SMFG
Grihashakti
Nayi Asha. Naya Vishwas.

2025
Annual Report

Driving *Inclusion.* Delivering *Impact.*

CORPORATE INFORMATION

CIN: U65922TN2010PLC076972

Mr. Colathur Narayanan Ram
DIN: 00211906
Chairman, Independent Director
(Appointed w.e.f 20 August, 2024)

Mr. Shantanu Mitra
DIN: 03019468
Non-Executive, Non-Independent Director

Mr. Deepak Patkar
DIN: 09731775
Managing Director & CEO

Ms. Dakshita Das
DIN: 07662681
Non-Executive, Independent Director

Mr. Ajay Pareek
DIN: 08134389
Non-Executive, Non-Independent Director
(Resigned w.e.f 19 August, 2024)

Ms. Sudha Pillai
DIN: 02263950
Non-Executive, Independent Director
(Ceased w.e.f 20 August, 2024)

Mr. Radhakrishnan B. Menon
DIN: 01473781
Non-Executive, Independent Director
(Ceased w.e.f 22 December, 2024)

Chief Financial Officer

Mr. Ashish Chaudhary

Company Secretary

Mr. Parthasarathy Iyengar
From 16 December, 2024

Ms. Akanksha Kandoi
From 8 August, 2024 till 7 November, 2024

Mr. Jitendra Maheshwari
Till 7 August, 2024

Statutory Auditor

B. K. Khare & Co.
Chartered Accountants
Firm Registration No: 105102W
706/708, Sharda Chambers, New Marine Lines, Mumbai – 400020.

Secretarial Auditor

M/s. Vinod Kothari & Company
Practising Company Secretaries
Firm Registration No.: P1996WB042300
403-406, 175 Shreyas Chambers, D. N. Road, Fort, Mumbai – 400001.

Bankers

- Axis Bank Limited
- Bank of Baroda
- Canara Bank
- DCB Bank Limited
- HDFC Bank Limited
- International Finance Corporation
- IDBI Bank
- ICICI Bank
- Indian Overseas Bank
- Karnataka Bank
- Kotak Mahindra Bank
- SIDBI
- Standard Chartered Bank
- State Bank of India
- The Federal Bank Limited
- The Hongkong and Shanghai Banking Corporation
- Union Bank of India
- National Housing Bank

Rating Agencies

- CARE Ratings
- CRISIL Ratings Ltd

Registrar and Share Transfer Agent

MUFG Intime India Private Limited
C-101, 1st floor, 247 Park, Lal Bahadur Shastri Marg, Vikhroli (West), Mumbai – 400083.

Registered Office

Commerzone IT Park, Tower B, 1st Floor, No. 111,
Mount Poonamallee Road, Porur,
Chennai – 600116, Tamil Nadu.
E-mail Id: secretarial@grihashakti.com
Website: www.grihashakti.com

Corporate Office

Inspire BKC, Unit No. 503 & 504, 5th floor,
Main Road, G Block, Bandra Kurla Complex,
Bandra (East), Mumbai – 400051.

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DIRECTORS' REPORT

Dear Shareholders,

Your directors have the pleasure of presenting the 15th Annual Report of SMFG India Home Finance Company Limited *(Formerly Fullerton India Home Finance Co. Ltd.)* ('SMHFC'/'Company') along with the audited financial statements for the financial year ended 31 March, 2025.

1. Background

Your Company, SMHFC, is a wholly owned subsidiary of SMFG India Credit Company Limited *(Formerly Fullerton India Credit Co. Ltd.)* ('SMICC') and is registered with the National Housing Bank ('NHB') as a non-deposit taking Housing Finance Company and the Company is classified as Middle Layer as per Master Direction – Reserve Bank of India (Non-Banking Financial Company - Scale Based Regulation) Directions, 2023 ('RBI SBR Master Directions') and has obtained Corporate Agency Licence from Insurance Regulatory and Development Authority of India.

2. Financial Highlights

The key highlights of the results for FY 2024-25 are given below:

(₹ in crores)

Particulars	FY 2024-25	FY 2023-24
Total Income	1,307	1,009
Less: Interest & finance cost	687	517
Net Total Income	**620**	**492**
Total Operating Expenses	424	344
Pre-Impairment operating profit	**196**	**148**
Impairment on financial instruments	35	24
Profit/(Loss) before Tax	**161**	**124**
Net Profit/(Loss) after Tax	**120**	**93**
Add: Retained earning as at beginning of the year	60	(14)
Less: Transfer to Reserve Fund under Section 29C(i) of the NHB Act, 1987	(24)	(19)
Retained earning as at end of the year	156	60

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

3. Financial Performance and Overview

The Company's Assets Under Management ('AUM') increased by 31% in FY 2024-25, growing to ₹11,692 crores from ₹8,951 crores in FY 2023-24. The amount of loans disbursed also rose to ₹5,092 crores, compared to ₹4,324 crores in FY 2023-24.

The total income for the financial year ending 31 March, 2025 was ₹1,307 crores, a growth of 30% compared to ₹1,009 crores in the previous year.

Total Operating expenses was ₹424 crores, an increase of 24% compared to ₹344 crores in the previous year.

Impairment on financial instruments was ₹35 crores. The Company holds provision of ₹139 crores as at 31 March, 2025. The GNPA ratio stood at 2.4% in March 2025, compared to 2.6% in March 2024. Net NPAs remained flat at 1.6% year on year.

The profit after tax for FY 2024-25 was ₹120 crores as compared to ₹93 crores for FY 2023-24.

Your Company has maintained optimum Asset Liability Management ('ALM') position throughout the year, with continued focus on diversification of borrowing resources and conservative liquidity management.

4. State of Company's affairs and future outlook

A detailed overview of the state of affairs, performance of the Company and future outlook is provided in the 'Management discussion and analysis' section, enclosed as **Annexure I** to this report.

5. Shifting of Registered Office

The Registered Office of the Company was shifted from Megh Towers, Third Floor, Old No. 307, New No. 165, Poonamallee High Road, Maduravoyal, Chennai, Tamil Nadu, India, 600095 to Commerzone IT Park, Tower B, 1st Floor, No: 111, Mount Poonamallee Road, Porur, Chennai - 600 116, on 13 November, 2024 within the jurisdiction of ROC, Chennai.

6. Debt Position

The total incremental borrowings during the year under review, stood at ₹4,554 crores (₹1,986 crores repaid during the year). During the year, the Company has issued ₹50 crores commercial papers (Nil repaid during the year). The Company raised ₹975 crores through issuance of secured and unsecured non-convertible debentures (₹745 crores repaid during the year for secured and unsecured non-convertible debentures) to various mutual funds, high net-worth Individuals and financial institutions, on a private placement basis. The Company availed long-term and short-term bank loans worth ₹3,092 crores (repaid ₹1,241 crores during the year) from banks (including working capital demand loans).

During FY 2024-25, the Company has diversified its borrowings by raising External Commercial Borrowing, Commercial Papers and refinance assistance from NHB total amounting to ₹1,087 crores.

No interest payment or principal repayment of the Term Loans was due and unpaid as on 31 March, 2025 and no interest/principal on debentures was due and unpaid as on 31 March, 2025.

7. Transfer to Reserves

During the year, the Company transferred ₹24 crores to Reserve Fund created as per the norms laid down under Section 29C of the NHB Act, 1987.

8. Share Capital

Authorised Share Capital

During the year under review, the Authorized Share Capital of the Company remained unchanged at ₹15,00,00,00,000/- (Rupees One Thousand Five Hundred crores only) divided into 1,50,00,00,000 (One Hundred and Fifty crores only) equity shares of ₹10/- (Rupees Ten only) each.

Issue of Equity Shares

During the year, your Company raised ₹150 crores in April 2024 and ₹300 crores in December 2024 by issue of equity shares on Rights Basis to SMICC by issue of 15,060,240 Equity Shares of ₹10/- each at a premium of ₹89.6 per Equity share and issue of 29,880,478 Equity Shares of ₹10/- each at a premium of ₹90.4 per Equity share respectively.

Post allotment of aforesaid Equity Shares, the details of paid-up share capital of the Company as on 31 March, 2025, are as under:

Sr. No.	Name of the Shareholder	Number of Shares	Percentage (%)
1.	SMFG India Credit Company Limited *(Formerly Fullerton India Credit Co. Ltd.)**	37,11,63,169	100.00
	Total	**37,11,63,169**	**100.00**

** Includes 6 shares held by Nominee Shareholders of SMICC.*

All the equity shares of the Company are in dematerialized form as on 31 March, 2025. SMICC and its nominees hold the entire paid-up share capital of the Company.

9. Capital Adequacy Ratio

The regulatory Capital Adequacy Ratio ('CAR') of the Company was 22.3% as on 31 March, 2025, as against CAR of 19.5% as on 31 March, 2024 which is within the regulatory requirement.

10. Dividend

Your Directors do not recommend any dividend on equity shares of the Company for the financial year ended 31 March, 2025 to conserve resources.

11. Change(s) in the Nature of Business

During the year under review, there was no change in the nature of business of the Company.

12. Unclaimed, Unpaid Debentures

In accordance with the applicable provisions of the RBI Master Direction - Non-Banking Financial Company - Housing Finance Company (Reserve Bank) Directions 2021, there were no instances of any non-convertible debentures which have not been claimed by the investors or not paid by the Company after the date on which the non-convertible debentures became due for redemption. Hence, the total amount in respect of such debentures remaining unclaimed or unpaid beyond due date is Nil.

13. Risk Management

The Company is exposed to various kinds of inherent risks like credit risk, liquidity risk, market risk, compliance risk, fraud risk, operational risk, information security risk and other risks arising out of business operations; which primarily includes mortgage lending, construction finance, liability management, etc. Risk Management is an integral part of the Company's business strategy.

The Risk Management process is governed by a comprehensive Risk Management Framework which lays down guidelines for risk identification, assessment and monitoring as an ongoing process that is supported by a robust risk reporting framework.

The Company has formulated a strong internal control system that ensures effective risk analysis and measurement, periodic monitoring of the portfolio and reporting of breaches based on various parameters in addition to adherence to policy amendments.

The Risk Management Framework operates through following key principles viz.

- Independent risk management and governance with direct oversight by Board-nominated risk committees;

- A comprehensive risk appetite framework, that establishes, monitors, and implements timely interventions through clearly defined boundaries post considering various dimensions including financial returns, solvency, earning volatility, market and liquidity risk, credit risk, operational risk, information security risk, legal and compliance risk;
- Implementation of proactive credit and liquidity interventions based on forward-looking risk assessment to enable timely responses in the event of any emerging market adversity;
- Maintenance of well-documented credit risk policies and credit programmes which are reviewed and updated regularly to align with regulatory guidelines and industry best practices;
- Extensive use of credit bureau as an integral part of the decision-making processes;
- Monitoring of regulatory and reputation risk.

The Board of Directors ('the Board') of the Company has constituted the Risk Oversight Committee ('ROC') to oversee the risk management strategy and create an effective risk management framework of the Company. This is achieved through the consistent and proactive intervention of competent and experienced senior management personnel, thereby, ensuring delivery of the Company's purpose and long-term business strategy.

The ROC is compliant with the applicable provisions of RBI Master Direction - Non-Banking Financial Company - Housing Finance Company (Reserve Bank) Directions, 2021 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI LODR 2015').

The Committee not only oversees the processes of risk assessment and minimisation, monitors risk management plans but also carries out other roles as may be directed by the Board. Please refer to the report on Corporate Governance enclosed as **Annexure II** to this report for the terms of reference of the ROC.

You are requested to refer to the 'Management Discussion and Analysis' section, enclosed as **Annexure I** to this report for more details on the matter.

14. Internal Financial Controls

As required under Section 134(5) of the Companies Act, 2013 ('the Act'), the Company undertook an evaluation of internal financial controls, in accordance with the criteria established under the Internal Control - Integrated Framework (2013) issued by the Committee of Sponsoring Organisations of the Treadway Commission. Based on assurance activities performed and report placed by independent team, the Directors and Management team affirm that adequate internal financial controls are in place and are operating effectively. The statutory auditors of the Company have also reviewed the existence and operating effectiveness of the internal financial controls relating to the financial reporting as at 31 March, 2025.

15. Human Resources

The Company's employee strength stood at 2,968 as at 31 March, 2025. All employees have gone through induction training to prepare them with the necessary organizational knowhow to efficiently carry out their responsibilities.

Additionally, the debt recovery team has periodically undergone mandatory training as prescribed by the National Housing Bank and conducted by Indian Institute of Banking & Finance.

16. Compliance

The Company had complied and continues to comply with all applicable provisions of the Companies Act, 2013, the National Housing Bank Act, 1987, the RBI Master Direction - Non-Banking Financial Company - Housing Finance Company (Reserve Bank) Directions, 2021, and other applicable rules/ regulations/ guidelines issued by various regulatory and/or statutory authorities, as amended, from time to time.

17. Directors and Key Managerial Personnel

The Board lays down the strategic objectives of the Company and guides the management in meeting its goal of aligning the interests of various stakeholders.

Change in Directors

Your Company has four Directors consisting of two Non-Executive, Independent Directors, one Non-Executive, Non-Independent Director and one Managing Director & CEO as on the date of this report.

Based on the recommendation of the Nomination and Remuneration Committee ('NRC') and approval of the Board of Directors, the following changes have taken place in the composition of the Board during FY 2024-25:

a. Mr. Colathur Narayanan Ram was appointed as Chairman, Non-Executive, Independent Director (Additional) with effect from 20 August, 2024. His appointment was confirmed as Non-Executive, Independent Director at the Extra-ordinary General Meeting of the Company held on 7 November, 2024.

b. Ms. Sudha Pillai ceased to be a Non-Executive, Independent Director of the Company with effect from the close of business hours of 20 August, 2024 pursuant to completion of her tenure.

c. Mr. Ajay Pareek resigned as Non-Executive, Non-Independent Director from the Board of the Company with effect from the close of business hours of 19 August, 2024, due to personal reasons.

d. Mr. Radhakrishnan B. Menon ceased to be a Non-Executive, Independent Director of the Company with effect from 22 December, 2024, pursuant to completion of his tenure.

All the directors of the Company have confirmed that they satisfy the fit and proper criteria as prescribed under the applicable regulations and that they are not disqualified from being appointed as directors in terms of Section 164(2) of the Act.

Retirement by Rotation

In accordance with Section 152 of the Act and the Articles of Association of the Company, Mr. Shantanu Mitra, Non-Executive, Non-Independent Director (DIN: 03019468) is liable to retire by rotation at the ensuing Annual General Meeting of the Company and requested not to be considered for re-appointment as Non-Executive Director of the Company.

Declaration from Independent Directors

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

Based upon the declarations received from the Independent Directors, the Board of Directors has confirmed that they meet the criteria of independence as mentioned under Regulation 16(1)(b) Regulation 62B(1)(b) of the SEBI LODR 2015 and that they are independent of the management.

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

In terms of Section 150 of the Act read with Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014, Independent Directors of the Company have confirmed that they have registered with the databank maintained by the Indian Institute of Corporate Affairs ('IICA'). The Independent Directors are also required to undertake online proficiency self-assessment test conducted by the IICA within a period of 2 (two) years from the date of inclusion of their names in the data bank, unless they meet the criteria specified for exemption. There has been no change in the circumstances affecting their status as Independent Directors of the Company.

All Independent Directors of the Company have confirmed that they were exempted from the requirement to undertake the online proficiency self-assessment test. Mr. Radhakrishnan B. Menon cleared the online proficiency self-assessment test.

Change in Key Managerial Personnel

There were following changes in the Key Managerial Personnel ('KMP') of the Company during the year under review:

a. Mr. Jitendra Maheshwari, (Membership No. A19621), Company Secretary and Compliance Officer ceased to hold office from the close of business hours on 7 August, 2024.

b. Ms. Akanksha Kandoi (Membership No. F6883) was appointed as the Company Secretary and SEBI Compliance Officer (designated as a Key Managerial Personnel) of the Company with effect from 8 August, 2024 and due to internal job-role realignment she stepped down from her position with effect from the close of business hours of 7 November, 2024.

c. Mr. Parthasarathy Iyengar (Membership No. A21472) was appointed as the Company Secretary and Compliance Officer (under Listing Regulations and SEBI (Prohibition of Insider Trading) Regulations, 2015) (designated as a Key Managerial Personnel) of the Company with effect from 16 December, 2024.

There were no other changes in the KMP of the Company during the year under review.

In terms of Section 203 of the Act, the following are the KMP of the Company, as on 31 March, 2025:

Key Managerial Personnel	Designation
Mr. Deepak Patkar	Managing Director & CEO
Mr. Ashish Chaudhary	Chief Financial Officer
Mr. Parthasarathy Iyengar	Company Secretary & Compliance Officer (SEBI)[1]

[1] *Company Secretary is also designated as Compliance Officer in terms of Regulation 6(1) of the SEBI LODR 2015*

18. Number of Meetings of Board of Directors

The Board of Directors of the Company, met seven (7) times during the year:

i. 19 April, 2024

ii. 09 May, 2024

iii. 07 August, 2024

iv. 07 November, 2024

v. 16 December, 2024

vi. 13 February, 2025

vii. 20 March, 2025

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

19. Board Evaluation

In accordance with the provisions of the Act, read with Schedule IV, the Independent Directors met separately to review the performance of Non-Independent Directors and Chairman of the Company, taking into account the views of Executive Directors and Non-Executive Directors and the Board as a whole; and to assess the quality, quantity and timeliness of flow of information between the Board and the Management.

