%	2.40%
3 Corporate borrowers	-	-
4 Services	3.17%	3.25%
5 Unsecured personal loans	53.36%	24.07%
6 Auto loans	-	-
7 Other loans	0.46%	0.37%

Notes forming part of Financial Statements

(continued)

(f) Movement of NPAs

Particulars	₹ In Million	
	As at March 31, 2026	As at March 31, 2025
Net NPAs to Net Advances (%)	1.54%	1.51%
Movement of NPAs (Gross)		
(a) Opening balance	2,091.41	1,445.00
(b) Additions during the year	2,194.44	1,882.05
(c) Reductions during the year	(1,682.88)	(1,235.64)
(d) Closing balance	2,602.97	2,091.41
Movement of Net NPAs		
(a) Opening balance	1,135.74	798.53
(b) Additions during the year	2,017.19	1,106.90
(c) Reductions during the year	(1,633.83)	(769.70)
(d) Closing balance	1,519.10	1,135.74
Movement of provisions for NPAs (excluding provisions on standard assets)		
(a) Opening balance	955.67	646.47
(b) Provisions made during the year	177.25	775.15
(c) Write-off/ write-back of excess provisions	(49.05)	(465.94)
(d) Closing balance	1,083.87	955.67

50.27 Overseas Assets

The Company does not have any overseas assets.

50.28 Off Balance sheet SPVs sponsored (which are required to be consolidated as per accounting norms)

The Company does not have SPVs sponsored (which are required to be consolidated as per accounting norms)

50.29 Off-balance sheet exposures and structured products

Refer Note 46 for details of off-balance sheet exposures

50.30 Disclosure on Liquidity Coverage Ratio

As per RBI guidelines no RBI/DOR/2025-26/359 DOR.ACC.REC.No.278/21.04.018/2025-26 dated November 28, 2025, NBFCs assets with more than ₹5,000 crores, required to maintain Liquidity Coverage Ratio (LCR) as mentioned therein.

As on October 31, 2022 the Company has crossed ₹5,000 crores assets mark and adopted to start complying with the monitoring and tracking of Liquidity Coverage Ratio (LCR) as part of Liquidity Risk Management framework from November 25, 2022 onwards as per RBI guidelines.

The objective of this policy is to create an institutional mechanism to compute, review and monitor periodically all the elements of the liquidity, develop suitable Liquidity Risk Management Framework, identify potential risks, take suitable decisions and mitigate such risks.

As per RBI guidelines to ensure strong liquidity, NBFCs shall maintain an adequate level of unencumbered High Quality Liquid Assets (HQLA) that can be converted into cash to meet its liquidity needs for a 30-day calendar time horizon under a significantly severe liquidity stress scenario.

The Company follows the criteria laid down by RBI for calculation of Liquidity coverage Ratio (LCR) which is represented by the ratio "Stock of HQLA" divided by "Total Net Cash Outflows over the next 30 calendar days". Total expected cash outflows (stressed outflows) are calculated by multiplying the outstanding balances of various categories or types of liabilities and off-balance sheet commitments by 115% (15% being the rate at which they are expected to run off further or be drawn down). Total expected cash inflows (stressed inflows) are calculated by multiplying the outstanding balances of various categories of contractual receivables by 75% (25% being the rate at which they are expected to under-flow). However, total cash inflows will be subjected to an aggregate cap of 75% of total expected cash outflows. In other words, total net cash outflows over the next 30 days = Stressed Outflows - Min (stressed inflows; 75% of stressed outflows).

The Company for purpose of computing cash outflows, have considered:

- Secured wholesale funding i.e., all the contractual debt repayments,
- Liquidity needs (e.g., collateral calls) related to financing transactions, derivatives and other contracts where 'downgrade triggers' up to and including a 3-notch downgrade,
- Currently undrawn committed credit and liquidity facilities,
- Any other contractual outflows not captured elsewhere in the template i.e., operational expenditure

Cash Inflows comprises of:

- All other assets i.e., expected receipt from all performing loans,
- Lines of credit – Credit or liquidity facilities or other contingent funding facilities that the NBFC holds at other institutions for its own purpose (Facilities which are sanctioned but not yet disbursed)
- Other contractual cash inflows (Includes fixed deposits and mutual funds)

HQLA is considered as per RBI guidelines.

The Company exceeds the regulatory requirement of LCR which mandated maintaining 60% of expected net cash outflows for next 30 days in a stressed scenario in high quality liquid assets (HQLA) by December 2022; which has to be increased to 100% by December 2024 in a phased manner. During the quarter ended June 25, September 25, December 25 and March 26, the Company maintained a LCR of 171.81%, 174.00%, 213.40% & 145.36%, respectively, well in excess of the RBI's stipulated norm of 85%.

Appendix I - As on Quarter ended March 31, 2026, December 31, 2025, September 30, 2025 and June 30, 2025 (Average for the period from 01-January-2026 to 31-March-2026, 01-October-2025 to 31-December-2025, 01-July-2025 to 30-September-2025, 01-April-2025 to 30-June-2025).

For the year ended on March 31, 2026

Sr. No.	LCR Disclose	₹ In Million							
		Q4 FY 2026		Q3 FY 2026		Q2 FY 2026		Q1 FY 2026	
		Total Unweighted Value (average) ¹	Total Weighted Value (average) ²	Total Unweighted Value (average) ¹	Total Weighted Value (average) ²	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)
High Quality Liquid Assets									
1	High Quality Liquid Assets	1,892.44	1,892.44	2,078.04	2,078.04	1,819.22	1,819.22	1,673.19	1,673.19
	Total HQLA	1,892.44	1,892.44	2,078.04	2,078.04	1,819.22	1,819.22	1,673.19	1,673.19
Cash Outflows									
2	Deposits (for deposit taking companies)	-	-	-	-	-	-	-	-
3	Unsecured wholesale funding	-	-	-	-	-	-	-	-
4	Secured wholesale funding	3,354.02	3,857.13	2,419.41	2,782.32	2,657.68	3,056.33	2,458.02	2,826.73
5	Additional requirements, of which	855.30	983.60	697.07	801.63	682.88	785.31	638.04	733.75
(i)	Outflows related to derivative exposures and other collateral requirements	-	-	-	-	-	-	-	-
(ii)	Outflows related to loss of funding on debt products	-	-	-	-	-	-	-	-
(iii)	Credit and liquidity facilities	855.30	983.60	697.07	801.63	682.88	785.31	638.04	733.75
6	Other contractual funding obligations	319.16	367.03	270.54	311.12	296.08	340.50	291.19	334.87
7	Other contingent funding obligations	-	-	-	-	-	-	-	-
8	TOTAL CASH OUTFLOWS	4,528.48	5,207.76	3,387.02	3,895.07	3,636.64	4,182.14	3,387.25	3,895.35
Cash Inflows									
9	Secured lending	-	-	-	-	-	-	-	-
10	Inflows from fully performing exposures	1,857.96	1,393.47	1,734.13	1,300.60	1,889.57	1,417.17	2,262.90	1,697.18
11	Other cash inflows	11,108.46	8,331.34	79,854.53	59,890.90	4,890.01	3,667.51	4,456.84	3,342.63
12	TOTAL CASH INFLOWS	12,966.42	9,724.81	81,588.66	61,191.50	6,779.58	5,084.68	6,719.74	5,039.81
		Total Adjusted Value		Total Adjusted Value		Total Adjusted Value		Total Adjusted Value	
13	TOTAL HQLA	1,892.44		2,078.04		1,819.22		1,673.19	
14	TOTAL NET CASH OUTFLOWS	1,301.94		973.77		1,045.53		973.84	
15	LIQUIDITY COVERAGE RATIO (%)	145.36%		213.40%		174.00%		171.81%	

Note: LCR coverage ratio is based on Management estimations of future inflows and outflows which is relied upon by the auditors.

- Unweighted values must be calculated as outstanding balances maturing or callable within 30 days (for inflows and outflows).
- Weighted values must be calculated after the application of respective haircuts (for HQLA) and stress factors on inflow and outflow.