The Board completed the annual evaluation of its own performance, the individual Directors (including the Chairman) as well as the working of all Board Committees. The Board was assisted by the Nomination and Remuneration Committee ('NRC'). The performance evaluation was carried out by seeking inputs from all the Directors.

20. Audit Committee

The Audit Committee presently comprises of Ms. Dakshita Das who serves as the Chairperson of the Committee, Mr. Shantanu Mitra and Mr. Colathur Narayanan Ram as other members. The terms of reference of the Audit Committee is mentioned in the Report on Corporate Governance, enclosed as **Annexure II** to this report. All the recommendations made by the Audit Committee during the year were accepted by the Board.

21. Nomination and Remuneration Committee

The NRC presently comprises of Ms. Dakshita Das who serves as the Chairperson of the Committee, Mr. Shantanu Mitra and Mr. Colathur Narayanan Ram as other members. The terms of reference of the NRC is mentioned in Report on Corporate Governance, enclosed as **Annexure II** to this report.

The Company has laid out clear guidelines approved by the Board for 'fit and proper' criteria for appointment of directors in accordance with the Act. Further, as per the Terms of Reference of the NRC, Policy on remuneration of directors, key managerial personnel and other employees have been put in place, incorporating principles of fairness, pay for performance, a sufficient balance in rewarding short and long-term objectives reflected in the pay mix of fixed and variable pay, meeting the financial viability of the Company.

The Policy on remuneration of directors, key managerial personnel and other employees has been uploaded on the website of the company at https://www.grihashakti.com/images/CG/SMFG-Grihashakti-remuneration-policy.pdf

22. Details of Subsidiaries, Associates and Joint Ventures

The Company does not have any subsidiary, associate or joint venture company as on the date of this Report. Accordingly, Form AOC-1 is not required to be attached to the financial statements.

23. Statutory Auditors

Your Company had appointed M/s. B. K. Khare & Co., Chartered Accountants (ICAI Firm Registration No. 105102W) as its statutory auditors to hold office as such for a period of three years, from the conclusion of 14th Annual General Meeting until the conclusion of the 17th Annual General Meeting of the Company, in terms of the 'Guidelines for Appointment of Statutory Central Auditors (SCAs)/Statutory Auditors (SAs) of Commercial Banks (excluding RRBs), UCBs and NBFCs (including HFCs)' dated 27 April, 2021. The said appointment was approved by the shareholders at the 14th Annual General Meeting held on 19 June, 2024.

In terms of Sections 139 and 141 of the Act read with the Companies (Audit and Auditors) Rules, 2014, M/s. B. K. Khare & Co., have certified that they are eligible to continue as Statutory Auditors of the Company.

There are no qualifications, reservation or adverse remark or disclaimer, made by the statutory auditors in their report.

24. Secretarial Auditors

During the year under review, M/s. Vinod Kothari & Company, Practicing Company Secretaries (Registration no: P1996WB042300) ('VKC') continued to function as the Secretarial Auditors of the Company. They had conducted secretarial audit in accordance with provisions of Section 204 of the Act and Regulation 24A read with Regulation 62M of the SEBI LODR 2015 and issued a Secretarial Audit Report. Copy of the said report is attached as **Annexure IV** to this report. The said report does not contain any qualification or reservation or any adverse remarks or disclaimer and is self-explanatory.

The Board of Directors at its meeting held on 7 May, 2025 appointed VKC as the Secretarial Auditor of the Company for a period of two consecutive years i.e. from FY 2025-26 to FY 2026-27. The Company has received the consent letter and eligibility certificate from VKC.

25. Vigil Mechanism

The Company has put in place Whistle-Blower Policy ('Policy') as a part of the Vigil Mechanism pursuant to the requirements of the Section 177(9) of the Act and Regulation 22 read with Regulation 62J of the SEBI LODR 2015 for reporting of genuine act(s) of wrongdoing, violations or breaches by any stakeholder against Director(s) of the Company/employee(s) including outsourced staff, person having a business relationship with the Company, etc. The Policy, approved by the Board and displayed on the website of the Company, provides an opportunity to report concerns about any actual or suspected unethical behaviour, fraud or violation of the Company's Code of Conduct by any employee or representative of the Company. The Policy provides guidelines for safeguards against victimisation of stakeholders, who report their concerns as per the mechanism provided in the Policy and covers the processes for receiving, analysing, investigating, taking corrective action and reporting of the concerns raised.

This Policy has been communicated to the employees of the Company and has also been uploaded on the website of the Company at https://www.grihashakti.com/images/CG/Whistle-Blower-policy-website-upload-copy.pdf

All the whistle-blower complaints are received either through the mail box enabled for whistle-blowers or by any other mode. These complaints are perused, investigated into and appropriate actions are initiated. An update on whistle-blower complaints received, investigated and corrective actions taken on the same, is presented to the Audit Committee, on a quarterly basis. During the year under review, the Company received 1 whistle-blower complaint. The complaint was disposed off in accordance with mechanism laid down in the Policy.

26. Secretarial Standards

Your Company has followed the applicable Secretarial Standards issued by the Institute of Company Secretaries of India.

27. Maintenance of Cost Records

Being a housing finance company, maintenance of cost records and requirement of cost audit prescribed under section 148(1) of the Act, are not applicable to the Company.

28. Material changes and commitments, if any, affecting the financial position of the Company which have occurred between the end of the financial year of the Company to which the financial statements relate and the date of the report

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

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

During the year under review, there were no significant and material orders passed by the Regulators/Courts/Tribunals impacting the going concern status of the Company and its operations in future.

30. Particulars of loans/ advances/ investments outstanding during the financial year

The disclosures relating to particulars of loans/ advances/ investments outstanding as per Regulation 53(f) of the SEBI LODR 2015 are as under:

Sr. No.	Particulars	Amount Outstanding as at 31 March, 2025	Maximum amount outstanding during the year 31 March, 2025	Amount Outstanding as at 31 March, 2024	Maximum amount outstanding during the year 31 March, 2024
1.	Loans and advances in the nature of loans to subsidiary	NA	NA	NA	NA
2.	Loans and advances in the nature of loans to Associate	NA	NA	NA	NA
3.	Loans and advances in the nature of loans to firms/ companies in which Directors are interested	Nil	Nil	Nil	Nil
4.	Investments by the loanee (borrower) in the shares of parent company and subsidiary company, when the company has made a loan or advance in the nature of loan	Nil	Nil	Nil	Nil

The details of loans/ advances/ investments outstanding as on 31 March, 2025 are given in Note No. 36 of the financial statements.

31. Deposits

In accordance with the National Housing Bank Act, 1987, your Company is a non-deposit taking Housing Finance Company and had declared that it has not and shall not accept deposit as per the terms and conditions of the registration provided by National Housing Bank.

32. Annual Return

Pursuant to Section 92(3) read with Section 134(3)(a) of the Act, the Annual Return as on 31 March, 2025 is available on the Company's website on https://www.grihashakti.com/investors/disclosure-under-regulation-62-of-lodr.aspx;

33. Details of Loans, Guarantees and Investments

The provisions of Section 186 of the Companies Act, 2013 pertaining to giving of loans, guarantees, providing security in connection with a loan and acquisition of securities of any body-corporate are not applicable to the Company as the Company is a Housing Finance Company. Accordingly, the disclosures of the loans given as required under the aforesaid section have not been made in this Board's Report.

The details of investments made by the Company are given in Note No. 5 of the financial statements.

34. Particulars of contracts or arrangements with related parties

All Related Party Transactions ('RPTs') that were entered during the financial year were in the ordinary course of business of the Company and were on arm's length basis. There were no materially significant related party transactions entered in by the Company with Promoters, Directors, Key Managerial Personnel or other persons which may have potential conflict with the interest of the Company. All Related Party Transactions were placed before the Audit Committee of the Board for approval / ratification / review, wherever applicable and the particulars of such transactions are disclosed in the notes to the financial statements. Pursuant to Section 134(3)(h) of the Act read with Rule 8(2) of the Companies (Accounts) Rules, 2014, there are no related party transactions to be reported under Section 188(1) of the Act and Form AOC-2 is not applicable to the Company.

Your Directors draw attention of the Members to Note No. 36 to the financial statement which sets out related party disclosures.

The policy on related party transactions, as approved by the Board is available on the website of the Company at https://www.grihashakti.com/images/CG/SMHFC_Related-Party-Transaction-Policy.pdf as well as annexed with the Directors' Report as **Annexure V**.

35. Corporate Governance

The Company has been identified as a High Value Debt Listed Entity ('HVDLE'), with effect from 7 September, 2021 and as such is required to comply with the relevant provisions of the SEBI LODR 2015 relating to corporate governance, on a 'comply or explain' basis, till 31 March, 2025, and on a mandatory basis thereafter vide SEBI (LODR) (Third Amendment) Regulations, 2024 dated 17 May, 2024. SEBI vide SEBI (LODR) (Amendment) Regulations, 2025 introduced a separate Chapter VA w.r.t. corporate governance provisions for HVDLEs applicable w.e.f. 28 March, 2025.

The Company has complied with the conditions of Corporate Governance as stipulated in the SEBI LODR 2015 as on 31 March, 2025. A detailed report on Corporate Governance and copy of the Certification of the Chief Executive Officer and Chief Financial Officer of the Company are provided as **Annexure II and III** respectively to this report. A certificate from Practicing Company Secretary regarding compliance of conditions of corporate governance is provided as **Annexure B** to the Report on Corporate Governance.

36. Management Discussion and Analysis

In accordance with the applicable provisions of the Para 4.7 of Annex XIV of RBI Master Direction on Housing Finance Company (Reserve Bank identification) Directions, 2021, a detailed review of the operations, financial performance, risk management, outlook, among others, is provided under the Section 'Management Discussion and Analysis' enclosed as **Annexure I** to this report.

37. Fraud Reporting

The Company reports occurrence of frauds to the National Housing Bank/Reserve Bank of India in terms of the National Housing Bank/Reserve Bank of India regulations. The details of frauds occurred during the quarter are placed before the Board/Audit Committee meeting on a quarterly basis. There were 4 instances of fraud reported in FY 2024-25 and accordingly, Form FMR1 has been filed in line with regulatory requirements.

During the year under review, neither the statutory auditors nor the secretarial auditor has reported to the Audit Committee under Section 143(12) read with 143(14) of the Act, any instances of fraud Committed against the Company by its officers or employees, the details of which may need a mention in the Directors' Report.

38. Revision of Financial Statements or Directors' Report

There have been no revisions in the financial statements or Directors' Report as approved by the shareholders of the Company and published in the annual report.

39. Details of Debenture Trustee

The details of the entity which acted as the debenture trustee for the debenture holders of the Company during the year is as under:

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

40. Credit Rating

The credit ratings' details of the Company as on 31 March, 2025 is as follows:

Rating Agency	Facility	Type	Rating
CRISIL	LT	NCD/BL/SD	CRISIL AAA; Outlook: Stable
	ST	CP	CRISIL A1+
CARE	LT	NCD/BL/SD	CARE AAA; Outlook: Stable
	ST	CP	CARE A1+

- LT – Long-term
- ST – Short-term
- NCD – Non-convertible debentures
- SD – Subordinate debt
- CP – Commercial paper
- BL – Bank lines

The ratings mentioned above were reaffirmed by the rating agencies (CRISIL and CARE) during FY 2024-25. A status of ratings assigned by rating agencies and migration of ratings, if any, during the year is provided in Note No. 55 (xii) to the financial statements of the Company.

41. Conservation of energy, technology absorption and foreign exchange earnings and outgo

The provisions relating to conservation of energy and technology absorption do not apply as the Company is a Housing Finance Company.

However, the Company adopts usage of information technology along with its parent company and is prudent in utilising non-renewable resources.

Also, same strategy of providing IGBT Based UPS with SMF batteries will be undertaken for 30 additional branches of the Company which are planning for roll out in FY 2025-26. SMF batteries doesn't emit Hydrogen Gas like normal Tubular Batteries does and is also maintenance free. We have standardised our branch fit out patterns and in all new roll outs, we will deploy energy efficient (Inverter) Air conditioners and the office layout being partition free will increase HVAC efficiency and reduce overall electricity usage. This will further reduce the carbon footprints.

During the year under review, the foreign exchange earnings was Nil and outflow was USD 49,164.

42. Disclosure under the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013

Pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 and the rules thereunder ('POSH Act'), the Company has framed a policy on Prevention of Sexual Harassment at Workplace ('Policy'). The Company has complied with the provisions relating to constitution of internal committee under the POSH Act. During the year under review, 1 case was reported and disposed off as per the provisions and guidelines of this Policy.

43. Corporate Social Responsibility ('CSR')

The Corporate Social Responsibility Committee presently comprises of Mr. Shantanu Mitra who serves as the Chairman of the Committee, Mr. Deepak Patkar and Ms. Dakshita Das as other members and its terms of reference are given in report on Corporate Governance enclosed as **Annexure II** to this report. The Company's CSR Report, including overview of CSR projects is enclosed as **Annexure VI** to this report.

The CSR Policy highlights the key focus sector, implementation process of CSR activities, roles and responsibilities of the CSR committee and the monitoring and evaluation process followed.

The CSR Policy can also be accessed at https://www.grihashakti.com/images/CG/SMHFC-csr-policy.pdf

44. Directors' Responsibility Statement

As per the provisions of Section 134(3)(c) read with Section 134(5) of the Act, your Directors confirm that:

i. in the preparation of the annual accounts for the year ended 31 March, 2025, the applicable accounting standards had been followed along with proper explanation relating to material departures;

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

iii. the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

iv. the Directors had prepared the annual accounts on a going concern basis;

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

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

45. Diagrammatic Representation of Group Structure

SUMITOMO MITSUI FINANCIAL GROUP
(SMFG) (100%)

↓

SMFG IndiaCredit
Pragati Ki Nayi Pehchaan
(SMICC) (100%)

↓

SMFG Grihashakti
Nayi Asha. Naya Vishwas.
(SMHFC)

Ultimate holding – Sumitomo Mitsui Financial Group, Inc.

46. General

i. There is no proceeding pending under the Insolvency and Bankruptcy Code, 2016.

ii. There was no instance of onetime settlement with any Bank or Financial Institution.

47. Acknowledgment

Your directors would like to place on record, their gratitude for the cooperation and guidance received from all the statutory bodies, especially the National Housing Bank.

Your directors also thank the shareholders, clients, vendors, investors and other stakeholders for placing their faith in the Company and contributing to its growth.

We would also like to appreciate the hard work put in by all our employees, and we look forward to their continuing support, going forward.

On behalf of the Board of Directors

Colathur Narayanan Ram
Chairman
DIN: 00211906

Place: Mumbai
Date: 7 May, 2025

MANAGEMENT DISCUSSION AND ANALYSIS

Economic Overview and Outlook

Global Economy

Following an unprecedented series of shocks in the preceding years, global growth was stable yet underwhelming through 2024 and was projected to remain so. However, the landscape has changed as governments around the world reorder policy priorities. A series of new tariff measures by the United States and countermeasures by its trading partners have led to swift escalation of trade tensions, causing a significant impact on global economic activity. Global growth is projected to drop to 2.8% in 2025 and 3% in 2026, much below the historical (2000-2019) average of 3.7%. These estimates mark a downward revision from earlier forecasts of 3.3% for both years *(IMF, January 2025).*

Global inflation, which peaked at multi-decade highs in 2022, is now on a sustained downward path, led by improved supply chain efficiency, lower commodity prices, and normalized energy costs. In response, central banks are expected to initiate rate cuts in mid-to-late 2025, after maintaining restrictive stances to anchor inflation expectations. These developments are restoring policy space and are expected to gradually ease global financial conditions - positive news for sectors dependent on long-term credit, including housing finance.

In tandem, capital flows into emerging markets have begun to rebound as global risk appetite improves. Sovereign bond yields are declining, corporate borrowing costs are easing, and credit markets are normalizing, allowing banks and NBFCs in countries like India to access funds at relatively lower costs than the previous year. Meanwhile, housing affordability is being closely watched in developed markets. The expected easing in rates in H2 2025 may spur a modest revival in housing activity globally, signaling broader demand-side recovery.

Key Influencers of the 2025 Outlook

- **Monetary Policy Pivot:** The shift from monetary tightening to a neutral or easing stance is underway. The Fed is expected to cut rates by 75-100 bps in the second half of 2025, subject to inflation remaining on track. This will ease global benchmark rates and support long-duration lending portfolios.

- **Global Financial Conditions:** Risk premia on emerging market assets are reducing. Capital inflows are improving, foreign exchange pressures are easing, and credit spreads are narrowing, contributing to more stable funding environments for financial institutions globally.

- **Geopolitical and Energy Volatility**: Ongoing conflict in the Middle East and tensions in East Asia remain potential disruptors. A sharp spike in oil prices or disruptions in trade corridors could reintroduce inflationary pressure and re-tighten financial conditions.

- **China's Property Sector and Global Demand:** China's ongoing property sector correction continues to drag on global commodity demand and investor sentiment. While policy support measures are in place, the recovery remains uneven, impacting construction-linked demand globally.

Risks and Opportunities

Risks:	Opportunities:
Delayed or uneven rate cuts by central banks could prolong tight financial conditions and elevate funding costs for NBFCs globally.	Improved liquidity and lower interest rates globally will likely benefit NBFCs with diversified funding strategies, opening avenues for cost-effective capital raising.
Geopolitical flashpoints, especially in energy-producing regions, could disrupt oil supply chains and fuel inflation volatility.	Resilient credit demand in emerging economies, including India, will support growth for lenders focused on retail and housing finance segments.
External shocks such as climate events or sovereign debt stress in select emerging markets may impact global liquidity and investor sentiment.	Stable inflation expectations and policy clarity provide a more predictable operating environment for financial planning and long-term lending.
China's subdued recovery may continue to weigh on global trade momentum and commodity demand, particularly in real estate-linked sectors.	Digital infrastructure and cross-border FinTech collaboration present new opportunities for NBFCs to scale reach, innovate, and improve underwriting precision in underbanked regions.

Source: World Economic Outlook, April 2025

Indian Economy

India sustained its position as one of the fastest-growing major economies globally in FY 2024-25, demonstrating resilience in the face of persistent global uncertainties. The momentum was largely supported by buoyant domestic demand, a strong uptick in infrastructure investments, and solid performance across the services sector. As per the Reserve Bank of India ('RBI'), the country's GDP is forecast to grow at 7.0% in FY 2024-25 and is expected to strengthen further to 7.2% in FY 2025-26.

The Union Budget for FY 2025-26 reiterated India's focus on long-term growth, earmarking higher outlays for urban infrastructure, clean energy, logistics, and digital public assets. Flagship programmes like PM Gati Shakti and the Production Linked Incentive ('PLI') schemes continued to bolster private sector participation, particularly in electronics and manufacturing.

Although inflation occasionally spiked due to supply-side pressures in food and energy, it largely stayed within the RBI's tolerance band. RBI's recent 25 basis point repo rate cut to 6% reflects a shift to an accommodative stance amid softening inflation. This move follows a similar rate cut in February 2025, marking a definitive turn in the RBI's policy direction amid softening inflation and increasing global economic headwinds.

India's overall macroeconomic position remains healthy, marked by a comfortable current account balance, stable currency, robust foreign exchange reserves, and a well-capitalized, liquid banking system. As the country continues to benefit from its demographic dividend and rising urban consumption, its medium-term growth trajectory is widely viewed as structurally sound.

Macro Drivers of Growth in FY 2024-25

- **Consumption and Urban Demand:** Urban consumption remains buoyant, supported by rising discretionary spending, sustained services sector activity, and a gradual revival in rural demand. A growing middle class and continued migration to urban centers are expected to drive demand for housing and related credit.
- **Credit offtake and Financial Deepening:** Credit growth in India continues to outpace GDP growth. According to CRISIL Ratings, bank credit is likely to grow at 12-13% in FY 2025-26, with NBFCs playing an increasingly vital role in extending financial inclusion. Digitally enabled underwriting, improved access to formal credit, and sector-specific lending tailwinds are aiding retail loan growth, particularly in housing finance, small business loans, and LAP.
- **Inflation and Policy Outlook:** With March consumer price index ('CPI') inflation falling to a multi-year low of 3.34% and expectation of benign inflation going forward, RBI may look at cutting policy rates by as much 125 basis points (bps) in FY 2025-26, according to an SBI Research report. The scale and pace of cuts, however, will be shaped by how global economic uncertainties unfold. As India positions itself for long-term growth amid short-term volatility, monetary policy appears poised to take center-stage in driving economic resilience.
- **Infrastructure and Capex Momentum:** Public capex remains strong, especially in transportation, logistics, housing, and urban development. The push for PMAY (Urban & Rural), Smart Cities, and affordable housing continues to offer downstream demand for housing finance products.

Implications for Housing Finance Companies

The Indian macroeconomic backdrop provides a supportive foundation for the housing finance sector. Stable interest rates, steady GDP growth, expanding formal employment, and improving urban infrastructure all contribute to increasing demand for housing ownership and home improvement. At the same time, expanding formal credit access and increased digital adoption are enhancing the sector's reach and efficiency, particularly in Tier 2 and 3 cities where much of the next wave of housing demand is expected to emerge.

As a focused NBFC with a significant presence in Tier 2+ markets, SMHFC is well-positioned to capitalize on these structural shifts, delivering value to underserved borrowers while maintaining prudent risk controls and portfolio quality.

Real Estate & Housing Finance Industry in India

India's real estate sector has emerged as a key driver of economic growth, contributing significantly to GDP and employment. According to a joint report by EY and CREDAI, the sector accounted for approximately 7% of GDP in 2024, and is projected to grow 18% by 2047. The market size is expected to expand from $300 billion in 2024 to $1.3 trillion by 2034 and $5.8 trillion by 2047, aligning with India's vision of becoming a developed nation by the centenary of its independence. This rapid growth is fueled by urbanization, infrastructure expansion, favourable government policies, and strong institutional investments.

Concurrently, the Indian housing finance market valued at around ₹33 trillion, is expected to grow at a CAGR of 15-16% between 2024-25 and 2029-30 to ₹77-81 trillion. This growth will be driven by robust structural elements and favourable government incentives, making housing finance an attractive asset class for lenders. While sales performance in 2024 normalized, it still reflected sustained buyer confidence. For FY 2024-25 and FY 2025-26, CareEdge projects a year-on-year growth of 12.7% and 13.5%, respectively, driven by robust equity inflows and strong capital reserves. The residential properties market remains buoyant, a key driver of the housing finance industry, witnessing an absolute growth of 74% since 2019 to 4.6 lakh units in 2024.

ICRA initially predicted a decline in GNPAs to 2.5% in FY 2024-25, reflecting a positive trend in asset quality. However, it later noted that the GNPA ratio could potentially increase to 2.6% by the end of Q4 FY 2024-25, and further to 2.8% by the end of FY 2025-26. This rise is attributed to factors like stress in the retail sector, particularly in areas like microfinance, increase in new slippages, and a decline in recoveries and upgrades.

With the increase in the cost of funds, the HFCs reported a compression in the net interest margin ('NIM') in H1 FY 2025. This trend is expected to continue for the entire fiscal, given the increasing cost of funds and gearing, followed by some respite in FY 2025-26 with expected easing of systemic interest rates. Nevertheless, profitability is projected to remain healthy, supported by low operating expenses and credit costs. ICRA expects the HFCs to report a healthy return of 1.8-2.0% on managed assets in FY 2025-26, compared to 2.1% in FY 2023-24. With the increase in the cost of funding from banks, the HFCs have moved towards the debt capital market to support their funding requirements.

Budget 2025: Uplifting the Housing Sector Sentiment

The Union Budget 2025-26 introduces several impactful measures to invigorate India's real estate sector. A key announcement is the launch of SWAMIH Fund 2 – a ₹15,000 crore blended finance facility aimed at accelerating the completion of approximately 100,000 stalled housing units, providing much-needed relief to homebuyers.

In parallel, the creation of a ₹1 lakh crore Urban Challenge Fund reinforces the government's focus on urban transformation, positioning cities as engines of economic growth.

Tax reforms, including the removal of deemed taxes on second homes and revised income tax slabs (exempting income up to ₹12 lakhs), are expected to stimulate housing demand by increasing disposable incomes and encouraging investment in real estate.

Affordable Housing Finance

Affordable housing is defined as homes with carpet area up to 60 sq. m. and cost not exceeding ₹45 lakhs. At least 35% of homes in such projects must be in the 21-27 sq. m. range to ensure accessibility for economically weaker sections.

Affordable Housing Finance Companies ('AHFCs') have emerged as a rapidly growing segment within the housing finance domain. After a period of subdued growth, AHFCs have experienced a resurgence in the last two years. CareEdge Ratings forecasts a 30% growth for AHFCs for FY 2024-25, continuing the momentum from previous years. This growth is attributed to their focus on self-employed customers in tier-2 and tier-3 cities, leveraging specialized product offerings and deeper market penetration. While profitability is expected to moderate due to higher operating expenses and elevated cost of funds, the capital structure for AHFCs is anticipated to remain comfortable.

Emerging Opportunities

Growing Population, Rising Incomes, and Rapid Urbanization

India's urban population is expected to reach 50% by 2047, accompanied by the emergence of a nearly 1 billion-strong middle class. This shift is fueling the rise of new cities and urban clusters, driving the next phase of India's real estate revolution.

- Tier-2 and Tier-3 cities are witnessing robust housing demand, particularly among the expanding middle and lower-middle classes.
- Meanwhile, metro cities continue to evolve with a growing emphasis on affordability, connectivity, and sustainability, reshaping the real estate landscape.

Government Initiatives and Regulatory Reforms

Focused government incentives and accessible financing solutions are making homeownership a reality for low and middle-income groups. Simultaneously, smart housing, offering energy-efficient designs, digital connectivity, and modern amenities is redefining urban living, especially in newer townships and satellite cities.

Launched in September 2024, the Pradhan Mantri Awas Yojana Urban 2.0 (‘PMAY-U 2.0’) aims to provide affordable housing to one crore urban poor and middle-class families over a span of five years. A pivotal component of this initiative is the Interest Subsidy Scheme (‘ISS’), which helps ease the burden of home loan repayments by offering an interest subsidy of up to ₹1.80 lakh, disbursed in five equal instalments directly to the beneficiary's loan account.

Progressive reforms are streamlining the sector and enhancing investor confidence:

- FDI liberalization, RERA, and GST reforms
- Flagship schemes such as PMAY supporting affordable housing
- Introduction of REIT regulations and removal of deemed taxes on second homes

Infrastructure programmes such as the National Infrastructure Pipeline, PM Gati Shakti, and the Smart City Mission are modernizing urban development and expanding formal housing markets. Simplified land acquisition, improved compliance frameworks, and greater transparency are attracting both domestic and international investors.

Technology-driven Innovation in Real Estate and Financing

Technology is reshaping how real estate is marketed, financed, and experienced:

- Digital lending platforms are simplifying credit assessments and accelerating disbursals
- These innovations enhance transparency, speed, and customer experience, while lowering costs and expanding access to finance

Sustainability Matters: The Rise of Green Buildings

Environmental sustainability is now a central theme in real estate development:

- Demand is rising for green-certified buildings with features such as energy efficiency, water conservation, and low-carbon materials
- These projects not only appeal to eco-conscious buyers and tenants but also deliver long-term cost savings and value appreciation

As climate goals become more ambitious, green construction practices will become integral to responsible and future-ready development.

The affordable housing finance sector in India is expected to maintain its growth trajectory, supported by favourable demographics, government initiatives, and technological advancements. Continued focus on financial inclusion and infrastructure development will further bolster the sector’s expansion.

Business Update

SMFG India Home Finance Co. Ltd. ('SMHFC') has demonstrated significant growth and operational resilience in FY 2024-25. The company, a 100% subsidiary of SMFG India Credit Company Ltd. ('SMICC'), has expanded its pan India presence to 17 states/UTs, with a special focus on semi-urban areas and urban peripheries. The company has maintained a strong asset quality with a net NPA of 1.6% and a capital adequacy ratio of 22.3%. SMHFC's strategic focus on affordable housing finance, robust risk management framework, and digital transformation initiatives have driven a 31% year-on-year growth in AUM and 18% increase in disbursals. SMHFC continues to enhance its operational efficiency and customer engagement through direct sourcing and digitalization efforts.

Distribution Expansion and Growth: In line with our strategic roadmap, SMHFC expanded its footprint by adding 9 new branches in FY 2024-25, taking our total branch network to 180 across 17 states and union territories. Our Assets Under Management ('AUM') scaled to ₹11,692 crores as of 31 March, 2025, reflecting a robust 31% year-over-year growth. The expansion of our distribution network and focused on productivity have been key drivers of this growth momentum over last few years.

Direct Sourcing Business: We have made significant progress in our Direct/Own sourcing vertical, which now accounts for about 55% of retail disbursals. This achievement has been driven by a dedicated team of over 1,000 Direct Sales Executives ('DSEs'), supported by a network of more than 1,700 lead referrers.

Collections Model: Our collection model operates through a robust in-house team of tele-calling and collections staff. A dedicated collections strategy unit assists the on-ground team with advanced algorithms for sharp risk segmentation of the portfolio to enable adequate intensities. The legal unit complements the delinquent account collections strategy with timely actions.

Customer and Value Proposition:

- **Customer Segments:** Our offerings are designed to serve varied customer segments, including salaried individuals, formal and informal income self-employed individuals, and developers.
- **Affordable Home Finance:** We focus on affordable home seekers, catering to under-served, aspiring lower-class, and middle-class segments.
- **Customized Offerings:** Specific housing finance solutions tailored to meet the needs of different customer profiles.
- **Geographical Penetration:** Focused on building a granular and robust quality portfolio, with a strong presence in tier 2+ locations.

Digitalization:

- **Digital Transformation and Digital-first Approach:** We are accelerating the digitalization of our business processes to enhance efficiencies and customer experience, including the digitalization of onboarding and collections processes. Our aim is to be a digital-first company, leveraging technology to streamline operations and improve service delivery. We are committed to adopting a paperless approach to enhance efficiency and sustainability.

Product-wise Update

SMHFC sustained its strong growth trajectory. In FY 2024-25, the Company on-boarded over 22,000 new customers, surpassing a significant milestone of 60,000+ active borrowers. With Assets Under Management ('AUM') at ₹11,692 crores, SMHFC is now among a select group of Affordable Housing Finance Companies ('AHFCs') to have achieved this scale. Housing loans constitute 62% of our advances, while non-housing loans (primarily loan against property) comprise of remaining 38%.

In the Home Loans segment, SMHFC has continued to enhance portfolio granularity by consciously increasing exposure to self-employed customers. This strategic mix of salaried and non-salaried borrowers supports better risk distribution and contributes to a resilient and balanced credit profile.

The Loan Against Property ('LAP') portfolio has an average ticket size in the range of ₹15-18 lakhs. The Company follows a stringent due diligence process to ensure that fund deployment aligns with customer intent, thereby safeguarding asset quality.

The Developer Finance segment performed strongly during FY 2024-25. The focus continues to be on financing end-user-driven, budget housing projects in high-potential locations, ensuring portfolio prudence, social impact, and long-term sustainability.

Future Outlook

India's affordable housing finance sector is poised for continued growth in FY 2025-26, supported by strong structural demand and evolving policy frameworks. The sector remains a vital pillar in advancing financial inclusion and enabling homeownership for underserved segments.

Key Growth Drivers:

- **Sustained Urbanization and Demographic Momentum:** Rapid urban expansion, a growing working-age population, and increased migration to Tier 2 and Tier 3 cities continue to drive housing demand, particularly in the affordable segment.
- **Policy Support and Government Focus:** Ongoing support through interest subsidies, infrastructure status for affordable housing, and specialized refinance schemes continue to support financing flows to the sector.
- **Evolving Regulatory Environment:** Regulatory frameworks are gradually improving transparency and risk management practices, enabling more stable growth across housing finance institutions.
- **Technological Adoption:** Digital lending platforms, paperless KYC processes, and AI-driven credit underwriting are enhancing reach and operational efficiency, especially in semi-urban and rural areas.

Sector Outlook

The affordable housing finance sector is expected to grow at a healthy pace over the medium term, with estimated annual growth in disbursements and loan book expansion in the range of 15–20%, outpacing the broader housing finance market. This growth is driven by underserved credit demand, rising formal employment, and relatively lower ticket sizes that help mitigate systemic risks.

Despite macroeconomic headwinds such as inflationary pressures, rising input costs in construction, and moderated capital market sentiment, credit quality in the sector remains broadly stable due to prudent underwriting and focus on secured, self-occupied residential assets.

SMHFC is strategically aligned to leverage the evolving market landscape through:

- Deeper penetration in underserved and emerging geographies
- Strengthening digital origination and collections infrastructure
- Enhancing data-led credit decisioning to ensure portfolio quality
- Maintaining a balanced mix between home loans and loan-against-property ('LAP') offerings
- Supporting sustainable finance for affordable housing developers with emphasis on viability and timely completion

Business Strategy

- **Distribution Expansion**: We are focused on deepening our presence with a target of 250-300 branches over the medium term, particularly in tier 2+ locations and tier 1 peripheries.
- **Diversified Borrowing:** Diversifying and enhancing capital-efficient funding sources through NHB refinance, assignments, and co-lending partnerships.
- **Operational Efficiency:** We aim to further streamline day-to-day operations by ushering in digitalization and process improvements, in turn encouraging paperless journeys.
- **Asset Quality:** Sustaining collections performance to improve asset quality, with a 100% in-house collections team.

Marketing

Over the past year, our Marketing objective was to enhance brand awareness post the massive rebranding exercise that culminated in November 2023. Our flagship campaign, 'Pragati hi Nayi Shakti Hai', launched across television, print, digital, and offline channels in May 2024, reinforced our commitment to enabling homeownership dreams. This multi-platform approach helped strengthen our brand identity, reaching diverse customer segments and positioning us as a trusted partner in their home-buying journey.

Last year, we continued our brand-building efforts and amplified our digital presence across various social media channels, the success of which reflects in the remarkable growth in our followers and engagement. On Facebook, our engagement grew 41x, and followers increased from 20,477 to 4,85,915, showing a YoY growth of 46x in the current year. Instagram witnessed a 4x growth in engagement and followers, while our LinkedIn followers increased from 10,128 to 28,790 – a growth of 2.8x. Our consistent emphasis on augmenting our search engine optimization ('SEO') and YouTube content has led to our website receiving an average monthly traffic of 2 lakhs in the current year as compared to 76,000 in the previous year, and subscribers on our YouTube channel increased from 2.9K to 13.9K.