Appendix I - As on Quarter ended March 31, 2025, December 31, 2024, September 30, 2024 and June 30, 2024 (Average for the period from 01-January-2025 to 31-March-2025, 01-October-2024 to 31-December-2024, 01-July-2024 to 30-September-2024, 01-April-2024 to 30-June-2024)

Notes forming part of Financial Statements

(continued)

For the year ended on March 31, 2025

		(₹ In Million)							
Sr. No.	LCR Disclosure	Q4 FY 2025		Q3 FY 2025		Q2 FY 2025		Q1 FY 2025	
		Total Unweighted Value (average) ¹	Total Weighted Value (average) ²	Total Unweighted Value (average) ¹	Total Weighted Value (average) ²	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)
High Quality Liquid Assets									
1	High Quality Liquid Assets	2,188.06	2,188.06	2,361.00	2,361.00	2,627.00	2,627.00	2,785.00	2,785.00
	Total HQLA	2,188.06	2,188.06	2,361.00	2,361.00	2,627.00	2,627.00	2,785.00	2,785.00
Cash Outflows									
2	Deposits (for deposit taking companies)	-	-	-	-	-	-	-	-
3	Unsecured wholesale funding	-	-	-	-	-	-	-	-
4	Secured wholesale funding	1,964.11	2,258.73	1,777.00	2,043.00	1,688.00	1,942.00	1,471.00	1,692.00
5	Additional requirements, of which	702.64	808.04	855.00	983.00	395.00	455.00	1,171.00	1,347.00
(i)	Outflows related to derivative exposures and other collateral requirements	116.99	134.54	133.00	153.00	149.00	171.00	165.00	190.00
(ii)	Outflows related to loss of funding on debt products	-	-	-	-	-	-	-	-
(iii)	Credit and liquidity facilities	585.65	673.49	722.00	830.00	247.00	284.00	1,006.00	1,157.00
6	Other contractual funding obligations	248.24	285.48	249.00	286.00	227.00	261.00	247.00	284.00
7	Other contingent funding obligations	-	-	-	-	-	-	-	-
8	TOTAL CASH OUTFLOWS	2,915.00	3,352.25	2,881.00	3,312.00	2,310.00	2,658.00	2,889.00	3,323.00
Cash Inflows									
9	Secured lending	-	-	-	-	-	-	-	-
10	Inflows from fully performing exposures	1,989.19	1,491.89	1,997.00	1,498.00	2,599.00	1,950.00	2,070.00	1,553.00
11	Other cash inflows	7,138.99	5,354.24	7,848.00	5,886.00	5,332.00	3,999.00	5,559.00	4,169.00
12	TOTAL CASH INFLOWS	9,128.18	6,846.13	9,845.00	7,384.00	7,931.00	5,949.00	7,629.00	5,722.00
	Total Adjusted Value								
13	TOTAL HQLA	2,188.06		2,361.00		2,627.00		2,785.00	
14	TOTAL NET CASH OUTFLOWS		838.06		828.00		664.50		830.75
15	LIQUIDITY COVERAGE RATIO (%)		261.09%		285.14%		395.33%		335.24%

Note: LCR coverage ratio is based on Management estimations of future inflows and outflows which is relied upon by the auditors.

¹ Unweighted values must be calculated as outstanding balances maturing or callable within 30 ays (for inflows and outflows).

² Weighted values must be calculated after the application of respective haircuts (for HQLA) and stress factors on inflow and outflow.

51.1 Exposures

51.1.1 Disclosure of Penalties imposed by RBI and other regulators

There is no other instance of penalty or stricture imposed on the Company by RBI or any other regulatory matter during the current year and the previous year.

51.1.2 Related Party Transaction

Refer Note 42 for details in relation to Related party transactions.

51.1.3 Management

Refer Director's report for the relevant disclosures.

51.1.4 Indian Accounting Standard 110 -Consolidated Financial Statements (CFS)

SBFC Home Finance Private Limited (the "Erstwhile Subsidiary") had applied for obtaining registration as a housing finance company on July 23, 2024, on which RBI had advised the Erstwhile Subsidiary that its application cannot be considered. Consequently, the Board of Directors of the Erstwhile Subsidiary, in its meeting held on January 27, 2025 approved voluntary liquidation. The official liquidator had completed the process of realization of assets and liabilities and the net proceeds of the realization had been distributed to the Company on March 27, 2025. The Company thus derecognised the investment and the resultant surplus had been recorded as gain on voluntary liquidation of subsidiary in the audited financial statements for the year ended March 31, 2025. Accordingly, the consolidated financial statements of the Company have not been prepared for the current year.

51.1.5 Disclosure of Frauds reported during the year vide DNBS.PD.CC NO.256/03.10.042/2011-12 Dated March 02, 2012

Instances of fraud reported upto March 31, 2026:

(₹ In Million)				
Nature of fraud	No. of cases	Amount of fraud	Recovery	Amount write off
Misappropriation and criminal breach of trust & Cheating and Forgery	3	67.63	1.76	NIL

3 fraud cases have been identified and reported to the RBI. These fraud cases involving customer fraud, employee collusion and misuse of collateral were identified and reported. One case involved a customer collecting released property documents after a balance transfer loan and re-pledging the same property with another lender, leaving the company without security. Another case involved 13 accounts at Jhunjhunu branch where employees and customers colluded through forged legal/valuation reports, manipulated verification findings and diversion of loan funds. The third case related to stolen gold from a bank branch being re-pledged with the company through customers and employees aggregating to ₹ 40.96 million, the claim of ₹ 37.91 million have been received against the same.

In response, the company terminated the involved employees, filed police complaints, centralized legal and valuation report processing, and mandated higher approvals for any deviations. Additional preventive measures such as UV verification of title documents, enhanced due diligence and stricter collateral controls have also been implemented.

52 Balances of certain trade receivables, advances given and trade payables are subject to confirmation / reconciliation, if any. The management does not expect any material difference affecting the financial statements on such reconciliation / adjustments.

53 Previous Year Figures

Previous year's figures have been regrouped and reclassified wherever necessary to conform to current year classification/ presentation.

For **M M NISSIM & CO LLP**
Chartered Accountants
Firm's Registration No. 107122W / W100672

Hiren P Muni
Partner
Membership No: 142067

Place: Mumbai
Date : April 25, 2026

For and on behalf of the Board of Directors of
SBFC Finance Limited
CIN: L67190MH2008PLC178270

Mr. Neeraj Swaroop
Chairperson & Independent Director
DIN: 00061170

Mr. Narayan Barasia
Chief Financial Officer

Place: Mumbai
Date : April 25, 2026

Mr. Mahesh Dayani
Managing Director & CEO
DIN: 06561389

Ms. Namrata Sajrani
Company Secretary &
Chief Compliance Officer
F10030

Annexure

Disclosure as required under RBI/DOR/2025-26/359 DOR.ACC.REC.No.278/21.04.018/2025-26 dated November 28, 2025

Liabilities Side

1) Loans and advances availed by the non banking financial company inclusive of interest accrued thereon but not paid:

(₹ In Million)

Particulars	As at March 31, 2026		As at March 31, 2025	
	Amount Outstanding	Amount Overdue	Amount Outstanding	Amount Overdue
a) Debentures:				
Secured	8,193.72	-	11,293.74	-
Unsecured	-	-	-	-
(other than falling within the meaning of public deposits)				
b) Deferred Credits	-	-	-	-
c) Term Loans	59,171.88	-	39,409.72	-
d) Inter Corporate loans and borrowings	-	-	-	-
e) Commercial Paper	-	-	-	-
f) Public Deposits	-	-	-	-
g) Other Loans	2,830.49	-	-	-
Collateralized Borrowings	1,421.04	-	1,939.72	-
Total	71,617.13	-	52,643.18	-

2) Break-up of (1)(f) above (Outstanding public deposits inclusive of interest accrued thereon but not paid)

(₹ In Million)

Particulars	As at March 31, 2026		As at March 31, 2025	
	Amount Outstanding	Amount Overdue	Amount Outstanding	Amount Overdue
a) In the form of Unsecured debentures	-	-	-	-
b) In the form of partly secured debentures i.e. debentures where there is a shortfall in the value of security	-	-	-	-
c) Other public deposits	-	-	-	-

Assets Side

3) Breakup of Loans and Advances including bills receivables (other than those included in (4) below)

(₹ In Million)

Particulars	Amount Outstanding	
	As at	As at
	March 31, 2026	March 31, 2025
a) Secured	97,948.08	74,721.61
b) Unsecured	103.85	316.41

4) Break up of Leased Assets and stock on hire and other assets counting towards asset financing activities

(₹ In Million)