A key focus area has been consumer outreach through local property expos, where we actively engaged with prospective homebuyers, offering them personalized financial solutions. Additionally, to enhance brand visibility at the grassroots level, we undertook in-branch branding and community-based CSR initiatives, ensuring a strong brand presence. On the Public Relations ('PR') front, we continued to build our thought leadership through media coverage, expert insights, and strategic storytelling.

Going forward, our focus will be on building stronger connections with homebuyers by deepening community engagement, increasing brand visibility through hyperlocal activations, expanding our digital outreach, strengthening relationships with our partners and intermediaries, and leveraging on-ground marketing initiatives. By building trust through a combination of innovative marketing and strategic PR initiatives, we aim to position ourselves as the most preferred housing finance partner for aspiring homeowners across the country.

Technology

Stepping into the new financial year, SMHFC accelerated its digital transformation journey by implementing several technological advancements aimed at enhancing operational efficiency, customer experience, and risk management. Key initiatives included the adoption of an upgraded Loan Origination System ('LOS') which is now operational in most of our branches. This has resulted in streamlining of end-to-end processing, integration of advanced analytics for smarter credit decisioning, and reduction of manual intervention. Some key benefits include:

- Enablement of scorecard and rule-based underwriting
- API Integration based data verification at source for quicker data capture and real time credit decision
- Workflow based approvals with automated MIS and dashboard

The Company also strengthened its cybersecurity framework to support scalability and resilience. In addition, we consolidated our enterprise-wide email solutions and Mobile Device Management ('MDM') systems to streamline communication and enhance security. Secure internet access protocols and upgraded VPN systems were also introduced, ensuring a reliable and protected digital environment for employees. To further enhance our customer experience, initiatives like e-sign / e-stamp integration proposed in Phase 2 in the new Loan Origination System will also go live by June 2025. These digital enterprises have not only improved turnaround times and customer satisfaction but also reinforced SMHFC's commitment to future-ready, technology-driven growth.

Internal Controls

SMHFC has established internal control systems appropriate for the nature of its business and the scale of its operations. These systems ensure that transactions are correctly authorized, recorded and reported. The Company ensures adherence to all internal control policies and procedures and compliance with all regulatory guidelines regarding the business, risk, branches and support functions. The Audit Committee reviews the adequacy of these systems. The Internal Auditors' significant audit observations and follow-up actions were duly reported and discussed by the Audit Committee.

During the year under review, the 'Internal Control Framework' was evaluated from a design and effectiveness of controls perspective by an Independent Risk Advisory Consultant. It was found to be compliant with the requirements relating to Internal Financial Controls as mandated under the Companies Act, 2013.

Risk Management

Risk Management Framework

The Company has a robust and independent Risk Management function with direct oversight by Board-nominated risk committees. The objective of the Risk function is to ensure that the Company maintains an optimal balance of risk and return within the boundaries of the Board-approved Risk Appetite Statement. Risk management framework comprises of well-defined policies, processes and systems for identifying, measuring, managing, monitoring and reporting of risks.

Risk Identification & Measurement

The Company recognizes risk identification as a critical function in risk management and mitigation. The Company has developed a strong, comprehensive Enterprise level Risk framework with multi-layered controls to identify and mitigate risks. The Company follows a "Three Lines of Defence" philosophy to address risks, where clearly defined policies and established risk tolerance levels ensure that business and support units act as the first line of defence. The robust risk governance framework enables risk management units (Credit Risk, Operational Risk, Fraud Risk, Branch Quality Controls, InfoSec, and Compliance) to act as the second line of defence; while Internal Audit function operates as the third line of defence. Further, risk oversight is maintained through the Board and the Risk Oversight Committee, external auditors, and regulators.

The Company has further strengthened its risk identification and measurement process through its Board-approved ICAAP policy. The objective of this policy is to identify and accurately assess the significance of all material risks and ensure capital adequacy is maintained under normal as well as stressed scenarios. Adequate risk provisioning is also ensured for both Standard and non-performing assets throughout the year under the IND-AS framework via forward-looking ECL estimation models.

Analytics is central to the company's business, ensuring that all key decisions across the customer lifecycle and functions are driven by data-based analysis. Customer acquisition and target segment identification are supported by an optimal mix of analytical and statistical models, an onboarding scorecard, and a robust operational and fraud risk management framework. Throughout the customer lifecycle, various customer engagements such as cross-sell, top-ups, and collections are identified using new-age models, thereby enhancing the effectiveness of these actions.

Risk Appetite Framework

The Company's risk philosophy involves developing a healthy portfolio growth within the defined risk appetite and regulatory framework. The Board of Directors have approved a Risk Appetite framework that covers various risks the organization is exposed to and the acceptable risk limits.

This time-tested framework enables the Company's future growth path, considering Capital Risk, Credit Risk, Concentration Risk, Liquidity Risk, Operational Risk, Reputation Risk and Compliance Risk for ongoing monitoring and timely actions. Such acceptable risk limits/ thresholds get modified in response to changes in external/internal environment. Resources are then re-allocated to the appropriate segments so as to optimize the entity's risk profile.

Product Policy, Governance, and Monitoring Framework

Every product at the Company is governed by a detailed policy framework outlined in the Product Approval Document ('PAD'), which is reviewed, updated and approved by the Board. The PAD comprises of the, critical customer selection criteria, product portfolio monitoring matrices. The Risk Oversight Committee ('ROC') of the Board on the recommendation of the MD & CEO and CRO further recommend the PADs for Board approval.

Within the contours of the PAD, the product level In-Country policy documents are developed that specify the target market norms, customer selection and credit acceptance criteria, credit approval methodology, verification, and remedial portfolio management policies. The policies are evaluated regularly to ensure that they adequately safeguard the Company from credit risk arising from changes in macroeconomics, industry/segment, and other consumer behavioural characteristics.

The company follows champion challenger approach for exploring new segments. A 'Test and Control' construct is used to further expand on the risk parameters associated with a customer segment, exposure, or assessment methodology that are not explicitly covered by the PAD. This enables close monitoring and impact analysis of each policy's efficacy before its adoption.

The Company has a strong portfolio management framework in place through which the Exposure Capping at portfolio and segment levels are monitored. Performance of respective products against their defined triggers are also monitored and timely actions, if required are initiated in case of any divergence.

Risk Governance

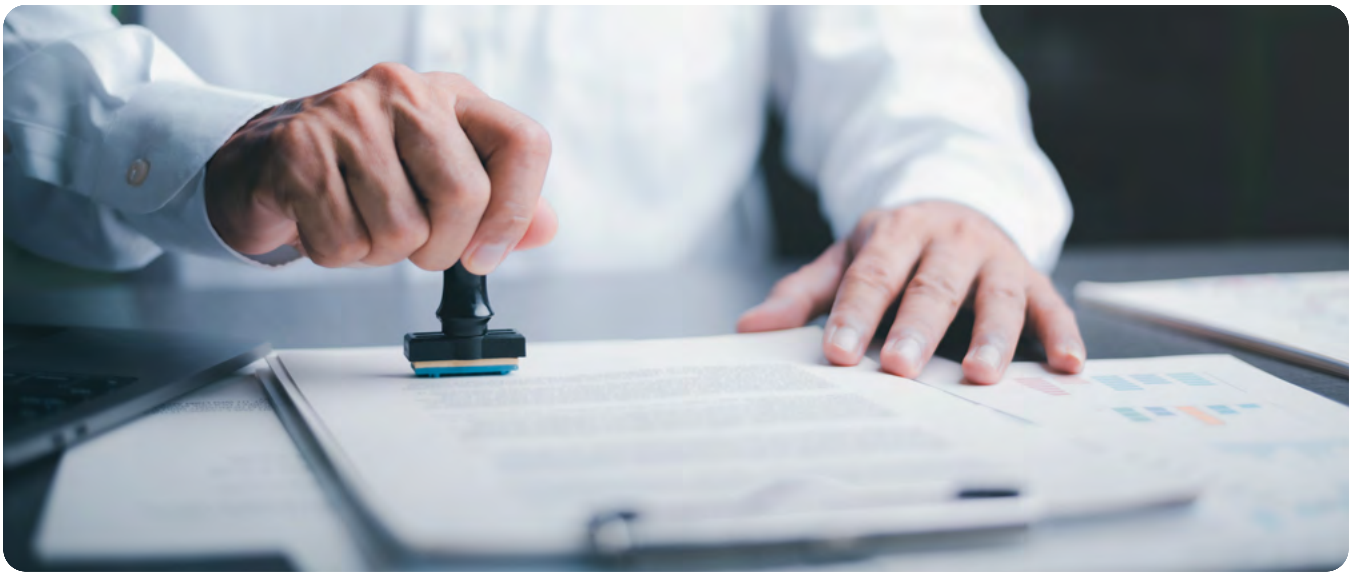
The Board is the apex governance body on all risk management related matters. The Board of Directors exercises its oversight over risk management not only directly but also through the Risk Oversight Committee and its sub-committee such as Asset-Liability Management Committee, Operational Risk Management Committee, Outsourcing committee etc.

Risk Mitigation

The following are the main pillars of risk mitigation:

- Regular Operational Risk Management Committee meetings
- Robust policies and standards which are reviewed and updated regularly to align with leading industry practices
- Internal Financial Controls Standards
- Optimal use of fraud databases, documents' screening, and field visits to detect and mitigate potential fraud
- Adoption of Early Warning Signal Framework
- Compliance unit tracking all regulatory changes

Internal audits checks are conducted regularly to monitor the efficacy of the organization's risk management, internal control and governance procedures. Given the changing industry dynamics and evolving complexities in business and operating environment which mandates change in business needs, the Audit Committee of the Board of Directors reviews the adequacy and effectiveness of internal audit and internal control systems. Corrective actions, wherever required are recommended to strengthen the existing internal control system. A robust In-house Market risk and Treasury team facilitate in managing risks pertaining to liquidity, investments, interest rates, and borrowings by implementing rigorous policies and procedures.



Funding and Liquidity Management

The Company consistently places a strong emphasis on prioritizing long-term resources. Our treasury team recognizes the importance of maintaining adequate liquidity to support business operations and meet debt obligations. As a company, we successfully struck a balance between preserving liquidity, fostering growth, and fulfilling debt commitments during this period. Bank borrowing remains a fundamental component of our borrowing strategy, contributing to stability and sustainability. Furthermore, capital market borrowings and refinance from National Housing Bank and Small Industries Development Bank of India has bolstered our asset-liability position. The company has been successful in raising its maiden External Commercial Borrowing in FY 2024-25 for USD 50 million. In FY 2024-25, we sold pools of loans against property and housing loans through the direct assignment route.

We deeply understand the significance of matched funding and long-term liquidity in driving overall growth. To fortify our funding profile's resilience, we maintain a robust pipeline of bank funding and added fee paying committed lines. Additionally, we strategically leverage pool sales and capital market sources whenever favourable opportunities arise, allowing us to optimize operational efficiency. We maintain adequate liquidity buffers comprising high-quality liquid assets to ensure seamless operations, prompt debt repayment, and protection against unforeseen business shocks. These are held in high-quality liquid assets that are highly rated and can be converted to cash immediately. Moreover, we have established liquidity backup by partially drawing sanctioned bank loans and maintaining fee-paying committed credit lines from reputed banks to address any contingencies that may arise. Throughout FY 2024-25, our primary objectives revolved around diversification, optimizing cost of funds, improve ALM and maintaining sufficient liquidity.

Our creditworthiness has been reaffirmed by CRISIL and CARE, with long-term debt rated AAA and short-term debt rated A1+, reflecting the highest levels of financial stability and trust.

Human Resource Management

Our people are our most valuable asset. With employee strength of 2,968 at SMHFC, we are committed to nurturing a culture that fosters performance, well-being, and purpose. The success of our business is deeply rooted in the skills, values, and motivation of our employees.

We are proud to be consistently certified as a 'Great Place to Work' and recognized as a 'Company with Great Managers'- testaments to our commitment to a positive and empowering work culture built on Integrity, Collaboration, Innovation, Diversity, Excellence, and Agility.

In FY 2024-25:

- We on-boarded new talent across functions to support our business expansion
- We welcomed 25+ management trainees from top institutes like ISB and IITs, reinforcing our future leadership pipeline
- Our recruitment strategy remained tightly aligned with business priorities, focusing on capability building for critical and emerging roles

Our people strategy is designed to build long-term capacity, promote leadership from within, and empower our workforce to thrive in a fast-evolving business environment.

Diversity, Equity, and Inclusion – A Core Enabler

At SMHFC, Diversity, Equity, and Inclusion ('DEI') is more than a strategic commitment, it is a core enabler of our purpose-led approach. By fostering a culture that reflects the diversity of our customer base, we stay empathetic, innovative, and agile in meeting the evolving needs of the communities we serve.

Our DEI journey is anchored in the belief that inclusion is transformational not only for our organization, but also for society. This conviction catalyzed the creation of a comprehensive DEI framework addressing eight dimensions:

Representation | Inclusive Culture | Career Development | Policies & Infrastructure | Wellness | Recognition | Community Impact | Thought Leadership

This has helped us lay the foundation by embedding inclusive practices across the organization and building awareness. This framework aligns DEI with business success and stakeholder equity.

As of March 2025, we achieved a 21.51% YoY increase in women's representation, supported by focused inclusion efforts and the appointment of women in senior leadership roles. This tangible progress reflects our long-term commitment to gender-balanced leadership and inclusive workplace culture.

Inclusive Initiatives that Empower

TINT (Thinking Independently Together): A behavioural programme designed to raise awareness of unconscious bias and foster inclusive thinking. To date, 889 employees have been sensitized through these workshops.

Inclusive Employee Life Cycle ('ELC') Management: Equips People Managers to embed inclusion at every touchpoint—from recruitment to performance management and career growth.

WonderWomen@Work: Our flagship Women Mentorship Programme focuses on mid-to-senior-level leaders, supporting them through a structured six-month journey of skill enhancement, personalized development, and professional networking.

At SMHFC, our DEI philosophy extends far beyond recruitment. It is about nurturing a sustainable, empowering environment where every individual, irrespective of background, has the opportunity to thrive and contribute meaningfully in an ever-evolving business landscape.

Learning & Development

At SMHFC, we believe that our people are our most enduring competitive advantage. Our Learning & Development ('L&D') framework is designed to build skills not just for today's roles, but for tomorrow's opportunities. Through our in-house L&D platform, 'Gurukul', we deliver structured, strategic, and scalable learning interventions to support continuous development across all levels of the organization.

Induction and Onboarding: Our Company Induction Programme ensures that new joiners are seamlessly integrated into our culture, values, and operations. In FY 2024-25, over 100 batches of trainings were conducted to induct and equip new hires with the functional and behavioural knowledge to thrive from day one.

Leadership Development: To future-proof our leadership strength, we continue to invest in high-potential talent. Our flagship STEP (Strategic Talent Enhancement Programme) for People Managers, run in collaboration with the Great Manager Institute, has now completed its third cohort (STEP 3.0). During FY 2024-25, 26 managers have been covered under this programme, with 22 certified as 'Great People Managers'. To date, 183 managers have been covered under this programme, with 94 certified as 'Great People Managers'—reinforcing our commitment to strong, values-led leadership.

We also conducted targeted development initiatives for around 3,000 employees through key learning modules such as:

- Emerging Leaders
- Personal Effectiveness
- Accelerated Leadership Program
- Taming Time

In a constantly evolving business environment, we remain agile by updating our learning strategies and staying attuned to future capability needs. Our people development initiatives are structured not just around individual growth, but around strengthening the organization for generations to come.

Reward and Recognition ('R&R') & Celebrations

Our culture of appreciation is deeply rooted in recognizing and celebrating excellence. Through structured recognition frameworks, we ensure that outstanding performance is acknowledged, amplified, and emulated across the organization.

STAR – Sumitomo Mitsui Talent Appreciation & Recognition: Our monthly and quarterly STAR awards recognize individuals who go above and beyond in their roles. In FY 2024-25:

- 304 employees received monthly recognition
- 52 employees were celebrated through quarterly awards

Long Service Awards: We recognize long-standing commitment with milestone awards for 3, 5, 10, and 15 years of service. This year, we celebrated the loyalty and contributions of 159 employees.

The Great Manager Award ('GMA'): We are proud to be recognized for leadership excellence for the sixth consecutive year at the Great Manager Awards by People Business. In FY 2024-25, Sai Sasanka Batchu was named among the Top 100 Managers in India, chosen from a pool of over 7,000 nominations nationwide—a resounding testament to the quality of our leadership talent.

The GREAT – Grihashakti Recognition of Excellence, Achievement and Transformation Program: The GREAT Awards celebrate individuals and teams who make a strategic impact on the organization. This year:

- 76 employees were recognized
- 22 teams and 3 individuals were honoured across various categories

These accolades underscore our culture of high performance, innovation, and transformation.

Governance

SMHFC continues to promote meritocracy, integrity, and governance in legality and compliance. The Company has implemented several governance policies to encourage employees to raise complaints without fear of retribution or discrimination. The Company's Code of Conduct includes relevant statutes for preventing sexual harassment and a whistle-blower policy for quickly escalating and resolving issues. Only 1 case was brought before the POSH Committee for resolution, and the same was disposed of.

Analysis of Financial Statements

The following table presents Company's standalone abridged financials for the FY 2024-25.