Particulars	Amount Outstanding	
	As at March 31, 2026	As at March 31, 2025
i) Lease assets including lease rentals under sundry debtors:		
a) Financial Lease	-	-
b) Operating Lease	-	-
ii) Stock on hire including hire charges under sundry debtors:		
a) Assets on hire	-	-
b) Repossessed Assets	-	-
iii) Other loans counting towards asset financing activities		
a) Loans where assets have been repossessed	-	-
b) Loans other than (a) above	-	-

5) Breakup of Investments

(₹ In Million)

Particulars	Amount Outstanding	
	As at March 31, 2026	As at March 31, 2025
Current Investments:		
1 Quoted:		
i) Shares:		
(a) Equity	-	-
(b) Preference	-	-
ii) Debentures and Bonds	-	-
iii) Units of mutual funds	89.88	1,990.64
iv) Treasury Bills	1,002.88	1,020.18
v) Others	-	-
2 UnQuoted:		
i) Shares:		
(a) Equity	-	-
(b) Preference	-	-
ii) Debentures and Bonds	-	-
iii) Units of mutual funds	-	-
iv) Treasury Bills	-	-
v) Others	-	-
Investment in Pass Through certificates (PTC)	-	-
Investment in Security receipts	831.68	257.47
Long Term investments:		
1 Quoted:		
i) Shares:		
(a) Equity	-	-
(b) Preference	-	-
ii) Debentures and Bonds	-	-
iii) Units of mutual funds	-	-
iv) Treasury Bills	-	-
v) Others	-	-

Annexure

(continued)

(₹ In Million)

Particulars	Amount Outstanding	
	As at March 31, 2026	As at March 31, 2025
2 UnQuoted:		
i) Shares:		
(a) Equity	-	-
(b) Preference	-	-
ii) Debentures and Bonds	-	-
iii) Units of mutual funds	-	-
iv) Government Securities	-	-
v) Others		
Investment in Pass Through certificates (PTC)	-	-
Investment in Security receipts	-	-

6) Borrower groupwise classification of assets financed as in (3) and (4) above

(₹ In Million)

Particulars	As at March 31, 2026			As at March 31, 2025		
	Amount net of Provisions			Amount net of Provisions		
	Secured	Unsecured	Total	Secured	Unsecured	Total
1 Related Parties						
a) Subsidiaries	-	-	-	-	-	-
b) Companies in the same group	-	-	-	-	-	-
c) Other related parties	-	-	-	-	-	-
2 Other than related parties	97,948.08	103.85	98,051.93	74,721.61	316.41	75,038.02
Total	97,948.08	103.85	98,051.93	74,721.61	316.41	75,038.02

7) Investor groupwise classification of all investments (current and long term) in shares and securities (both quoted and unquoted):

(₹ In Million)

Particulars	As at March 31, 2026		As at March 31, 2025	
	Market Value/ Break up or fair value or NAV	Book Value (Net of Provisions)	Market Value/ Break up or fair value or NAV	Book Value (Net of Provisions)
1 Related Parties				
a) Subsidiaries	-	-	-	-
b) Companies in the same group	-	-	-	-
c) Other related parties	-	-	-	-
2 Other than related parties	1,924.44	1,924.44	3,268.29	3,268.29
Total	1,924.44	1,924.44	3,268.29	3,268.29

8) Other information

(₹ In Million)

Particulars	As at March 31, 2026	As at March 31, 2025
i) Gross Non Performing Assets		
a) Related Parties	-	-
b) Other than related parties	2,602.97	2,091.41
ii) Net Non Performing Assets		
a) Related Parties	-	-
b) Other than related parties	1,519.10	1,135.74
iii) Assets acquired in satisfaction of debt	-	-

For and on behalf of the Board of Directors of

SBFC Finance Limited

CIN: L67190MH2008PLC178270

Mr. Neeraj Swaroop

Chairperson & Independent Director

DIN: 00061170

Mr. Narayan Barasia

Chief Financial Officer

Place: Mumbai

Date : April 25, 2026

Mr. Mahesh Dayani

Managing Director & CEO

DIN: 06561389

Ms. Namrata Sajani

Company Secretary &

Chief Compliance Officer

F10030

Notice

NOTICE is hereby given that the Nineteenth (19th) Annual General Meeting ('AGM') of the members of SBFC Finance Limited will be held on Tuesday, July 14, 2026 at 03:00 pm (IST) through Video Conferencing ('VC') or Other Audio-Visual Means ('OAVM'), to transact the following business:

Ordinary Business:

- To receive, consider and adopt the Audited Financial Statements of the Company for the year ended March 31, 2026, together with the reports of the Board of Directors and the Auditors thereon.
- To appoint a Director in place of Mr. Aseem Dhru (DIN: 01761455), Executive Vice-Chairman, who retires by rotation, and being eligible, offers himself for re-appointment.
- To appoint a Director in place of Mr. Jonathan Tatur (DIN: 08639243), Nominee Director, who retires by rotation, and being eligible, offers himself for re-appointment.

Special Business:

4. Increase in the borrowing limits of the Company

To consider, and if thought fit, to pass the following Resolution as a **SPECIAL RESOLUTION**:

"RESOLVED THAT in supersession of the resolution passed by the Members of the Company through Postal Ballot on January 26, 2024 and pursuant to the provisions of Section 180(1)(c) of the Companies Act, 2013 ("the Act") read with Rules made thereunder, as amended from time to time and in terms of the relevant provisions of the Articles of Association of the Company and all other applicable provisions and rules (if any), the consent of the Members of the Company, be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the "Board" which term shall be deemed to include any committee constituted/which may be constituted by the Board of Directors or any other person(s) for the time being authorized by the Board) for borrowing from time to time, any sum or sums of monies for and on behalf of the Company in Indian Rupees and/ or in any foreign currency from domestic as well as international lenders, investors including banks, non-banking financial companies, mutual funds, financial institutions, investment institutions and their subsidiaries, trusts, other bodies corporate, any other lenders, by way of issuance of Bonds, Commercial Paper, Debentures (whether secured or unsecured, whether non-convertible, optionally convertible or compulsorily convertible) (including debentures issued on a private placement basis or to the public), Masala Bonds, Foreign currency bonds, Green Debt Securities, subordinated debt / perpetual debt, social bonds and any other short term debentures on fixed or floating rate basis or any other security or by way of availing of Term Loans, Working Capital Loans, cash credit, short term loans, External Commercial Borrowings, Inter Corporate Deposits, Foreign Currency

Non-Resident (Bank) Loans ("FCNR Loans") or any other type of facility, by way of issuance of any other permissible instruments or methods of borrowing, whether unsecured or secured by creation of mortgage, charge, hypothecation, lien, pledge or otherwise of the Company's assets and properties, whether movable or immovable, notwithstanding on such terms and conditions as the Board may consider suitable, where the monies to be borrowed together with the monies already borrowed by the Company, may exceed the aggregate of its paid-up share capital of the Company, securities premium and free reserves (apart from temporary loans obtained and/or to be obtained from the Company's bankers in the ordinary course of business), that is to say, reserves not set apart for any specific purpose, provided that the total outstanding amount so borrowed shall not at any time exceed the sum of ₹16,000 crore (Rupees Sixteen Thousand Crore Only);

RESOLVED FURTHER THAT the Board of Directors of the Company (including any Committee thereof or any other person(s) authorized by the Board) be and is hereby authorized and empowered to arrange or settle the terms and conditions on which all such monies are to be borrowed from time to time as to interest, repayment, security or otherwise, howsoever, as it may think fit and to do all such acts, deeds and things as may be necessary and incidental for giving effect to the above, including execution of all such documents, instruments and writings, as may be required;

RESOLVED FURTHER THAT the Board of Directors of the Company (including any Committee thereof or any other person(s) authorized by the Board to exercise its powers including powers conferred by this resolution) be and is hereby authorised to do all such acts, deeds, matters and things as they may, in their absolute discretion, deem necessary, expedient, usual or proper and to settle all questions, difficulties or doubts that may arise in this regard, to the end and intent that the Members shall be deemed to have given their approval thereto expressly by the authority of this resolution."

5. Creation of charges on the assets of the Company

To consider, and if thought fit, to pass the following Resolution as a **SPECIAL RESOLUTION**:

"RESOLVED THAT in supersession of the resolution passed by the Members of the Company through Postal Ballot on January 26, 2024 and pursuant to the provisions of Section 180(1)(a) of the Companies Act, 2013 ("the Act") read with Rules made thereunder, as amended from time to time and in terms of the relevant provisions of the Articles of Association of the Company and all other applicable provisions and rules (if any), the consent of the Members of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the "Board" which term shall be deemed to include any committee constituted/ which may be constituted by the Board of Directors or any

other person(s) for the time being authorized by the Board) for creation of such pledge, mortgages, charges (including creation /perfection / modification thereof), hypothecations and/or creating security interest of every nature and kind as may be necessary on over all or any of the assets of the Company including receivables and other immovable or movable properties of the Company wheresoever situated, present and/or future, and the whole or part of the undertaking of the Company of every nature and kind whatsoever and/or creating a floating or fixed charge on all movable or immovable properties of the Company (present and future) in favour of banks, non-banking financial companies, mutual funds, financial institutions, investment institutions and their subsidiaries, trusts, other bodies corporate, any other lenders (hereinafter referred to as the "Lending Agencies / Lender(s)"), Security Trustee and Trustees for the holders of debentures / bonds and / or other instruments which may be issued on a private placement basis or otherwise, to secure rupee term loans / foreign currency loans, debentures, bonds and other permissible debt securities/ instruments issued/ to be issued by the Company in the domestic or international markets, loans/ borrowing limit(s)/financial assistance availed/ to be availed by the Company, upto an outstanding aggregate value not exceeding ₹19,000 crores (Rupees Nineteen Thousand Crores Only) together with interest thereon at the agreed rates, further interest, liquidated damages, premium on pre-payment or on redemption, costs, charges, expenses and all other moneys payable by the Company to the Trustees under the Trust Deed and to the Lender(s) under their respective Agreements / Loan Agreements / Debenture Trust Deeds entered / to be entered into by the Company in respect of the said borrowings;

RESOLVED FURTHER THAT the Board of Directors (including any Committee thereof or any other person(s) authorized by the Board) be and is hereby severally authorized to finalize with the Lender(s)/ Trustees, the documents for creating the aforesaid mortgages, charges and / or hypothecations and to accept any modifications to, or to modify, alter or vary, the terms and conditions of the aforesaid documents and to do all such acts and things and to execute all such documents as may be necessary for giving effect to this resolution;

RESOLVED FURTHER THAT the Board of Directors of the Company (including any Committee thereof or any other person(s) authorized by the Board to exercise its powers including powers conferred by this resolution) be and is hereby authorised to do all such acts, deeds, matters and things as they may, in their absolute discretion, deem necessary, expedient, usual or proper and to settle all questions, difficulties or doubts that may arise in this regard, to the end and intent that the Members shall be deemed to have given their approval thereto expressly by the authority of this resolution."

6. Issuance of debt securities including but not limited to Non-Convertible Debentures or such other debt securities

To consider and, if thought fit, to pass the following resolution as a **SPECIAL RESOLUTION**:

"RESOLVED THAT in supersession of the resolution passed by the members at the Annual General Meeting held on July 14, 2025 and pursuant to the provisions of Sections 42, 71 of the Companies Act, 2013 ('the Act'), read with Rule 14 of Companies (Prospectus and Allotment of Securities) Rules, 2014, the Companies (Share Capital and Debentures) Rules, 2014, Securities and Exchange Board of India ('SEBI') (Issue and Listing of Non-Convertible Securities) Regulations, 2021, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), the directions issued by the Reserve Bank of India ('RBI'), the provisions of the Memorandum of Association and Articles of Association of the Company, the approval of the members of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the 'Board' which term shall be deemed to include any Committee constituted/which may be constituted by the Board of Directors or any other person(s) for the time being authorized by the Board of Directors to exercise powers conferred on the Board of Directors by this resolution) to offer / invite / issue / reissue / allot to eligible persons, Non- Convertible Debentures ('NCDs') including but not limited to Subordinated/Perpetual NCDs/Green Debt Securities, any other type of Bond, whether secured and/or unsecured, listed, redeemable, up to an amount of ₹4,000 crore (Four thousand crore), on a private placement basis, in one or more tranches, on such terms and conditions as the Board may deem fit and depending on the prevailing market conditions, during the period of one year from the date of passing this resolution, within the overall outstanding borrowing limits of the Company under Section 180(1)(c) of the Act as approved by the members from time to time;

RESOLVED FURTHER THAT the Board of Directors of the Company (including any Committee thereof), be and are hereby severally authorized to do all such acts, deeds and things and give such directions as may be deemed necessary or expedient to give effect to the above resolution, including determining the terms and conditions of the NCDs and / or Bonds and to delegate all or any powers under this resolution to officer(s) of the Company."

By order of the Board of Directors
For **SBFC Finance Limited**

Namrata Sajjani

Company Secretary & Chief Compliance Officer
ICSI Membership No.: F10030

Registered Office:

103, 1st Floor, C&B Square,
Sangam Complex, Andheri Kurla Road, Village Chakala,
Andheri (East) Mumbai 400 059
Tel: +91-22-67875300
E-mail: complianceofficer@sbfc.com
Website: www.sbfc.com
CIN: L67190MH2008PLC178270

Place: Mumbai
Date : April 25, 2026

Notice

(continued)

NOTES:

- The explanatory statement pursuant to Section 102 of the Companies Act, 2013 ('the Act') setting out the material facts and reasons for the proposed resolutions is annexed to the Notice of the AGM. Further, the relevant details with respect to 'Director seeking re-appointment at this AGM' are also provided as Annexure A. [Regulation 36(3) of the SEBI Listing Regulations and Secretarial Standard-2 on General Meetings issued by the Institute of Company Secretaries of India].
- The Ministry of Corporate Affairs ("MCA") permitted holding of the AGM through VC/OAVM, without physical presence of the members at a common venue. In compliance with the MCA Circulars, AGM of the Company is being held through VC/OAVM. The Registered Office of the Company shall be deemed to be the venue for the AGM. [General Circular Nos. 14/2020 dated April 8, 2020 and 17/2020 dated April 13, 2020, in relation to "Clarification on passing of ordinary and special resolutions by companies under the Companies Act, 2013", General Circular Nos. 20/2020 dated May 5, 2020 and subsequent circulars issued in this regard, the latest being 03/2025 dated September 22, 2025 in relation to "Clarification on holding of AGM through VC/ OAVM, collectively referred to as "MCA Circulars"].
- The attendance of the members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Act.

Pursuant to the provisions of the Act, a member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a member of the Company. Since this AGM is being held pursuant to the MCA Circulars through VC/OAVM, physical attendance of members has been dispensed with. Accordingly, the facility for appointment of proxy(ies) by the members will not be available for this AGM and hence the Proxy Form, Attendance Slip and route map of AGM are not annexed to this Notice.

- In compliance with the provisions of Section 108 of the Act and Rule 20 of the Companies (Management and Administration) Rules, 2014 and any amendments thereto, SS-2, Regulation 44 of the SEBI Listing Regulations and MCA Circulars, the facility for remote e-voting along with participation at the AGM through VC/OAVM and e-voting during the AGM is being provided by KFin Technologies Limited ('Kfintech'), the Registrar and Transfer Agent ('RTA') of the Company.
- The Register of Directors and Key Managerial Personnel and their Shareholding maintained under Section 170 of the Act, and the Register of Contracts or Arrangements in which the Directors are interested, maintained under Section 189 of the Act, and relevant documents referred to in this Notice or Explanatory Statement will be available electronically for inspection by the members from the date of dispatch of this Notice up to the date of AGM before as well as during the AGM. Members seeking to inspect such documents can send an e-mail to complianceofficer@sbfc.com from their registered e-mail addresses mentioning their name, folio number/DP ID and Client ID and PAN.
- The Company has appointed Ms. Jigyasa N. Ved (Membership No. FCS 6488) or failing her Mr. Mitesh Dhabliwala (Membership No. FCS 8331) of M/s Parikh & Associates, Practicing Company Secretaries, as the Scrutinizer for scrutinizing the entire

voting process i.e., remote e-voting and e-voting during the AGM to ensure that the process is carried out in a fair and transparent manner.

- Corporates/Institutional members (i.e. other than Individuals, HUF, NRIs, etc.) are required to send scanned certified true copy (PDF/JPG Format) of the Board Resolution/Authority Letter, etc. authorizing its representative(s) to vote on its behalf, to the Scrutinizer at e-mail ID: cs@parikhassociates.com with a copy marked to evoting@kfintech.com and to the Company at complianceofficer@sbfc.com.