Operating Results Information:

₹ In crores, except percentages

Particulars	FY 2024-25	FY 2023-24	% change
Interest Income (A)	1,152	900	28
Other Income (B)	155	109	43
Total Income (A+B) = C	1,307	1,009	30
Interest Expense (D)	687	517	33
Operating expenses (E)	424	344	24
Impairment of financial instruments (F)	35	24	44
Profit before tax (C-D-E-F) = G	**161**	**124**	**30**
Tax, including deferred tax (H)	41	31	32
Profit after tax (G-H)	**120**	**93**	**30**

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

Key ratios

The following table sets forth key financial ratios:

Particulars	FY 2024-25	FY 2023-24
Net Revenue Income (%)	6.1	6.8
Capital Adequacy (%)	22.3	19.5
Capital Adequacy- Tier I (%)	18.3	14.2
Return on average equity ROE (%)[1]	9.4	10.5
Return on average assets ROA (%)[2]	1.2	1.3
Debt Equity Ratio (times)	6.0x	6.8x
Book value per share	42.0	30.3
Earnings Per Share		
Basic (in ₹)	3.4	2.9
Diluted (in ₹)	3.4	2.9

Notes:

1. *Return on average equity is net profit after tax to the average of monthly balances of the Shareholder's fund.*
2. *Return on average assets is net profit after tax to an average of monthly customer assets under management.*

Key Financial Highlights

FY 2024-25 marked a year of robust performance for SMHFC, underpinned by disciplined growth, improved asset quality, and operational efficiency. Over recent years, the Company has made strategic investments in capacity building and capability enhancement, aligning with its long-term goal of developing a resilient, in-house business model tailored to the affordable housing segment. These efforts have begun to deliver measurable outcomes reflected in stronger unit economics and improved productivity.

Disbursements:

The Company disbursed ₹5,092 crores in FY 2024-25, reflecting a year-on-year growth of 18%, driven by deepened market penetration and broader outreach across priority geographies.

Assets Under Management ('AUM'):

AUM rose to ₹11,692 crores, marking a 31% increase over the previous year. This growth was fueled by strong origination momentum and increased traction in target customer segments.

Total Income:

Total income for the year ended 31 March, 2025 stood at ₹1,307 crores, compared to ₹1,009 crores in FY 2024, reflecting a year-on-year growth of 30%.

Funding and Margins:

Despite the lingering impact of policy rate transmission on borrowing costs, the Company maintained a balanced funding profile, ensuring that the cost of funds remained within the target range. This helped sustain a stable net interest margin (NIM) throughout the fiscal year.

Operating Efficiency:

Operating expenses as a percentage of average assets reduced from 4.7% in FY 2023-24 to 4.2% in FY 2024-25, underscoring the benefits of scale, digitization, and internal process optimization.

Asset Quality and Credit Costs:

Strengthened underwriting standards and a robust monitoring framework contributed to improved asset quality, leading to lower credit costs year-on-year.

Profitability:

Profit before tax stood at ₹161 crores in FY 2024-25, up from ₹124 crores in FY 2023-24, driven by improved business performance, strong collections, and enhanced operational efficiency.

Asset Quality and Composition

Particulars	FY 2024-25		FY 2023-24	
	Advances	% of Advances	Advances	% of Advances
Housing Loan	7,054	71	5,569	71
Non-Housing Loan	2,819	29	2,317	29
Total	**9,873**	**100**	**7,886**	**100**

In Crores, except percentages (As per regulatory definition)

In compliance with IND AS 109, SMHFC continues to follow the Expected Credit Loss ('ECL') model for the impairment of financial assets. As of 31 March, 2025, the provision coverage on the total book stood at 1.4%, compared to 2.0% in FY 2023-24.

- The Gross Non-Performing Asset ('GNPA') ratio stood at 2.4%, compared to 2.6% as of March 2024
- The Net NPA ('NNPA') ratio remained flat at 1.6% in March 2025

These improvements demonstrate the effectiveness of the Company's risk management practices and a disciplined approach to credit quality.

Resource & Liquidity

SMHFC maintains a robust Asset-Liability Management ('ALM') profile, supported by ongoing diversification of borrowing sources and prudent liquidity strategies. Liquidity is strategically managed through investments in high-quality liquid assets, including fixed deposits, money market instruments and treasury bills. The Company also maintains fee-paying committed credit lines to strengthen its liquidity buffer and ensure continuity under stressed conditions.

To support its growth momentum, the Company raised funds across a diversified base including bank borrowings, Capital and money markets, direct assignment on loan pools and refinancing from National Housing Bank. As of 31 March, 2025, total secured borrowings stood at ₹8,964 crores, with the funding mix comprising of borrowings from banks and financial institutions (about 64%), non-convertible debentures (27%) and refinance from National Housing Bank (9%).

Capital Adequacy and Credit Ratings

SMHFC benefits from strong promoter backing, with a ₹450 crores equity infusion in FY 2024-25 by the parent company to support expansion and maintain a comfortable debt-to-equity ratio. As of 31 March, 2025, the Company's Capital Adequacy Ratio ('CAR') stood at 22.3%, well above the regulatory minimum of 15%.

SMHFC maintained its highest long-term credit ratings of:

AAA/Stable from CRISIL and CARE

And for its short-term debt programme:

A1+ from CRISIL and CARE

These ratings reaffirm the Company's strong financial discipline, capital strength, and ability to meet its obligations in a timely manner.

Cautionary Statement

This document contains forward-looking statements relating to future performance, operations, and expectations of SMFG India Home Finance Company Ltd. These statements are based on current assumptions, plans, and estimates that involve inherent risks and uncertainties.

Actual results could differ materially due to factors including economic conditions, regulatory changes, competitive dynamics, and other external events beyond the Company's control. Readers are cautioned not to place undue reliance on these statements and are encouraged to review the assumptions, disclaimers, and risk factors outlined in the FY 2024-25 Annual Report for a comprehensive understanding.

REPORT ON CORPORATE GOVERNANCE

Company's Philosophy on Corporate Governance

SMFG India Home Finance Company Limited *(Formerly Fullerton India Home Finance Co. Ltd.)* ('SMHFC'/'Company') believes that best Board practices and transparent disclosures are necessary for creating shareholders' value. The Company has embedded the philosophy of corporate governance into all its activities. The Board of Directors of the Company ('the Board') provides direction and guidance to the Company's Leadership Team and further supervise and review the performance of the Company. In addition to compliance with regulatory requirements, the Company endeavours to adopt and enforce highest standards of ethical and responsible conduct.

The constitution of the Board and its Committees is in compliance with the relevant provisions of the Companies Act, 2013 ('the Act'), relevant Rules made thereunder, the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI LODR 2015'), RBI Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 ('RBI HFC Master Directions') and Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 ('RBI SBR Master Directions').

The Company has been identified as a High Value Debt Listed Entity ('HVDLE'), with effect from 7 September, 2021 and as such it is required to comply with relevant provisions of the SEBI LODR 2015 relating to corporate governance, on a 'comply or explain' basis, till 31 March, 2025 and on a mandatory basis thereafter vide SEBI (LODR) (Third Amendment) Regulations, 2024 dated 17 May, 2024. The Company has duly complied with the said corporate governance norms as stipulated in the SEBI LODR 2015 as on 31 March, 2025.

Board of Directors

All the Directors of the Company are well qualified persons of proven competence and possess high level of personal and professional ethics, integrity and values. The Directors of the Company exercise their objective judgement independently. The Directors actively participate in all strategic issues which are crucial for the long-term development of the Company.

As on 31 March, 2025, the Board comprises of four directors, with two Non-Executive, Independent Directors including one women Non-Executive, Independent Director (i.e. 50%), one Non-Executive, Non-Independent Director (i.e. 25%) and one Executive Director being the Managing Director & CEO of the Company. The Chairman of the Board is a Non-Executive, Independent Director. The composition of the Board is in conformity with Regulation 17 read with Regulation 62D of the SEBI LODR 2015 read with Section 149 and Section 152 of the Act.

There are no Directors who have attained the age of 75 years or more and for which approval of shareholders was required through special resolution in terms of Regulation 17(1A) read with Regulation 62D(2) of the SEBI LODR 2015.

All the Independent Directors of the Company have given a declaration that they meet the criteria of independence, as prescribed under Section 149(6) of the Act and Regulation 16(1)(b) read with Regulation 62B(1)(b) of the SEBI LODR 2015.

In the opinion of the Board, the Independent Directors are persons of integrity and possess relevant expertise and experience and they continue to fulfil the criteria prescribed for an Independent Director as stipulated in Regulation 16(1)(b) read with Regulation 62B(1)(b) of the SEBI LODR 2015 and Section 149(6) of the Act and are independent of the management of the Company.

Number of Board Meetings

During the year under review, seven (7) Board meetings were convened and held on the following dates, wherein the required quorum was present throughout the meeting:

i. 19 April, 2024
ii. 09 May, 2024
iii. 07 August, 2024
iv. 07 November, 2024
v. 16 December, 2024
vi. 13 February, 2025
vii. 20 March, 2025

The time gap between any two meetings was less than 120 days and at least one meeting was held in every quarter.

As a matter of good governance, the dates of the Board meetings are fixed in advance for the full calendar year to enable maximum attendance and participation of all the Directors. The relevant background materials of the agenda items are distributed well in advance of the meetings and material information is presented for meaningful deliberations at the Board meetings. Further, the Board on a continuous basis not only reviews the actions and decisions taken by it but also by the Committees constituted by it.

Composition of the Board

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

As on 31 March, 2025

Name of the Director & DIN	Director since	Category of Directorship	No. of Other Directorships	No. of Committees		Other Directorship (including their designation in other listed entities)
				As Member	As Chairman/ Chairperson	
Mr. Colathur Narayanan Ram (DIN: 00211906)	20 August, 2024	Chairman, Non-Executive, Independent Director	5	1	0	1. SMFG India Credit Company Limited (Non-Executive, Independent Director) 2. Perfios Software Solutions Private Limited (Director) 3. Aditya Birla Health Insurance Co. Limited (Non-Executive, Independent Director) 4. FYNDNA Techcorp Private Limited (Managing Director) 5. SBI Funds Management Limited (Non-Executive, Independent Director)
Mr. Shantanu Mitra (DIN: 03019468)	22 December, 2021	Non-Executive, Non-Independent Director	1	0	0	SMFG India Credit Company Limited (Chief Executive Officer and Managing Director)
Mr. Deepak Patkar (DIN: 09731775)	2 February, 2023	Managing Director & CEO	0	0	0	-
Ms. Dakshita Das (DIN: 07662681)	20 January, 2023	Non-Executive, Independent Director	3	0	0	1. SMFG India Credit Company Limited (Non-Executive, Independent Director) 2. NSE Indices Limited (Non-Executive, Independent Director); 3. Protium Finance Limited (Non-Executive, Independent Director)

Notes:

1. For the purpose of considering the committee membership and chairmanship, the Audit Committee and Stakeholders Relationship Committee of other public limited companies (excluding HVDLE, Private Limited, Foreign Companies, and Companies u/s 8 of the Act) have been considered. As per disclosure(s) received, the Directors did not hold memberships in more than ten committees and Chairpersonship in more than five committees and none of the Directors is on the Board of more than: i. twenty companies; ii. ten public limited companies; iii. seven listed entities.

2. Mr. Colathur Narayanan Ram (DIN: 00211906) was appointed as Chairman, Non-Executive, Independent Director (Additional) with effect from 20 August, 2024. His appointment was confirmed as Non-Executive, Independent Director at the Extra-ordinary General Meeting of the Company held on 7 November, 2024.

3. Ms. Sudha Pillai (DIN: 02263950) ceased to be a Non-Executive, Independent Director of the Company with effect from the close of business hours of 20 August, 2024 pursuant to completion of her tenure.

4. Mr. Ajay Pareek (DIN:08134389) resigned as Non-Executive, Non-Independent Director of the Company with effect from the close of business hours of 19 August, 2024, due to personal reasons.

5. Mr. Radhakrishnan B. Menon (DIN: 01473781) ceased to be a Non-Executive, Independent Director of the Company with effect from 22 December, 2024 pursuant to completion of his tenure.

6. Mr. Shantanu Mitra (DIN: 03019468) ceased to be the Chairman of the Company w.e.f. 20 August, 2024. His designation effective 20 August, 2024 is Non-Executive, Non-Independent Director of the Company.

Details of change in composition of the Board during the financial year ended 31 March, 2024

(In accordance with Section II – RBI SBR Master Directions dated October 19, 2023)

Sr. No.	Name of Director	Capacity	Nature of change	Effective date
There is no change in composition of the Board during the financial year ended 31 March, 2024				

Key Managerial Personnel

In terms of Section 203 of the Act, following were the Key Managerial Personnel ('KMP') of the Company, as on 31 March, 2025:

Key Managerial Personnel	Designation
Mr. Deepak Patkar	Managing Director & CEO
Mr. Ashish Chaudhary	Chief Financial Officer
Mr. Parthasarathy Iyengar	Company Secretary[1]

[1] *Company Secretary is also designated as Compliance Officer in terms of Regulation 6(1) of the SEBI LODR 2015*

Notes:

1. Mr. Jitendra Maheshwari (Membership No. A19621), Company Secretary and Compliance Officer ceased to hold office from the close of business hours on 7 August, 2024.
2. Ms. Akanksha Kandoi (Membership No. F6883) was appointed as the Company Secretary and SEBI Compliance Officer (designated as a Key Managerial Personnel) of the Company with effect from 8 August, 2024 and due to internal job-role realignment she stepped down from her position with effect from the close of business hours of 7 November, 2024.
3. Mr. Parthasarathy Iyengar (Membership No. A21472) was appointed as the Company Secretary and Compliance Officer (under Listing Regulations and SEBI (Prohibition of Insider Trading) Regulations, 2015) (designated as a Key Managerial Personnel) of the Company with effect from 16 December, 2024.

Board Meetings

The attendance of each Director at the meetings of the Board and at the 14th Annual General Meeting ('AGM') held during the year under review, are as under:

Directors	Board Meetings		Attendance at the 14th AGM held on 19 June, 2024
	Number of meetings held/attended during their tenure	% of meetings attended	
Mr. Colathur Narayanan Ram	4/4	100%	Not applicable
Mr. Shantanu Mitra	6/7	86%	Yes
Mr. Deepak Patkar	7/7	100%	Yes
Ms. Dakshita Das	7/7	100%	No
Mr. Ajay Pareek	3/3	100%	Yes
Ms. Sudha Pillai	3/3	100%	Yes
Mr. Radhakrishnan B. Menon	4/5	80%	No

Number of shares and convertible instruments held by Directors

As on date, none of the Directors hold any equity shares of the Company, except Mr. Shantanu Mitra and Mr. Deepak Patkar who hold 1 equity share each, as Nominees of SMFG India Credit Company Limited *(Formerly Fullerton India Credit Co. Ltd.)* ('SMICC'). The Company has not issued any convertible instruments.

Familiarization Programme

The Company conducts familiarization programmes for its Non-Executive, Independent Directors. The familiarization programme ensures that the Non-Executive, Independent Directors are updated on the business and regulatory environment and the overall operations of the Company. The Non-Executive, Independent Directors periodically meet the senior management of the Company wherein they are briefed on the performance of the Company. The details of such Familiarization Programmes for Non-Executive, Independent Directors may be referred to, at the website of the Company at its weblink i.e. https://www.grihashakti.com/images/cg/Familiarization-Program-for-Independent-Directors.pdf

Board Expertise and Attributes

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

A tabular representation of the skill possessed by the Directors of the Company, is as under:

As on 31 March, 2025

Skill Areas	Industry experience	Leadership and strategic planning	Legal and regulatory compliance	Financial expertise	Business operations	Consumer behaviour, sales & marketing	Corporate governance	Risk management	Information Technology & cyber security
Mr. Colathur Narayanan Ram	Y	Y	Y	Y	Y	Y	Y	Y	Y
Mr. Shantanu Mitra	Y	Y	Y	Y	Y	Y	Y	Y	Y
Mr. Deepak Patkar	Y	Y	Y	Y	Y	Y	Y	Y	Y
Ms. Dakshita Das	Y	Y	Y	Y	Y	Y	Y	Y	Y

Separate Meeting of Independent Directors

The Independent Directors met separately (without the presence of the Management and Non-Executive, Non-Independent Directors) on 7 May, 2024, in terms of Section 149(8) read with Schedule IV of the Act and Regulations 25 read with Regulation 62N(4) of the SEBI LODR 2015.

Resignation of Independent Directors

During the year under review, there was no resignation of any Independent Director of the Company.

Ms. Sudha Pillai and Mr. Radhakrishnan B. Menon ceased to be an Independent Director of the Company w.e.f. the close of business hours of 20 August, 2024 and 22 December, 2024 respectively, pursuant to completion of their tenure.

Code of Conduct

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

Board Committees

The following data is provided, as on date.

The committees constituted by the Board focus on specific areas. They take informed decisions within the framework designed by the Board and make specific recommendations to the Board on matters in their areas or purview. All decisions and recommendations of the Committees are placed before the Board for information or for approval, if required. To enable better and more focused attention on the affairs of the Company, the Board has delegated particular matters to the Committees of the Board set up for the purpose. As on 31 March, 2025, the Company has seven Committees of the Board:

1. Audit Committee;
2. Nomination and Remuneration Committee;
3. Stakeholder Relationship Committee;
4. Risk Oversight Committee;
5. Corporate Social Responsibility Committee;
6. Information Technology Strategy Committee; and
7. Wilful Defaulter Review Committee

Audit Committee

The Board has constituted the Audit Committee pursuant to the requirements under Section 177 of the Act, the SEBI LODR 2015, RBI HFC Master Directions and RBI SBR Master Directions. The Audit Committee is vested with necessary powers, as per its Terms of Reference, duly approved by the Board.