Electronic dispatch of annual report and process for registration of email id:

- Pursuant to the provisions of MCA circulars and SEBI circulars, this Notice along with the Annual Report of the Company are being sent through electronic mode to those members whose email addresses are registered with the Company/ Kfintech/National Securities Depository Limited ('NSDL') and/or Central Depository Services (India) Limited ('CDSL') (collectively referred to as 'Depositories') and whose names appear in the Register of Members/List of Beneficial Owners as received from the Depositories.

Members can request for hard copy of the Annual Report & AGM notice by sending a request at complianceofficer@sbfc.com and einward.ris@kfintech.com.

- Members may note that this Notice along with the Annual Report of the Company are available on the website of the Company at <https://www.sbfc.com/investors>, website of KFin at <https://evoting.kfintech.com> website of the stock exchanges i.e., BSE Limited at <https://www.bseindia.com/> and the National Stock Exchange of India Limited at <https://www.nseindia.com/>.
- To support the 'Green Initiative', members who have not yet registered their e-mail address are requested to register the same with their Depository Participants ('DP') in case the shares are held in dematerialized form and with the Company/Kfintech in case the shares are held in physical form.

Procedure for Remote E-Voting and E-Voting during the AGM:

- Members are requested to attend and participate at the ensuing AGM through VC / OAVM and cast their vote either through remote e-voting facility or through e-voting facility to be provided during AGM.
- The remote e-Voting period commences on **Friday, July 10, 2026 from 9.00 a.m. (IST)** and ends on **Monday, July 13, 2026 at 5.00 p.m. (IST)**. During this period, members of the Company holding shares in physical form or in demat form, as on **Tuesday, July 7, 2026 ('Cut-off date')** may cast their vote by remote e-voting. The remote e-voting module shall be disabled by Kfintech for voting thereafter. Once the vote on a resolution is cast by a member, the member shall not be allowed to change it subsequently.
- The facility of e-voting during the AGM will be available to those members who have not cast their vote by remote e-voting. Members, who cast their vote by remote e-voting, may attend the AGM through VC/OAVM, but will not be entitled to cast their vote once again on the resolutions. If a member cast votes by both modes i.e. voting at AGM and remote e-voting, voting done through remote e-voting shall prevail and vote at the AGM shall be treated as invalid.

- In compliance with the provisions of Section 108 of the Act, read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended from time to time, Regulation 44 of the SEBI Listing Regulations and SEBI circular SEBI/HO/CFD/CMD/ CIR/P/2020/242 dated December 9, 2020, members are provided with the facility to cast their vote electronically, through the e-voting services provided by Kfintech, on all the resolutions set forth in this Notice.
- Individual demat account holders would be able to cast their vote without having to register again with the e-voting service provider ('ESP') thereby not only facilitating seamless authentication but also ease and convenience of participating in e-voting process. Members are advised to update their mobile number and e-mail ID with their DPs to access e-voting facility.
- The voting rights of members shall be in proportion to their shares in the paid-up equity share capital of the Company as on the Cut-off date i.e., Tuesday, July 7, 2026.





- Any person holding shares in physical form and non-individual shareholders, holding shares as on the Cut-off date, may obtain the login ID and password by sending a request at evoting@kfintech.com. In case they are already registered with Kfintech for remote e-Voting, they can use their existing user ID and password for voting.
- The process and manner for remote e-voting and joining and voting at the AGM are explained below:
 - Access to Depositories e-voting system in case of individual members holding shares in demat mode;
 - Access to Kfintech e-voting system in case of members holding shares in physical mode and non-individual members in demat mode;
 - Access to join the AGM on Kfintech system to participate and vote during the AGM.

A) Access to Depositories e-voting system in case of individual members holding shares in demat mode.

Type of Members	Login Method
Individual members holding shares of the Company in demat mode with NSDL	<p>1. User already registered under IDeAS facility:</p> <ol style="list-style-type: none"> Visit the e-services website of NSDL at https://eservices.nsd.com either on a personal computer or on a mobile. On the e-services home page click on the "Beneficial Owner" icon under 'Login' under IDeAS section. Thereafter enter the existing user id and password. After successful authentication, members will be able to see evoting services under 'Value Added Services'. Please click on "Access to e-voting" under e-voting services, after which the evoting page will be displayed. Click on the Company name i.e., 'SBFC Finance Limited' or ESP, i.e., Kfin. Members will be re-directed to Kfin's website for casting the vote during the remote e-voting period. <p>2. User not registered under IDeAS facility:</p> <ol style="list-style-type: none"> Visit https://eservices.nsd.com for registering. Select 'Register Online for IDeAS Portal' or click at https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp Proceed with completing the required fields. After registration, visit the e-voting website of NSDL: https://www.evoting.nsd.com/ Once the home page of e-voting is launched, click on the icon 'Login' which is available under 'Shareholder/Member' section. A new screen will open. Members will have to enter their user ID (i.e. sixteen-digit demat account number held with NSDL), password/OTP and a verification code as shown on the screen. After successful authentication, members will be redirected to NSDL Depository site wherein they can see e-voting page. Click on company name i.e. SBFC Finance Limited or ESP name i.e KFin after which the member will be redirected to ESP website for casting their vote during the Remote E-voting period.

Notice

(continued)

Type of Members	Login Method
	<p>viii. Members can also download the NSDL Mobile App "NSDL Speede" facility by scanning the QR code mentioned below for seamless voting experience.</p> <p style="text-align: center;">NSDL Mobile App is available on</p> <p style="text-align: center;">   </p> <p style="text-align: center;">   </p>
Individual members holding shares of the Company in demat mode with CDSL	<ol style="list-style-type: none"> User who have already opted for Easi/Easiest: <ol style="list-style-type: none"> Members are requested to visit https://web.cdslindia.com/myeasitoken/home/login or www.cdslindia.com Click on 'New System Myeasi'. Members are requested to login with their registered user ID and password. Members will be able to view the e-voting menu. The menu will have links of KFin's website, which will redirect them to e-voting page of KFin to cast their vote without any further authentication. User not registered under Easi/Easiest: <ol style="list-style-type: none"> Visit https://web.cdslindia.com/myeasitoken/Home/EasiRegistration for registering. Proceed to complete registration using the DP ID, Client ID (BO ID), etc. After successful registration, please follow the steps given in point no. 1 above to cast your vote. Alternatively, by directly accessing the e-voting website of CDSL <ol style="list-style-type: none"> Visit www.cdslindia.com Members are required to provide their demat account number and PAN number. System will authenticate user by sending OTP on their registered mobile & email ID as recorded in the demat account. After successful authentication, members will be provided link for selecting the name of the Company i.e., SBFC Finance Limited or for selecting ESP i.e., KFin. Members will be re-directed to the e-voting page of KFin to cast their vote without any further authentication.
Individual members login through their demat accounts/ website of Depository Participant	<ol style="list-style-type: none"> Members can also login using the login credentials of their demat account through their DP registered with NSDL/CDSL for e-voting facility. Once logged-in, members will be able to see e-voting option. After clicking on e-voting option, members will be redirected to NSDL/CDSL website after successful authentication, wherein members will be able to see e-voting feature. Click on options available against the Company's name i.e., SBFC Finance Limited or ESP i.e., KFin, and members will be redirected to e-voting website of KFin for casting vote during the remote e-voting period without any further authentication.

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

Helpdesk for individual members holding shares of the Company in demat mode for any technical issues related to login through NSDL/CDSL.