The Statutory Auditors and Internal Auditors are invited to the meeting to bring out the issues which they may have with regards to finance, operations, compliance, processes, systems and other relevant matters. The proceedings of the Audit Committee Meetings were noted by the Board at its meetings. The Company Secretary acts as Secretary to the Committee.

Composition

The Audit Committee currently comprises of two Non-Executive, Independent Directors and one Non-Executive, Non-Independent Director. All the members of the Audit Committee are financially literate and persons of proven competence and integrity.

Name of the Member	Category	Member of the Committee since
Ms. Dakshita Das, Non-Executive, Independent Director	Chairperson	20 January, 2023 (As a Chairperson- 20 August, 2024)
Mr. Shantanu Mitra, Non-Executive, Non-Independent Director	Member	22 December, 2021
Mr. Colathur Narayanan Ram, Non-Executive, Independent Director	Member	20 August, 2024

Notes:

Ms. Sudha Pillai ceased to be a Chairperson of the Committee w.e.f. 20 August, 2024.

Ms. Sudha Pillai, Chairperson of the Committee as on 19 June, 2024, attended the last Annual General Meeting held on 19 June, 2024.

Brief Description of Terms of Reference:

The powers and terms of reference of the Audit Committee are comprehensive and include the requirements as prescribed under Section 177 of the Act, the SEBI LODR 2015, RBI HFC Master Directions and RBI SBR Master Directions and other applicable provisions. The Committee is vested with necessary powers as defined in its Terms of Reference, duly approved by the Board.

The Terms of Reference of the Audit Committee, are as under:

a) Oversee the financial reporting process to ensure accuracy, sufficiency, and credibility of financial statements and review annual financial statements and statutory auditors' reports with management, focusing on:
   - Changes in accounting policies and practices.
   - Major accounting estimates and judgment by management.
   - Adjustments resulting from audit findings.
   - Going concern assumption.
   - Compliance with accounting standards and legal requirements.
   - Disclosure of related party transactions.
   - Modified opinion(s)in the draft audit report.
   - Investments by unlisted subsidiaries.
   - Management discussion and analysis.
   - Director's responsibility statement as per Section 134(3)(c) of the Companies Act, 2013;

b) Review quarterly financial results prior to Board submission.

c) Examine auditors' reports, discuss findings, and address significant disagreements between management and Statutory Auditors regarding financial statements.

d) Recommend the appointment, removal, remuneration, and terms of Internal and External auditors.

e) Monitor auditors' independence, performance, and the effectiveness of audits, including the results of quality assurance programs.

f) Assess the internal audit function's adequacy, structure, effectiveness and methodology; financial controls and risk management, review Risk Based Internal Audit plans regularly, review IT/IS/cyber security issues, IS Audit Policy, outsourced company activities based on risk assessments and findings.

g) Address internal control weaknesses noted in audit reports and discuss relevant issues with internal and statutory auditors and company management.

h) Approve additional services by auditors, except those prohibited, and advise on remuneration for such services.

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

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

k) Recommend Compliance Policy to the Board and review quarterly compliance updates.

l) Investigate substantial defaults in payments to debenture holders, shareholders, and creditors.

m) Review and approve related party transactions and scrutinize inter-corporate loans and investments.

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

o) Approve asset valuations under the Companies Act as necessary.

p) Review and approve the appointment and terms of the Chief Financial Officer and Head of Internal Audit.

q) Assess the utilization of significant loans or advances from the holding company in subsidiaries.

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

s) Review the provision utilization statement for securities issued, ensuring compliance with applicable laws until full utilization; assess any material deviations in usage.

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

u) Analyze aging entries pending reconciliation with cash management service providers.

v) Review update on Customer Service complaints and reports from the Internal Ombudsman.

w) Review loans and advances to Related Party and/or Senior Officers ensuring regulatory compliance.

x) Assess the status of complaints under The Prevention of Sexual Harassment (PoSH) Act.

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

z) Perform additional functions delegated by the Board or mandated by law/regulations.

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

ab) Hold quarterly meetings with the Chief Compliance Officer and Head of Internal Audit without management presence.

Meetings and Attendance during the year

The meetings of the Audit Committee were held five times during the year on the following dates, wherein the necessary quorum was present throughout the meetings:

i. 19 April, 2024;

ii. 9 May, 2024;

iii. 7 August, 2024;

iv. 7 November, 2024; and

v. 13 February, 2025

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

Members	Number of meetings held / attended during their tenure	% of attendance
Ms. Sudha Pillai, Non-Executive, Independent Director (ceased to be a member w.e.f. 20 August, 2024)	3/3	100%
Mr. Shantanu Mitra, Non-Executive, Non-Independent Director	4/5	80%
Ms. Dakshita Das, Non-Executive, Independent Director	5/5	100%
Mr. Colathur Narayanan Ram, Non-Executive, Independent Director (inducted as a member w.e.f. 20 August, 2024)	2/2	100%

Nomination and Remuneration Committee

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

Composition

The NRC comprises of two Non-Executive, Independent Directors and one Non-Executive, Non-Independent Director, detailed as under:

Name of the Member	Category	Member of the Committee since
Ms. Dakshita Das, Non-Executive, Independent Director	Chairperson	20 August, 2024
Mr. Shantanu Mitra, Non-Executive, Non- Independent Director	Member	22 December, 2021
Mr. Colathur Narayanan Ram, Non-Executive, Independent Director	Member	20 August, 2024

Notes:

1. Ms. Sudha Pillai ceased to be a Chairperson and member of the Committee w.e.f. 20 August, 2024.
2. Mr. Radhakrishnan B. Menon ceased to be a member of the Committee w.e.f. 22 December, 2024.

Ms. Sudha Pillai, Chairperson of the Committee as on 19 June, 2024, attended the last Annual General Meeting held on 19 June, 2024.

Brief Description of Terms of Reference:

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

Nomination Function:

1. Regularly review the structure, size and composition of the Board and its Committees, devise a policy on Board diversity, evaluate the balance of skills, knowledge and experience on the Board and make recommendations to the Board with regards to any adjustments that are deemed necessary;
2. Formulate the criteria for determining qualifications, positive attributes and independence of a director;
3. Identify and recommend for the approval of the Board, persons who are qualified to become directors and who are "fit and proper" as per the aforementioned applicable laws;
4. Identify suitable candidate who are qualified to become directors, based on skills, knowledge and experience on the board using services of external agencies, if required and recommend such candidate to the Board for appointment as an Independent Director;
5. Identify suitable candidates who may be appointed in Senior Management, in accordance with the criteria laid down, ensuring that there is no conflict of interest and recommend to the Board their appointment and removal;
6. Devise a Performance review mechanism and recommend matters related to continuation in office of any existing Director(s) and reappointment of Director(s) on expiry of their current tenure including those retiring by rotation, on the basis of outcome of their performance evaluation;
7. Review and recommend to the Board a Policy relating to Succession Planning for Directors and Senior Management of the Company.

Remuneration Function:

1. Recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees of the Company.
2. Review and recommend to the Board, the remuneration, in whatever form, payable to the Directors and Senior Management of the Company;
3. Review and approve the compensation of the MD and CEO/ Executive Director of the Company within the limits as approved by shareholders and in terms of the relevant provisions of the Companies Act, 2013, the relevant Rules made thereunder and subject to receipt of requisite approvals;
4. Recommend the overall compensation strategy and remuneration budget covering all employees of the Company;
5. Work in close co-ordination with the Risk Oversight Committee ('ROC') to achieve effective alignment between compensation and risks.

Others:

1. To review activities of the NRC for reporting and publishing, if required, in the Company's Annual Report.
2. Conduct annual reviews, or with such periodicity as may be determined by the NRC, of the policies framed by the NRC.
3. Oversight on HR and People strategy and key HR practices.
4. Carry out such other functions as may be delegated by the Board from time to time, or as may be necessary or appropriate for the performance of its duties or is mandatory for it to be carried out by any regulatory requirements.

Meetings and Attendance during the year

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

i. 29 April, 2024

ii. 09 May, 2024 and

iii. 20 March, 2025

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

Members	Number of meetings held / attended during their tenure	% of attendance
Ms. Sudha Pillai, Non-Executive, Independent Director (ceased to be a Chairperson and member w.e.f. 20 August, 2024)	2/2	100%
Mr. Radhakrishnan B. Menon, Non-Executive, Independent Director (ceased to be a member w.e.f. 22 December, 2024)	2/2	100%
Mr. Shantanu Mitra, Non-Executive Non-Independent Director	3/3	100%
Ms. Dakshita Das, Non-Executive, Independent Director (inducted as a Chairperson w.e.f. 20 August, 2024)	1/1	100%
Mr. Colathur Narayanan Ram, Non-Executive, Independent Director (inducted as a member w.e.f. 20 August, 2024)	1/1	100%

The proceedings of the NRC Meetings were noted by the Board at its meetings. The Head of Human Resources of the Company, acts as the Secretary to the Committee.

Performance Evaluation Criteria for Independent Directors

The performance evaluation criteria for Independent Directors were determined by the NRC. An indicative list of parameters on the basis of which evaluation of performance of Independent Directors was carried out includes their involvement, contribution, knowledge, competency, teamwork, initiative, commitment, integrity, independence and offering guidance to and understanding of the areas which were relevant to them in their capacity as members of the Board of the Company.

Stakeholder Relationship Committee

The Board has constituted the Stakeholder Relationship Committee ('SRC') of the Board pursuant to the requirements of the SEBI LODR 2015. The SRC is vested with necessary powers, as per its Terms of Reference, duly approved by the Board. Mr. Parthasarathy Iyengar, the Company Secretary and Compliance Officer of the Company, oversees the investor complaints received and redressed during the year.

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

Composition

The SRC currently comprises of one Non-Executive, Non-Independent Director, one Non-Executive, Independent Director and one Executive Director.

Name of the Member	Category	Member of the Committee since
Mr. Shantanu Mitra, Non-Executive, Non-Independent Director	Chairman	22 December, 2021
Mr. Deepak Patkar, Managing Director & CEO	Member	20 August, 2024
Ms. Dakshita Das, Non-Executive, Independent Director	Member	20 August, 2024

Note:

1. Mr. Ajay Pareek ceased to be a member of the Committee w.e.f. 19 August, 2024.
2. Ms. Sudha Pillai ceased to be a member of the Committee w.e.f. 20 August, 2024.

Mr. Shantanu Mitra, Chairman of the Committee, attended the last Annual General Meeting held on 19 June, 2024.

Brief Description of Terms of Reference:

The terms of reference of the SRC are as under:

1. Resolve security holders' grievances, including share transfers, annual report receipts, dividend issues, certificate requests, and general meetings
2. Review measures for effective shareholder voting rights
3. Ensure adherence to service standards by the Registrar & Share Transfer Agent
4. Reduce unclaimed dividends and ensure timely receipt of dividend warrants, annual reports and statutory notices
5. Address other matters as directed by the Board related to shareholders, debenture holders and investors

Meeting and Attendance during the year

The SRC meeting was held once during the year on 13 February, 2025 wherein the necessary quorum was present throughout the meeting.

The details of the attendance of the aforesaid meeting is as under.

Members	Number of meetings held / attended during their tenure	% of attendance
Ms. Sudha Pillai, Non-Executive, Independent Director (ceased to be a member w.e.f. 20 August, 2024)	0/0	-
Mr. Shantanu Mitra, Non-Executive, Non-Independent Director (inducted as a member w.e.f. 20 August, 2024)	0/1	0%
Mr. Deepak Patkar, Managing Director & CEO	1/1	100%
Ms. Dakshita Das, Non-Executive, Independent Director (inducted as a member w.e.f. 20 August, 2024)	1/1	100%

Details of Investor Complaints

During the FY 2024-25, no complaints were received from the debenture holders/other investors (including through the Stock Exchange/ SEBI SCORES platform/Online Dispute Resolution platform), detailed as under:

No. of Complaints pending as on 1 April, 2024	No. of Complaints received during the period from 1 April, 2024 to 31 March, 2025	No. of Complaints disposed off during the period from 1 April, 2024 to 31 March, 2025	No. of Complaints pending as on 31 March, 2025
Nil	Nil	Nil	Nil

Risk Oversight Committee

The Company is dedicated to consistently adopting and adhering to the best corporate governance practices, fostering a culture of accountability, transparency, ethical conduct, and trusteeship within the organization.

The Corporate Governance framework of the Company is based on an effective and independent Board, independence of the Board's supervisory role from the Senior Management team and constitution and functioning of Board Committees, as required under applicable laws.

The Company has a comprehensive, well-established and robust risk management framework that emphasizes on risk management practices to maintain an optimal balance of risks and returns within the boundaries of the Board-approved Risk Appetite Statement. The Board has constituted the Risk Oversight Committee ('ROC') to identify, review and control key risk areas, across the entire organization as per the requirements of relevant RBI Master Directions and regulatory guidelines.

The ROC also monitors the risk management in the Company; whereby, risk assessment and mitigation procedures are reviewed periodically by the Board. The proceedings of the ROC meetings were noted by the Board at its meetings. The Company Secretary acts as Secretary to the ROC.

Composition

The ROC currently comprises of one Non-Executive, Non-Independent Director, one Non-Executive, Independent Director and one Executive Director.

Name of the Member	Category	Member of the Committee since
Mr. Shantanu Mitra, Non-Executive, Non-Independent Director	Chairman	22 December, 2021
Mr. Deepak Patkar, Managing Director & CEO	Member	8 November, 2022
Ms. Dakshita Das, Non-Executive, Independent Director	Member	20 January, 2023

Note:

1. Mr. Ajay Pareek ceased to be a member of the Committee w.e.f. 19 August, 2024.

Brief Description of Terms of Reference:

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

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

ii. Establish, review, and monitor risk management policies and frameworks, including credit, market, liquidity, currency, interest rate, operational, cyber security, information security, information technology, fraud (including effectiveness of Early Warning Signal framework), and sustainability (environment, social and governance) risks.

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

iv. Review legal, compliance and reputational risk, which would include reviewing customer grievances/disputes and their resolutions and all other risks emanating from the company's operations and market/industry/economic environment.

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

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

vii. Review the Company's outsourcing strategies for continued relevance, approval of new material activities, review of terminated material activities and review of centralized inventory of material outsourcing activities on a periodic basis as mandated by the regulator.

viii. Review and recommend to the Board the strategies and policies related to Business Continuity and BCP testing results, wherever required.

ix. Review and approve stress tests result and internal capital requirement as per ICAAP exercise and recommendation to the Board for approval.

x. Review and approve purchase of standard asset and sale/ purchase of stressed assets, within the Board approved policy guidelines, wherever required.

xi. Review and approve various delegation to management team, pertaining to product approval documents, in-country roll out policy, loan transactions etc., as detailed in the Credit Risk Policy and / or Policy on Stressed Assets Management.

xii. Approve changes to the underlying ECL model or methodology based on recommendation of ECL Model Assessment Committee and recommendation thereof to the Board.

xiii. Review periodic update on compromise settlements and technical write offs and report the same to the Board.

xiv. Review proceedings of sub-committees reporting to the Committee and perform other delegated functions or mandatory regulatory duties.

xv. Note and/or recommend to Board, wherever necessary, reporting of various matters as mandated by Regulator or the Company's policy requirements.

xvi. Coordinate its activities with other committees, in instances where there is any overlap with activities of such committees, as per the framework laid down by the board of directors.

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

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

xix. In case the Chief Risk Officer ('CRO') reports to the MD & CEO, the ROC shall meet the CRO without the presence of the MD & CEO, at least once on a quarterly basis.

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

xxi. Perform additional functions delegated by the Board or mandated by law/regulations

Meetings and Attendance during the year

The meetings of the ROC were held twice during the year on the following dates, wherein the necessary quorum was present at all the meetings:

i. 7 August, 2024 and

ii. 27 February, 2025

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

Members	Number of meetings held / attended during their tenure	% of attendance
Mr. Shantanu Mitra, Non-Executive, Non-Independent Director	2/2	100%
Mr. Deepak Patkar, Managing Director & CEO	2/2	100%
Mr. Ajay Pareek, Non-Executive, Non-Independent Director (ceased to be a member w.e.f. 19 August, 2024)	1/1	100%
Ms. Dakshita Das, Non-Executive, Independent Director	2/2	100%

Corporate Social Responsibility Committee

The Company has a Corporate Social Responsibility ('CSR') Committee to comply with the requirements of Section 135 of the Act. The Committee is vested with necessary powers, as laid down in its Terms of Reference, to achieve its objectives.

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

Composition

The CSR Committee currently comprises of one Non-Executive, Non-Independent Director, one Non-Executive, Independent Director and one Executive Director.

Name of the Member	Category	Member of the Committee since
Mr. Shantanu Mitra, Non-Executive, Non-Independent Director	Chairman	20 August, 2024
Mr. Deepak Patkar, Managing Director & CEO	Member	20 August, 2024
Ms. Dakshita Das, Non-Executive, Independent Director	Member	20 August, 2024

Note:

1. Mr. Ajay Pareek ceased to be a member of the Committee w.e.f. 19 August, 2024.
2. Ms. Sudha Pillai ceased to be a member of the Committee w.e.f. 20 August, 2024.
3. Mr. Radhakrishnan B. Menon ceased to be a member of the Committee w.e.f. 22 December, 2024.

Brief Description of Terms of Reference

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

1. To formulate and recommend to the Board the Company's CSR policy, or any modifications in the policy, which shall indicate the activities to be undertaken by the Company in accordance with Schedule VII of the Companies Act, 2013.

2. To monitor the implementation of the CSR Policy of the Company from time to time, to review CSR programmes, reports on CSR activities, recommend changes or alterations if any.
3. To review and recommend the Annual Budget for CSR activities/the amount of total expenditure to be incurred on different CSR activities during the year, to the Board.
4. To institute a transparent monitoring mechanism for ensuring implementation of the projects / programmes/activities proposed to be undertaken by the company and review the amount spent on CSR.
5. To review synergy or alignment for various CSR activities along with partners as per the sectors identified by the Company for CSR.
6. To review and finalise the Annual CSR Report reflecting fairly the Company's CSR approach, policies, systems and performance.
7. To carry out such other functions as may be delegated by the Board from time to time, or as may be necessary or appropriate for the contribution of its duties to achieve overall CSR objectives of the Company or is mandatory for it to be carried out by any regulatory requirements.

Meetings and Attendance during the year

The meetings of the CSR Committee were held twice during the year on the following dates, wherein the necessary quorum was present at all the meetings:

i. 7 August, 2024 and

ii. 20 March, 2025

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

Members	Number of meetings held / attended during their tenure	% of attendance
Ms. Sudha Pillai, Non-Executive, Independent Director (ceased to be a Chairperson and member w.e.f. 20 August, 2024)	1/1	100%
Mr. Ajay Pareek, Non-Executive, Non-Independent Director (ceased to be a member w.e.f. 19 August, 2024)	1/1	100%
Mr. Radhakrishnan B. Menon, Non-Executive, Independent Director (ceased to be a member w.e.f. 22 December, 2024)	1/1	100%
Mr. Shantanu Mitra, Non-Executive, Non-Independent Director (Inducted as a Chairman w.e.f. 20 August, 2024)	1/1	100%
Mr. Deepak Patkar, Managing Director & CEO (inducted as a member w.e.f. 20 August, 2024)	1/1	100%
Ms. Dakshita Das, Non-Executive, Independent Director (inducted as a member w.e.f. 20 August, 2024)	1/1	100%

Information Technology Strategy Committee

The Board has constituted the Information Technology Strategy Committee ('ITS Committee') to comply with the requirements as prescribed by RBI Master Direction on Information Technology Governance, Risk, Controls and Assurance Practices dated 7 November, 2023. The Committee is vested with necessary powers, as laid down in its Terms of Reference, to achieve its objectives.

Composition

The ITS Committee currently comprises of two Non-Executive, Independent Directors, one Non-Executive, Non-Independent Director and one Executive Director:

Name of the Member	Category	Member of the Committee since
Mr. Colathur Narayanan Ram, Non-Executive, Independent Director	Chairman	20 August, 2024
Mr. Shantanu Mitra, Non-Executive, Non-Independent Director	Member	22 December, 2021
Mr. Deepak Patkar, Managing Director & CEO	Member	2 February, 2023
Ms. Dakshita Das, Non-Executive, Independent Director	Member	20 January, 2023 (Chairperson upto 19 August, 2024)

Note:

1. Mr. Ajay Pareek ceased to be a member of the Committee w.e.f. 19 August, 2024.

Brief Description of Terms of Reference:

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

1. Guide in preparation of IT Strategy.
2. Approving IT/IS strategy and IT/IS policy documents and ensuring that the management has put an effective strategic planning process in place.
3. Ascertaining that management has implemented processes and practices which ensures that the IT delivers value to the business.
4. Satisfy itself that the IT Governance and Information Security Governance structure fosters accountability, is effective and efficient, has adequate skilled resources, well defined objectives and unambiguous responsibilities at each level in the company.
5. Ensuring that the company has put in place processes for assessing and managing IT and cybersecurity risks.

6. Ensuring that the budgetary allocations for the IT function (including for IT security), cyber security are commensurate with the company's IT maturity, digital depth, threat environment and industry standards and are utilized in a manner intended for meeting the stated objectives
7. Monitoring the method that management uses to determine the IT resources needed to achieve strategic goals and provide high-level direction for sourcing and use of IT resources.
8. Ensuring proper balance of IT investments for sustaining SMHFC growth and becoming aware about exposure towards IT risks and controls.
9. Evaluate performance of the IT Steering Committee and Information Security Committee.
10. Review, at least on annual basis, the adequacy and effectiveness of Disaster Recovery Management.
11. Instituting an appropriate governance mechanism for outsourced processes, comprising of risk-based policies and procedures, to effectively identify, measure, monitor and control risks associated with outsourcing in an end to end manner.
12. Defining approval authorities for outsourcing depending on nature of risks and materiality of outsourcing.
13. Developing sound and responsive outsourcing risk management policies and procedures commensurate with the nature, scope, and complexity of outsourcing arrangements
14. To carry out such other functions as may be delegated by the Board from time to time, or as may be necessary or appropriate for the performance of its duties or is mandatory for it to be carried out by any regulatory requirements.

Meetings and Attendance during the year

The meetings of the ITS Committee were held four times during the year on the following dates, wherein the necessary quorum was present throughout the meetings:

i. 19 June, 2024;

ii. 7 August, 2024;

iii. 7 November, 2024 and

iv. 13 February, 2025

The details of the attendance of the aforesaid meetings, are as under.

Members	Number of meetings held / attended during their tenure	% of attendance
Ms. Dakshita Das, Non-Executive, Independent Director	4/4	100%
Mr. Shantanu Mitra, Non-Executive, Non-Independent Director	3/4	75%
Mr. Deepak Patkar, Managing Director & CEO	4/4	100%
Mr. Ajay Pareek, Non-Executive, Non-Independent Director (ceased to be a member of the Committee w.e.f. 19 August, 2024)	2/2	100%
Mr. Colathur Narayanan Ram, Non-Executive, Independent Director (inducted as a Chairman w.e.f. 20 August, 2024)	2/2	100%

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

Wilful Defaulter Review Committee

The Board has constituted the Wilful Defaulter Review Committee ('WDRC') in compliance with the requirements prescribed by the RBI Master Direction. The Committee is vested with necessary powers, as laid down in its Terms of Reference, to achieve its objectives.

Composition

The WDRC currently comprises of two Non-Executive, Independent Directors, one Non-Executive, Non-Independent Director and one Executive Director.

Name of the Member	Category	Member of the Committee since
Mr. Deepak Patkar, Managing Director & CEO	Chairman	2 February, 2023 (Chairman w.e.f. 20 August, 2024)
Mr. Shantanu Mitra, Non-Executive, Non-Independent Director	Member	22 December, 2021 (Chairman upto 19 August, 2024)
Mr. Colathur Narayanan Ram, Non-Executive, Independent Director	Member	20 August, 2024
Ms. Dakshita Das, Non-Executive, Independent Director	Member	20 January, 2023

Brief Description of Terms of Reference:

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

1. To review, consider and classify a borrower as a Wilful Defaulter.
2. To provide an opportunity to the identified borrower(s) for making a written representation to the WDRC.
3. To provide an opportunity for a personal hearing to the identified borrower(s) without the right of the borrower(s) to be represented by a lawyer
4. To jointly appoint a designated official with WDIC, to issue show cause notice (SCN) and serve written reasoned order(s).
5. To pass a reasoned order and communicate to the Wilful Defaulter through designated official.
6. To note the removal of Wilful Defaulters from the List of Wilful Defaulters (LWD).
7. To approve Compromise Settlement of all loan account reported as Fraud/ Wilful Defaulter.
8. To carry out such other functions as may be delegated by the Board from time to time, or as may be necessary or appropriate for the performance of its duties or is mandatory for it to be carry out by any regulatory requirements.

Meetings and Attendance during the year

No meeting of the WDRC was held during the year. The Company Secretary acts as Secretary to the WDRC.

Particulars of senior management including the changes therein since the close of the previous financial year

The details of Senior Management as on 31 March, 2025 pursuant to SEBI LODR 2015 is as under:

Sr. No.	Name	Designation
1.	Mr. Vishwas Shrungarpure	Chief Business Officer
2.	Mr. Abbasi Sadikot	Chief Risk Officer
3.	Mr. Ashish Chaudhary	Chief Financial Officer
4.	Mr. Devendra Shrivastava	Head, Operations
5.	Mr. Karan Makhania	Head, Human Resources
6.	Ms. Namratha Nayak	Head, Internal Audit
7.	Mr. Parthasarathy Iyengar	Company Secretary
8.	Mr. Pratish Nair	Chief Technology Officer
9.	Mr. Rajib Dutta	Chief Compliance Officer
10.	Mr. Vibhor Chugh	Head, Credit Risk

Changes in Senior Management since the close of the previous financial year:

During the year, the following were the changes in the senior management of the Company:

- Chief Risk Officer (CRO)- Mr. Ashok Patil ceased to be CRO of the Company w.e.f. 7 November, 2024 and Mr. Abbasi Sadikot was appointed as CRO of the Company w.e.f. 8 November, 2024.
- Company Secretary (CS) – Mr. Jitendra Maheshwari ceased to be a CS of the Company w.e.f. 7 August, 2024, and Ms. Akanksha Kandoi was appointed as CS of the Company w.e.f. 8 August, 2024. She ceased to be a CS of the Company w.e.f. 7 November, 2024, and Mr. Parthasarathy Iyengar was appointed as a CS of the Company w.e.f. 16 December, 2024.
- Head of Credit Underwriting / Head, Credit – Mr. Prakash G. M. ceased to be Head of Credit Underwriting of the Company w.e.f. 30 September, 2024. Mr. Vibhor Chugh was appointed as Head, Credit w.e.f. 9 October, 2024.
- Chief Technology Officer (CTO) – Mr. Avinash Yadav ceased to be a CTO of the Company w.e.f. 30 July, 2024 and Mr. Pratish Nair was appointed as a CTO of the Company w.e.f. 31 July, 2024.
- Head, Human Resources – Mr. Karan Makhania was appointed as Head, Human Resources w.e.f. 15 April, 2024.
- Head Internal Audit – Ms. Namratha Nayak was appointed as Head, Internal Audit w.e.f. 7 August, 2024.

Code for prevention of Insider-Trading practices

As per the SEBI (Prohibition of Insider Trading) Regulations, 2015, the Company has in place a Board approved Code of Conduct to Regulate, Monitor and Report Trading by Designated Persons as well as a Code of Fair Disclosure in accordance with aforesaid Regulations. All the Directors on the Board and Management Team and other employees who could be privy to unpublished price-sensitive information of the Company are governed by this Code. The Fair disclosure code referred above can be accessed, at the website of the Company at its weblink i.e. https://www.grihashakti.com/IMAGES/CG/SMHFC-Code-of-practices-and-procedures-for-fair-disclosure-of-UPSI.pdf.

Remuneration of Directors

Non-Executive Directors:

Details of remuneration paid to the Non-Executive Directors for the FY 2024-25, are as under:

Non-Executive, Non-Independent Directors:

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

Non-Executive, Independent Directors:

Details of remuneration paid to the Non-Executive, Independent Directors of the Company for the FY 2024-25, are as under:

Members	Sitting Fees Paid for meetings of the Board/Committees held during the FY 2024-25 (₹)	Commission paid for the FY 2023-24 (₹)
Ms. Sudha Pillai	790,000	2,000,000
Mr. Radhakrishnan B. Menon	680,000	2,000,000
Ms. Dakshita Das	1,750,000	2,000,000
Mr. Colathur Narayanan Ram	750,000	-

Non-Executive, Independent Directors are being paid remuneration by way of sitting fees of ₹70,000/- for attending every meeting of the Committees of the Board and ₹1,00,000/- for attending every meeting of the Board.

The Board of Directors at its meeting held on 27 March, 2024, had approved the revision in the remuneration/commission payable to the Non-Executive, Independent Directors, with effect from 1 April, 2024 as under:

Remuneration/Commission

- Limits for each Independent Director - ₹3 mn per year
- Limits for Chairman (who is an Independent Director) of the Board - ₹4 mn per year

Executive Director:

Details of the remuneration paid to Mr. Deepak Patkar as the Managing Director & CEO of the Company, during the period 1 April, 2024 to 31 March, 2025, both days inclusive are as under:

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

Particulars of Remuneration	Amount in ₹
Salary	2,26,37,592
Value of perquisites, other benefits, allowances & retirement benefits	53,760
Retiral Benefits	20,75,110
Stock Appreciation Option	5,53,23,345
Performance Bonus paid (for Previous Year Performance i.e. FY 2023-24)	1,53,29,999
Total	**9,54,19,806**

ii) Details of fixed component and performance linked incentives, along with the performance criteria:

Fixed pay details included in Salary and perquisites.

iii) Service contracts, notice period, severance fees:

a. Service contract: Not Applicable

b. Notice Period: 90 days

c. Severance Fees: Not Applicable

iv) Stock option details, if any and whether issued at a discount as well as the period over which accrued and over which exercisable - Phantom stock units issued as on date: 2,12,36,400

The options vest on completion of 3+ years from the date of grant at an equal ratio over a period of 2/3 years, as per terms specified in each grant. The units so vested are to be exercised within 2/3 years from the final date of vesting, as per terms specified in each grant.

Transactions with Non-Executive Directors

The Non-Executive Directors of the Company have not entered into any pecuniary relationships or transactions with the Company or its Directors, Senior Management, other than in the normal course of business of the Company, except receipt of sitting fees and commission by the Non-Executive, Independent Directors of the Company. Further, there are no *inter-se* relationships between our Board Members.

Criteria for paying remuneration to Non-Executive Directors

The Company does not pay any remuneration to its Non-Executive, Non-Independent Directors. However, the NRC has approved the criteria for payment of remuneration to its Non-Executive, Non-Independent Directors. The criteria for payment of remuneration to Non-Executive Directors is in consonance with the Remuneration Policy of the Company which is available on our website i.e. at https://www.grihashakti.com/images/CG/SMFG-Grihashakti-remuneration-policy.pdf;

General Body Meeting

a) Annual General Meeting:

The details of the Annual General Meeting held in the last three years, are given below:

Annual General Meeting (AGM)	Venue	Day & Date	Time	Special Resolutions passed
Fourteenth AGM	Through two-way video conferencing	Wednesday, 19 June, 2024	10:30 A.M.	1. To approve the power to borrow funds pursuant to the provisions of section 180(1)(c) of the Companies Act, 2013, not exceeding ₹15,000 Crores 2. To approve the power to create charge on the assets of the Company to secure borrowings up to ₹15,000 Crores, pursuant to section 180(1)(a) of the Companies Act, 2013
Thirteenth AGM		Tuesday, 11 July, 2023	11:45 A.M.	No Special Resolution was passed.
Twelfth AGM		Tuesday, 20 September, 2022	2:00 P.M.	To appoint Ms. Sunita Sharma (DIN: 02949529) as an Independent Director of the Company.

All the resolutions were passed by show of hands and no resolution was passed by postal ballot. There is no immediate proposal for passing any resolution through postal ballot.

b) Extra-ordinary General meetings:

Venue	Day & Date	Time	Special Resolutions passed
Through two-way video conferencing	Thursday, 7 November, 2024	2:45 P.M.	1. To approve the amendment to the Articles of Association of the Company. 2. To appoint Mr. Colathur Narayanan Ram (DIN: 00211906), as an Independent Director of the Company.

Means of Communication

(a) Quarterly, half-yearly and annual financial results of the Company are approved by the Board and submitted to the Stock Exchange, in accordance with Regulation 52 of the SEBI LODR 2015 and are also uploaded on the website of the Company at https://www.grihashakti.com/financial-results.aspx pursuant to Regulation 62 of SEBI LODR 2015.

(b) Quarterly, half-yearly and annual financial results of the Company are published in Financial Express (English language), Business Standard (English language) and Mumbai Lakshadweep (Marathi language) newspapers.

(c) Official news release are also uploaded on the website of the Company at https://www.grihashakti.com/media.aspx.

(d) Presentations are shared to debt institutional investors / analysts.