Login type	Helpdesk details
Securities held with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.com or contact at 022-4886 7000
Securities held with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 1800 210 99 11

B) Access to Kfintech e-voting system in case of members holding shares in physical mode and non-individual members in demat mode

- Members whose email IDs are registered with the Company/DP(s), will receive an email from Kfintech which will include details of E-Voting Event Number (EVEN), user ID and password. The following process shall be followed:
 - Launch internet browser by typing the URL: <https://evoting.kfintech.com/>
 - Enter the login credentials (i.e. user ID and password). Members holding shares in physical mode: user ID will be EVEN, followed by folio number. Members holding shares in demat account: user ID will be DP ID and Client ID. However, if members are already registered with Kfintech for e-voting, they can use their existing user ID and password for voting purpose.
 - After entering these details appropriately, click on 'LOGIN'.
 - Members will be required to mandatorily change their password. The new password shall comprise of minimum 8 characters with at least one upper case (A- Z), one lower case (a-z), one numeric value (0-9) and a special character (@,#,\$, etc.). The system will prompt to change the password and update the contact details like mobile number, email ID etc. on first login. Members may also enter a secret question and answer of their choice to retrieve the password (if required). It is strongly recommended that members should not share their password with any other person and take utmost care to keep their password confidential.
 - Members are required to login again with their new credentials.
 - On successful login, the system will prompt to select the 'EVEN' i.e., 'SBFC Finance' and click on 'Submit'.
 - On the voting page, enter the number of shares (which represents the number of votes) as on the Cut-off date under 'FOR/AGAINST' or alternatively, members may partially enter any number in 'FOR' and partially 'AGAINST' but the total number in 'FOR/AGAINST' taken together shall not exceed the total shareholding as mentioned herein above. Members may also choose the option 'ABSTAIN'. If the member does not indicate either 'FOR' or 'AGAINST' it will be treated as 'ABSTAIN' and the shares held will not be counted under either head.
 - Members holding multiple folios/demat accounts shall choose the voting process separately for each folio/demat accounts.
 - Voting has to be done for each item of the Notice separately. In case members do not desire to cast their
 - Members whose email IDs are not registered with the Company/DP(s), and consequently the Annual Report, Notice of AGM and e-voting instructions cannot be serviced, will have to follow the following process:
 - In case shares are held in demat mode, please provide DP Id.-Client Id. (DP Id + Client Id), name, client master or copy of Consolidated Account Statement, self-attested scan copy of PAN card and Aadhar to evoting@kfintech.com.

If you are an individual shareholder holding securities in demat mode, please refer to the login method explained at Note 18(A) i.e. Login method for e-Voting for individual shareholders holding shares in demat mode.

If you are a non-individual shareholder holding securities in demat mode, please refer to the login method explained at Note 18(B) i.e. Login method for e-Voting for non-individual shareholders holding shares in demat mode.
 - In case shares are held in physical mode, please provide Folio No., name of shareholder, scan copy of the share certificate (front and back), self-attested scanned copy of PAN card and Aadhar by email to evoting@kfintech.com.
- vote on any specific item, it will be treated as abstained.
- Members may then cast their vote by selecting an appropriate option and click on 'Submit'.
 - A confirmation box will be displayed. Click 'OK' to confirm else 'CANCEL' to modify. Once members have voted on the resolution(s), they will not be allowed to modify their vote. During the voting period, members can login any number of times till they have voted on the resolution(s).
 - Corporates/Institutional members (i.e. other than Individuals, HUF, NRIs, etc.) are required to send scanned certified true copy (PDF/JPG Format) of the Board Resolution/Authority Letter, etc. authorizing its representative(s) to vote on its behalf, to the Scrutinizer at e-mail ID: cs@parikhassociates.com with a copy marked to evoting@kfintech.com and to the Company at complianceofficer@sbfc.com. They may also upload the same in the e-voting module in their login page. The scanned image of the above mentioned documents should be in the naming format 'Corporate Name_EVEN'.
 - If you have forgotten your password, you can reset your password by using 'Forgot Password' available on <https://evoting.kfintech.com> and following the password reset options provided therein or contact KFINTECH at toll free no.: 1800-309-4001.

Notice

(continued)

If you are an individual shareholder holding securities in physical mode, please refer to the login method explained at Note 18(B) i.e. Login method for e-Voting for individual shareholders holding shares in physical mode.

- iii. Alternatively, shareholder may send a request to evoting@kfintech.com for procuring user id and password for e-Voting by providing above mentioned documents. After receiving the e-voting instructions, please follow steps explained at Note 18 to cast your vote by electronic means.

C) Access to join the AGM on Kfintech system to participate and vote during the AGM.

- 1) Member will be provided with a facility to attend the AGM through VC/OAVM platform provided by Kfintech. Members may access the same at <https://emeetings.kfintech.com/> by using the e-voting login credentials provided in the email received from the Company/Kfintech. After logging in, click on the 'Video Conference' tab and select the 'EVEN' of the Company. Click on the video symbol and accept the meeting etiquettes to join the meeting. Please note that the members who do not have the user ID and password for e-voting or have forgotten their user ID and password may retrieve the same by following the remote e-voting instructions mentioned above.
- 2) Facility for joining this AGM through VC/OAVM shall be open at least 15 minutes before the commencement of the AGM.
- 3) Members are encouraged to join the AGM through their laptops/desktops with Google Chrome (preferred browser), Safari, Internet Explorer, Microsoft Edge, Mozilla Firefox 22.
- 4) Members will be required to grant access to the webcam to enable VC/OAVM. Further, members connecting from their mobile devices/tablets/laptop connecting via mobile hotspot may experience audio/video loss due to fluctuation in their respective network. It is therefore recommended to use stable Wi-Fi or LAN connection to mitigate any kind of aforesaid glitches.
- 5) Members who have not cast their vote through remote e-voting shall be eligible to cast their vote through e-voting system available during the AGM. E-voting during the AGM is integrated with the VC/OAVM platform. The members may click on the voting icon displayed on the screen to cast their votes.
- 6) Facility of joining the AGM through VC/OAVM shall be available for atleast 2,000 members on first come first served basis.
- 7) Institutional Members are encouraged to attend and vote at the AGM through VC/OAVM.
- 8) In case of any query and/or assistance required, relating to attending the AGM through VC/OAVM mode, members may refer to the Help & Frequently Asked Questions ("FAQs") and 'AGM VC/OAVM' user manual available at the download Section of <https://evoting.kfintech.com> or contact Mr. Praveen Chaturvedi, Senior Vice President or Mr. Mohammed Shanoor, Deputy Manager, Kfintech at the email ID evoting@kfintech.com or on phone No.: 040-6716 2222 or call Kfintech's toll free No.: 1800 309 4001 for any further clarifications / technical assistance that may be required.

GENERAL:

19. A member can opt for only single mode of voting i.e., through remote e-voting or voting at the AGM. If a member cast votes by both modes, then voting done through remote e-voting shall prevail and vote at the AGM shall be treated as invalid.
20. Members holding shares as on the Cut-off date i.e., July 7, 2026 and who would like to speak or express their views or ask questions during the AGM may register themselves as speakers at <https://emeetings.kfintech.com> by clicking on 'Speaker Registration' during the period from July 9, 2026 (9:00 a.m. IST) up to July 10, 2026 (5:00 p.m. IST). Those members who have registered themselves as a speaker will only be allowed to speak / express their views / ask questions during the AGM. The Company reserves the right to restrict the number of questions and number of speakers, as appropriate for smooth conduct of the AGM.

Alternatively, members holding shares as on the Cut-off date may also visit <https://emeetings.kfintech.com> and click on the tab 'Post Your Queries' and post their queries / views / questions in the window provided, by mentioning their name, demat account number / folio number, email ID and mobile number. The window will open from July 9, 2026 (9:00 a.m. IST) upto July 10, 2026 (5:00 p.m. IST).

21. Members whose names appear in the Register of Members / list of Beneficial Owners as on the Cut-off date, are entitled to vote on the resolutions set forth in this Notice. A person who is not a member as on the Cut-off date should treat this Notice for information purposes only. Once the vote on a resolution(s) is cast by the member, the member shall not be allowed to change it subsequently.
22. In case a person has become a member of the Company after dispatch of AGM Notice but on or before the Cut-off date for e-voting, they may obtain the user ID and password in the manner as mentioned below:
 - i) If the mobile number of the member is registered against Folio No./ DP ID Client ID, the member may send SMS: MYEPWD E-Voting Event Number + Folio No. or DP ID Client ID to 9212993399.
 Example for NSDL: MYEPWD <SPACE> IN12345612345678
 Example for CDSL: MYEPWD <SPACE> 1402345612345678
 Example for Physical: MYEPWD <SPACE> XXXX1234567890
 - ii) If e-mail address or mobile number of the member is registered against Folio No. / DP ID Client ID, then on the home page of <https://evoting.kfintech.com/> the member may click 'Forgot Password' and enter Folio No. or DP ID Client ID and PAN to generate a password.
 - iii) Member may send an e-mail request to evoting@kfintech.com. After due verification of the request, User ID and password will be sent to the member. Once the password is received/retrieved by the shareholder, you may kindly follow the instructions as mentioned under Note No. 18A above and cast vote by remote e-voting.
 - iv) In case e-mail ID of a member is not registered with the Depository Participant(s)/ Company/Kfintech, then such member is requested to register/update their e-mail addresses with the Depository Participant (in case of Shares held in dematerialised form) and with Kfintech in case shares held in physical form.

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

24. Members to intimate change in their details:

Members are requested to intimate changes, if any, pertaining to their name, postal address, e-mail ID, telephone/mobile no., PAN, mandates, choice of nominations, bank details viz., name of the bank and branch details, bank account, MICR code, IFSC code, etc.

- a. For shares held in electronic mode: to their DPs
- b. For shares held in physical mode: to the Company/RTA in prescribed Form ISR-1 and other forms. [SEBI Master Circular No. SEBI/HO/MIRSD/SECFATF/P/CIR/2023/169 dated October 12, 2023]

The facility for making nomination is available for the members in respect of the shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13. [Section 72 of the Act].

If a member desires to opt out or cancel the earlier nomination and record a fresh nomination, he/she may submit the same in Form ISR-3 or SH-14 as the case may be. The said forms

can be downloaded from the Kfintech's website <https://ris.kfintech.com/#>. Members are requested to submit the said details to their DP in case the shares are held by them in dematerialized form and to RTA in case the shares are held in physical form.

DECLARATION OF VOTING RESULTS:

25. The scrutinizer shall, immediately after the conclusion of voting at the AGM, first count the votes cast during the AGM, thereafter unblock the votes cast through remote e-voting and submit, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairperson of the Company or the person authorized by him, who shall countersign the same. The results will be announced within the time stipulated under the applicable laws.
26. The results declared along with the scrutinizer's report, will be hosted on the website of the Company at <https://www.sbfc.com/investors> and on the website of Kfintech at <https://evoting.kfintech.com/> immediately after the declaration of the result by the Chairperson or a person authorised by him in writing. The Company shall simultaneously forward the results to National Stock Exchange of India Limited and BSE Limited, where the shares of the Company are listed. The results shall also be displayed on the notice board at the Registered Office of the Company.

Notice

(continued)

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

Item No. 4 and 5:

As per the provisions of Section 180(1)(c) of the Companies Act, 2013, as amended ('the Act'), the Board of Directors of the Company cannot borrow moneys in excess of the amount of the paid-up share capital, free reserves and securities premium reserve, (apart from temporary loans obtained from the Company's bankers in the ordinary course of business), without the approval of the Members, by way of a special resolution.

The Members of the Company by way of Special Resolution passed through Postal Ballot on January 26, 2024 had accorded their consent to the Board of Directors for (i) borrowing monies up to a total outstanding limit of ₹10,000 crore, and (ii) creation of charge on the assets of the Company to secure such borrowings, up to an outstanding aggregate value of ₹10,000 crore.

The Company being a non-banking financial company engaged in offering secured loans to MSME and loans against gold, it is required to raise funds in the ordinary course of its business from time to time for the purpose of on-lending to its customers and for meeting its funding requirements. Taking into account the increased fund requirements, as well as the enabling provisions of Section 180(1)(c) of the Act, the approval of the Members for Item No. 4 of the AGM Notice is being sought by means of a Special Resolution, to increase the borrowing limit upto ₹16,000 Crore (Rupees Sixteen Thousand Crores only).

The said borrowings may be secured by way of pledge, mortgage, charge, hypothecation or any other security interest over the whole or any part of the Company's present and/or future movable and immovable assets, receivables and undertakings, in favour of banks, financial institutions, investment institutions and their subsidiaries, trust, other bodies corporate, non-banking financial companies, mutual funds, debenture trustees, security trustees and other lenders.

Pursuant to the provisions of Section 180(1)(a) of the Companies Act 2013, the Board of Directors of a company shall exercise the powers to sell, lease or otherwise dispose of the whole or substantially the whole of the undertaking of the company or where the company owns more than one undertaking, of the whole or substantially the whole of any of such undertakings only with the consent of the members by way of special resolution. The creation of security may be construed as sale, lease or disposal of whole or substantially the whole of the Company's undertaking.

Accordingly, the approval of the members is being sought by way of a Special Resolution under Section 180(1)(a) of the Act for increasing the limits upto an outstanding aggregate value not exceeding ₹19,000 crore (Rupees Nineteen Thousand Crore only) for the charges created/ to be created by the Company in connection with the borrowings in favour of its lenders.

The Board recommends the Special Resolutions at Item Nos. 4 and 5 of the accompanying Notice for approval of the Members of the Company.

None of the Directors, Key Managerial Personnel and their relatives, other than to the extent of their shareholding in the Company, are concerned/interested, financially or otherwise, in the said resolution

Item No. 6:

The Company, in the ordinary course of its business, is required to borrow from time to time, by way of loans, external commercial borrowings, issue of non-convertible debentures (secured or

unsecured) and/or other instruments. The inter-mix of borrowings by the Company depends upon the market conditions, cost of funds, tenor, etc.

In terms of Section 42 of the Companies Act, 2013 ('Act') read with Rules framed thereunder including the Companies (Prospectus and Allotment of Securities) Rules, 2014, as amended from time to time, read with the Securities and Exchange Board of India ('SEBI') (Issue and Listing of Non-Convertible Securities) Regulations, 2021, as amended from time to time, other applicable SEBI regulations, circulars and guidelines, the directions issued by the Reserve Bank of India ('RBI'), a company offering or making an invitation to subscribe to NCDs (including Bonds) on a private placement basis, is required to obtain prior approval of the members by way of a special resolution.

Members of the Company have approved similar proposal at its last Annual General Meeting (AGM) by way of a special resolution i.e., at 18th AGM. The resolution passed by the members at its 18th AGM had authorized the Company to issue NCDs within the overall borrowing limit for a period of one year from the date of its last AGM.

Accordingly, it is proposed to seek fresh approval of members by way of special resolution to authorize the Board to borrow by issue of NCDs on private placement basis, in the ordinary course of its business, for a period of one year commencing from the date of this AGM. Further, the amount to be raised by such issuance of NCDs will be within the overall outstanding borrowing limit as approved by the members of the Company under section 180(1)(c) of the Act.

The debentures would be issued either at face value or at a discount or at a premium, with coupon rate and/or on zero coupon basis, in such manner as may be permissible under the Act, RBI Guidelines and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The issue price and rate of interest depends, inter alia, on the market rates, tenor and security offered. In case of secured NCDs, security would primarily be by way of charge on any one or more asset of the Company.

Accordingly, the approval of the members is being sought by way of a special resolution under Section 42 and other applicable provisions, if any, of the Act and the Rules framed thereunder to offer / invite / issue / reissue / allot up to such number of NCDs including but not limited to Subordinated / Perpetual NCDs/ Green debt securities, any other type of Bond, whether secured and/or unsecured, listed, redeemable, up to an amount of ₹4,000 crore (Four Thousand Crore Only), on a private placement basis, in one or more tranches, on such terms and conditions as the Board may deem fit and depending on the prevailing market conditions, during a period of one year from the date of passing of resolution as set out at Item No. 6 of this Notice, within the overall outstanding borrowing limits of the Company under Section 180(1)(c) of the Act, as approved by the members from time to time.

Further, it is proposed to grant authority to the Board of Directors (hereinafter referred to as the 'Board' the term shall be deemed to include any committee constituted / which may be constituted by the Board of Directors or any other person(s) for the time being authorized by the Board of Directors to exercise powers conferred on the Board of Directors) to delegate or determine the terms of issue of NCDs .

In view of the aforesaid, the Board recommends the special resolution set forth in Item No. 6 for approval of the members.

None of the Directors, Key Managerial Personnel and their relatives, other than to the extent of their shareholding in the Company, are concerned/interested, financially or otherwise, in the said resolution.

Annexure A

Information pursuant to Regulation 36(3) of the SEBI Listing Regulations and SS-2 for seeking re-appointment at the 19th AGM of the Company:

Name of Director	Mr. Aseem Dhru	Mr. Jonathan Tatur
Director Identification Number (DIN)	01761455	08639243
Nationality	Indian	Germany
Date of Birth/ (Age)	April 7, 1970 (56 years)	November 29, 1984 (41 years)
Date of first appointment on the Board	Date of first appointment: September 28, 2017 Re-designated as Executive Vice-Chairman w.e.f April 1, 2026	December 17, 2019
Capacity/Position	Executive Vice-Chairman	Non-Executive Nominee Director
Brief resume, including qualification, experience, expertise in specific functional areas, skills & capabilities	Mr. Aseem Dhru is the Executive Vice-Chairman of the Company. He holds a bachelor's degree in commerce from Gujarat University. He is a member of the Institute of Chartered Accountants of India and has been certified by the Institute of Cost and Works Accountants of India. He has more than 27 years of extensive experience in the banking industry and has been associated with the Company since September 28, 2017. He has played a pivotal role in steering the Company to creating significant value and strengthening its overall business. Prior to joining the Company, he was associated with HDFC Bank Limited as a group head – business banking working capital & retail agri business, HDFC Securities Limited as managing director and chief executive officer and was a director on the board of HDB Financial Services Limited.	Mr. Jonathan Tadeusz Tatur holds a bachelors of arts degree from St. John's College in the University of Cambridge and a master's of philosophy degree in economics from Brasenose College in the University of Oxford. Mr. Jonathan Tadeusz Tatur is a Non-Executive Nominee Director of our Company and employee of Clermont Group. He has been associated with our Company since December 17, 2019. The core skill sets/expertise as identified by the Board to be collectively possessed by the Board of Directors of the Company in the context of the Company's business inter alia, include business & financial experience, risk management, information technology, governance oversight, consumer insights and building strategy, investor relations. Mr. Tatur brings a strong skill set encompassing Financial expertise, Corporate Governance, Building Strategy, Risk Management and Investor relations.
Details of remuneration sought to be paid	The terms of remuneration of Mr. Aseem Dhru shall be as per the approval received from shareholders of the Company through postal ballot dated March 8, 2026.	He is not entitled to any remuneration.
Directorships held in other Indian companies as on date of this notice	<ul style="list-style-type: none"> Rossari Biotech Limited Safari Industries (India) Limited SBFC Home Finance Private Limited (under Voluntary Liquidation process) 	<ul style="list-style-type: none"> Sterling Addlife India Private Limited SBFC Home Finance Private Limited (under Voluntary Liquidation process)

Notice / Annexure A

(continued)

Name of Director	Mr. Aseem Dhru	Mr. Jonathan Tatur
Chairpersonship/ membership on the committees of the Company and other Indian companies as on date of this notice	1. Rossari Biotech Limited: <ul style="list-style-type: none"> Audit Committee - Chairperson 2. Safari Industries (India) Limited: <ul style="list-style-type: none"> Audit Committee and Stakeholders Relationship Committee – Chairperson Risk Management Committee- Member 3. SBFC Finance Limited: <ul style="list-style-type: none"> Risk Management Committee and IT Strategy Committee – Member 	SBFC Finance Limited: <ul style="list-style-type: none"> IT Strategy Committee – Member
Listed entities from which the Director has resigned in the past three years	Nil	Nil
Number of equity shares held in the Company by such Director or as a beneficial owner as on March 31, 2026	Mr. Aseem Dhru holds 3,31,24,834 Equity Shares of face value of ₹10 each, equivalent to 2.99% of paid-up share capital of the Company. However, he does not hold any shares as a beneficial owner.	Nil
Terms and conditions of appointment/re-appointment	Re-appointment in terms of Section 152(6) of the Companies Act, 2013	Re-appointment in terms of Section 152(6) of the Companies Act, 2013
Details of last drawn remuneration (including sitting fees and commission) from the Company	₹12.78 crores	NA
Number of meetings attended (Board/ Committee) during FY 2025-26	Six out of Six Board meetings He is a member of the Risk Management Committee and the IT Strategy Committee and attended four out of four meetings of each Committee.	Five out of Six Board meetings He is a member of the IT Strategy Committee and attended four out of four meetings.
Relationship with other Directors/ Key Managerial Personnel/Manager	Mr. Dhru is not related, directly or indirectly, to any Director/ KMP of the Company. The Company does not have any Manager. Mr. Dhru is a professional Director and not related to the promoter of the Company.	Mr. Tatur is not related, directly or indirectly, to any Director/ KMP of the Company. The Company does not have any Manager.

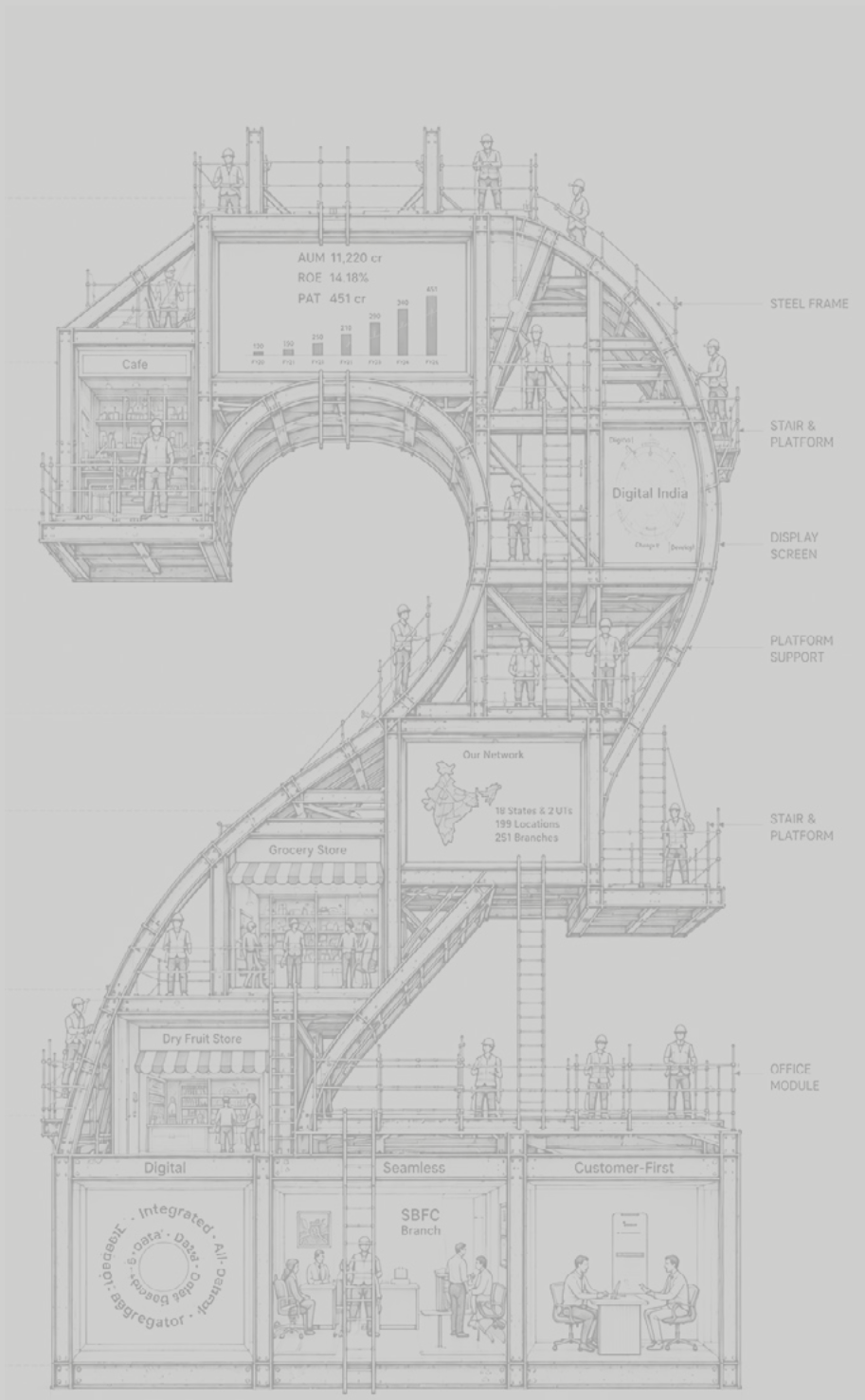
By order of the Board of Directors
For **SBFC Finance Limited**

Namrata Sajnani
Company Secretary & Chief Compliance Officer
ICSI Membership No.: F10030

Registered Office:

103, 1st Floor, C&B Square,
Sangam Complex, Andheri Kurla Road, Village Chakala,
Andheri (East) Mumbai 400 059
Tel: +91-22-67875300
E-mail: complianceofficer@sbfc.com
Website: www.sbfc.com
CIN: L67190MH2008PLC178270

Place: Mumbai
Date : April 25, 2026



DICKENSON
www.dickensonworld.com

SBFC

SBFC FINANCE LIMITED

1st Floor, C & B Square, Sangam Complex,
Andheri Kurla Road, Village Chakala,
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