General Shareholder Information

a. Annual General Meeting

Date, Time and Venue	13 June, 2025, at 11:30 a.m. IST through two-way video conferencing

b. Financial Calendar (tentative):

Financial Year 2025-26	1 April, 2025 to 31 March, 2026
First Quarter Results	Second week of August 2025
Half Yearly Results	Second week of November 2025
Third Quarter Results	First week of February 2026
Audited Results for the year ending 31 March, 2026	Second week of May 2026

c. Dividend Payment Date: The Board of Directors of the Company have not recommended any dividend for the financial year ended 31 March, 2025.

d. Listing on Stock Exchange: The non-convertible debt securities of the Company are listed on the debt market segment of National Stock Exchange of India Limited ('NSE'), Exchange Plaza, C-1, Block-G, Bandra Kurla Complex, Bandra (E) Mumbai - 400 051.

e. Payment of Annual Listing fees: The company has paid the annual listing fees for the FY 2025-26.

f. Registrar & Share Transfer Agents: The Company has availed electronic connectivity facility from MUFG Intime India Private Limited for its Non-Convertible Securities. The details of the Link Intime India Private Limited are given as under:

Address	Contact Details
MUFG Intime India Private Limited C-101, 1st Floor, 247 Park, LBS Marg, Vikhroli (West), Mumbai – 400 083.	Toll Free Number (India): 1800 1020 878 Telephone Number: 810 811 6767 Fax: 022-4918 6060 E-mail: rnt.helpdesk@in.mpms.mufg.com Website: www.in.mpms.mufg.com

g. Distribution of shareholding:

Shareholding pattern of the Company as at 31 March, 2025:

Name of the Shareholders	No. of Shares held	Percentage
SMFG India Credit Company Limited *(Formerly Fullerton India Credit Co. Ltd.)**	37,11,63,169	100
Total	**37,11,63,169**	**100**

** Includes 6 shares held by Nominee shareholders of SMICC*

h. No listed debentures were suspended for trading during FY 2024-25.

i. Commodity Price Risk or Foreign Exchange risk and Hedging Activities – The Company is exposed to foreign currency exchange rate fluctuation risk for its foreign currency borrowing ('FCB'). The Company's borrowings in foreign currency are governed by RBI guidelines (RBI master direction RBI/FED/2018-19/67 dated 26 March, 2019) which requires entities raising ECB for an average maturity of less than 5 years to hedge minimum 70% of its ECB exposure (principal and coupon). The Company hedges its entire ECB exposure for the full tenure of the ECB as per Board approved risk management policy. For its FCB, the Company assesses the foreign currency exchange rates, tenure of FCB and its fully hedged costs; and manages its currency risks by entering into derivative contracts as hedge positions in line with the Board approved policy. Being a financial service company, the Company is not exposed to commodity price risk.

j. Dematerialization of shares and liquidity - As on 31 March, 2025, the total equity capital of the Company was held in dematerialized form with National Securities Depository Limited. As the equity shares of the Company are not listed on the Stock Exchange, the shares were not traded on the Stock Exchange.

k. List of all credit ratings along with any revisions thereto obtained for FY 2024-25 for rated Long term Borrowings and Short term Borrowings. Kindly refer Para No. 40 of the Directors' Report.

l. Address for correspondence:

Name	Contact Details
Mr. Parthasarathy Iyengar, Company Secretary and Compliance Officer	SMFG India Home Finance Company Limited. Corporate Address: Inspire BKC, Unit No. 503 & 504, 5th floor, Main Road, G Block, Bandra Kurla Complex, Bandra (East), Mumbai – 400 051. Email ID: secretarial@grihashakti.com

As the Equity Shares of the Company are not listed on any Stock Exchange, the details related to share transfer system, outstanding Global Depository Receipts or American Depository Receipts or warrants or any convertible instruments, conversion date and likely impact on equity, commodity price risk are not applicable to the Company.

The Company is a Housing Finance Company, thereby the Company operates from various offices in India and does not have any manufacturing plant.

Other Disclosures

a. There are no materially significant related party transactions that may have potential conflict with the interests of the Company at large.

b. During the past 3 (three) years there have been no instances of non-compliance by the Company with the requirements of the Stock Exchange, Securities and Exchange Board of India ('SEBI') or any other statutory/regulatory authority, on any matter related to capital markets.

c. The Company has formulated a Vigil Mechanism / Whistle-Blower Policy. The details of establishment of Whistle Blower policy / vigil mechanism are furnished in the Directors' Report forming part of the Annual Report. No personnel of the Company have been denied access to the Audit Committee to lodge their grievances. The said Policy has been uploaded on the website of the Company at: https://www.grihashakti.com/images/CG/Whistle-Blower-policy-website-upload-copy.pdf

d. The Company has been identified as a HVDLE, with effect from 7 September, 2021 and as such is required to comply with relevant provisions of the SEBI LODR 2015 relating to corporate governance, on a 'comply or explain' basis, till 31 March, 2025 and on a mandatory basis thereafter vide SEBI (LODR) (Third Amendment) Regulations, 2024 dated 17 May, 2024. The Company is in compliance with Regulations 15 to 27 read with Chapter VA of the SEBI LODR 2015. The Company has obtained a certificate (Unique Code: F010559G000233980) from Vinod Kothari & Company, Practicing Company Secretaries regarding compliance with the provisions relating to corporate governance laid down under the SEBI LODR 2015. This certificate is annexed to this Report as **Annexure B**.

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

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

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

iii. Financial statements for the year ended 31 March, 2025 were unmodified.

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

v. The Head of Internal Audit ('HIA') shall report to the Managing Director & CEO. The reviewing authority of HIA would be the Audit Committee and the accepting authority will be the Board.

f. Since at present, the Company does not have any subsidiary, Policy for determining material subsidiary has not been formulated.

g. The Policy for Related Party Transactions has been uploaded on the website of the Company at https://www.grihashakti.com/images/CG/SMHFC_Related-Party-Transaction-Policy.pdf A copy of the said Policy has also been attached to the Directors' Report, as **Annexure V**.

h. Disclosure of Commodity price risk and commodity hedging activities - Being a Housing Finance Company, the Company is not exposed to commodity price risk.

i. During the year under review, the Company has not raised/ utilised any funds through preferential allotment or qualified institutions placement as specified under Regulation 32(7A) of the SEBI LODR 2015.

j. The Company has received a certificate dated 29 April, 2025 from M/s. Vinod Kothari and Company, Practicing Company Secretaries (Unique Code: F010559G000234013), that none of the Directors of the Company have been debarred or disqualified from being appointed or continuing as directors of the companies by Securities and Exchange Board of India or Ministry of Corporate Affairs or any other statutory/regulatory authority, is enclosed to this Report as **Annexure A**.

k. The Board has accepted all the recommendations made by the Committees of the Board, during the FY 2024-25.

The details of the fees paid to Statutory Auditors of the Company during the financial year ended 31 March, 2025, are as under:

(₹ lakhs)

Professional fees payable to auditors	Audit fee
Statutory Audit fee	20
Limited Review	8
Tax Audit fee	5
Other services	19
Total	**52**

l. Disclosure in relation to the Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013, for the financial year ended 31 March, 2025:

No. of complaints filed during the FY 2024-25	1
No. of complaints disposed of during the FY 2024-25	1
No. of complaints pending during the FY 2024-25	Nil

m. The Company has not taken or given any loans and advances to firms/ companies/ body corporates in which directors are interested or deemed to be interested.

n. At present, the Company does not have any material subsidiary.

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

p. The Company is in compliance with the corporate governance requirements specified in Regulation 17 to 27 read with Chapter VA and Regulation 62 of the SEBI LODR 2015 to the extent applicable.

q. There were no penalty/stricture imposed by RBI/NHB or any other statutory authority during the year under review. Further, there were no defaults observed in compliance with the requirements of the Act, including with respect to compliance with accounting and secretarial standards.

Compliance with Code of Conduct

I confirm that for the Financial Year 2024-25, SMFG India Home Finance Company Limited *(Formerly Fullerton India Home Finance Co. Ltd.)* has received from its board of directors and senior management, a declaration of compliance with the code of conducts as applicable to them.

Date: 7 May, 2025
Place: Mumbai

Deepak Patkar
Managing Director & CEO
DIN: 09731775

Certificate of Corporate Governance

The Company has obtained a certificate dated 29 April, 2025 from, M/s. Vinod Kothari and Company, Practicing Company Secretaries (Unique Code: F010559G000233980) confirming compliances with the conditions of Corporate Governance as stipulated in the SEBI LODR 2015, is enclosed to this Report as **Annexure B**.

Annexure A to Report on Corporate Governance

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

[Pursuant to Para C (10)(i) of Schedule V to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Chapter VII of SEBI Master Circular for listing obligations and disclosure requirements for Non-convertible Securities, Securitized Debt Instruments and/ or Commercial Paper]

To,
The Members of
SMFG India Home Finance Company Limited,
(Formerly Fullerton India Home Finance Co. Ltd.)
Commerzone IT Park, Tower B,
1st Floor, No 111, Mount Poonamallee Road,
Porur, Chennai, Tamil Nadu, India - 600116.

We have examined the relevant registers, records, forms, returns, and disclosures received from the Directors of **SMFG India Home Finance Company Limited *(Formerly Fullerton India Home Finance Co. Ltd.)* (hereinafter referred to as 'the Company')** having CIN U65922TN2010PLC076972 and having registered office at Commerzone IT Park, Tower B, 1st Floor, No.111, Mount Poonamallee Road, Porur, Chennai, Tamil Nadu, India, 600116, produced before us by the Company for the purpose of issuing this Certificate, in accordance with clause 10(i) of Para C of Schedule V to the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Chapter VII of SEBI Master Circular for listing obligations and disclosure requirements for Non-convertible Securities, Securitized Debt Instruments and/ or Commercial Paper.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ended 31 March, 2025 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India or the Ministry of Corporate Affairs or by the Reserve Bank of India or by Insurance Regulatory and Development Authority.

Sl. No.	Name of the Director as on 31 March, 2025	DIN	Category of Directorship as on 31 March, 2025	Date of Appointment
1.	Mr. Colathur Narayanan Ram	00211906	Chairman, Independent Director	20 August, 2024
2.	Mr. Shantanu Mitra	03019468	Non-Executive Director	22 December, 2021
3.	Mr. Deepak Patkar	09731775	Managing Director & CEO	2 February, 2023
4.	Ms. Dakshita Das	07662681	Independent Director	20 January, 2023

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For M/s Vinod Kothari & Company
Practicing Company Secretaries
Unique Code: P1996WB042300

Vinita Nair
Joint Managing Partner
Membership No.: F10559
C P No.: 11902
UDIN: F010559G000234013
Peer Review Certificate No.: 4123/2023

Place: Mumbai
Date: 29 April, 2025

Annexure B to Report on Corporate Governance

CERTIFICATE ON CORPORATE GOVERNANCE

To,
The Members,
SMFG India Home Finance Company Limited
(Formerly Fullerton India Home Finance Co. Ltd.)

We have examined the compliance of Corporate Governance by **SMFG India Home Finance Company Limited *(Formerly Fullerton India Home Finance Co. Ltd.)* ("the Company")** for the financial year ending on 31 March, 2025, as stipulated in Regulations 15 to 27 read with provisions of Chapter VA (effective from 28 March, 2025) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") basis examination of documents provided in **Annexure I**.

The compliance of conditions of Corporate Governance is the responsibility of the Management of the Company. Our examination was limited to review of the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

The provisions of Corporate Governance were applicable to the Company on a 'comply-or-explain' basis, during the period under review. In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the Listing Regulations.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted its affairs.

For M/s Vinod Kothari & Company
Practicing Company Secretaries
Unique Code: P1996WB042300

Vinita Nair
Joint Managing Partner
Membership No.: F10559
CP No.: 11902
UDIN: F010559G000233980
Peer Review Certificate No.: 4123/2023

Place: Mumbai
Date: 29 April, 2025

Annexure I

LIST OF DOCUMENTS

1. Minutes of the meetings of the following:
   - Board of Directors;
   - Audit Committee;
   - Nomination and Remuneration Committee;
   - Risk Oversight Committee;
   - Stakeholders Relationship Committee;
   - Annual General Meeting and Extra-Ordinary General Meeting;
2. Notice of Board and Committee Meetings and General Meetings;
3. Resolutions passed by Circulation;
4. Code and Policies as available on the website;
5. Annual disclosures received from Directors pursuant to Section 184(1) of the Companies Act, 2013;
6. Declaration by Independent Directors;
7. Omnibus approval granted in Audit Committee Meeting for FY 2024-25;
8. Details of remuneration paid to Directors;
9. Terms of reference of the Committees of the Board;
10. Draft Corporate Governance Report for FY 2024-25;
11. Details of other directorships as reflecting in Director's Master Data on MCA and stock exchange filings for corporate governance.

Annexure III to Directors' Report

CERTIFICATION BY CHIEF EXECUTIVE OFFICER (CEO) AND CHIEF FINANCIAL OFFICER (CFO)

To,
The Shareholders and the Board of Directors
SMFG India Home Finance Company Limited
(Formerly Fullerton India Home Finance Co. Ltd.)

We, Deepak Patkar, Managing Director & CEO and Ashish Chaudhary, Chief Financial Officer, of SMFG India Home Finance Company Limited *(Formerly Fullerton India Home Finance Co. Ltd.)*, to the best of our knowledge and belief, certify that:

a. We have reviewed the financial statements and the cash flow statements for the year ended 31 March, 2025 (hereinafter referred to as the year) and that to the best of our knowledge and belief:

   i. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

   ii. These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

b. There are no transactions entered into by the Company during the year which are fraudulent, illegal or violate of the Company's internal policies.

c. We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and have taken requisite steps to rectify these deficiencies.

d. We have indicated to the Auditors and the Audit Committee;

   i. Significant changes in internal control over financial reporting during the year; and

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

e. There had been 4 instances of fraud reported by the Company to Auditor, Audit Committee and the Board. The Company has taken appropriate action against the same. As the Company is registered as non-deposit taking housing finance company, it has not accepted deposits from the public.

Deepak Patkar
Managing Director & CEO
DIN: 09731775

Ashish Chaudhary
Chief Financial Officer

Date: 7 May, 2025
Place: Mumbai

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED ON 31 MARCH, 2025

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

To,
The Members,
SMFG India Home Finance Company Limited
(Formerly Fullerton India Home Finance Co. Ltd.)

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **SMFG India Home Finance Company Limited** *(Formerly Fullerton India Home Finance Co. Ltd.)* [hereinafter called **'the Company'**] for the year ended on 31 March, 2025 [**"audit period"**]. The secretarial audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conduct/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31 March, 2025 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31 March, 2025, according to the provisions of:

1. The Companies Act, 2013 ("the Act") and the rules made thereunder including any re-enactments thereof;
2. The Securities Contracts (Regulation) Act, 1956 ("SCRA") and rules made thereunder;
3. The Depositories Act, 1996 and the regulations and bye-laws framed thereunder;
4. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment;
5. **The following Regulations and Guidelines prescribed under Securities and Exchange Board of India Act, 1992 ('SEBI Act'), to the extent applicable;**
    a. The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021;
    b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
    c. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
    d. The Securities and Exchange Board of India (Debenture Trustee) Regulations, 1993 (in relation to obligations of Issuer Company);
    e. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations,1993 regarding the Companies Act and dealing with client;
6. **Specific Laws applicable as mentioned hereunder:**
    a. National Housing Bank Act, 1987 along with relevant notification, circulars and guidelines as applicable;
    b. NHB Master Circular - Returns to be submitted by Housing Finance Companies;
    c. RBI Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 ('HFC Master Directions');
    d. Reserve Bank of India Act, 1934 along with relevant notification, circulars and guidelines as applicable;
    e. RBI Master Direction – Know Your Customer (KYC) Direction, 2016;
    f. Master Direction on Fraud Risk Management in NBFC (including HFC);
    g. RBI Master Direction on Information Technology Governance, Risk, Controls and Assurance Practices;
    h. Master Direction – Reserve Bank of India (Transfer of Loan Exposures) Directions, 2021
    i. Compliance Function and Role of Chief Compliance Officer (CCO) – NBFCs – RBI Circular dated April 11, 2022;
    j. Implementation of 'Core Financial Services Solution' by Non-Banking Financial Companies (NBFCs) – RBI Circular dated 23 February, 2022;
    k. Guidelines on Risk-Based Internal Audit (RBIA) System for Select NBFCs and UCBs dated 03 February, 2021; Guidelines for Appointment of Statutory Central Auditors (SCAs)/Statutory Auditors (SAs) of Commercial Banks (excluding RRBs), UCBs and NBFCs (including HFCs);

l. Laws specifically applicable to a Corporate Agent, as identified by the management, that is to say:

   i. The Insurance Regulatory and Development Authority of India (Registration of Corporate Agents) Regulations, 2015 and circulars issued thereunder.

We have also examined compliance with the applicable clauses of Secretarial Standards 1 and 2 issued by the Institute of Company Secretaries of India;

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

Recommendations as a matter of best practice:

In the course of our audit, we have made certain recommendations for good corporate practices to the compliance team, for its necessary consideration and implementation by the Company.

We further report that

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

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

All the decisions were unanimous and there were no instances of dissent in the Board and Committee meetings.

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.

We further report that during period under review, the Company has not incurred any specific event/ action that can have a major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc., except as follows:

i. Issue of Non-Convertible Debentures (NCDs):

During the audit period, the Company issued and allotted secured debentures amounting to ₹975 crore.

ii. Redemption of NCDs:

During the audit period, the Company redeemed debentures amounting to ₹745 crore pursuant to maturity.

iii. Increase in borrowing limits under Section 180(1)(c) of the Act:

During the audit period, the Company increased the borrowing limits of the Company from ₹12,000 crores to ₹15,000 crores vide special resolution passed in terms of section 180(1)(c) of the Act at the 14th Annual General Meeting ("AGM") held on 19 June, 2024. Consequently, approval in terms of Section 180(1)(a) of the Act was also obtained in the said AGM for the aforesaid borrowing limits.

iv. Rights Issue of equity shares to SMFG India Credit Company Limited *(Formerly Fullerton India Credit Co. Ltd.)*

During the audit period, the Company has allotted equity shares of the face value of ₹10/- each to SMFG India Credit Company Limited *(Formerly Fullerton India Credit Co. Ltd.)*, the parent company of the Company, on rights basis in the following manner:

(a) 1,50,60,240 equity shares at a price of ₹99.6/- per share (including premium of ₹89.6 per share) aggregating to INR 1,49,99,99,904 (Rupees One Hundred Forty-Nine Crore Ninety-Nine Lakh Ninety-Nine Thousand Nine Hundred and Four only) on 26 April, 2024;

(b) 2,98,80,478 Equity Shares at a price of ₹100.40/- per share (including the premium of ₹90.40 per share) aggregating to ₹2,99,99,99,991.20 (Rupees Two Hundred Ninety-Nine Crore Ninety-Nine Lakh Ninety-Nine Thousand Nine Hundred Ninety-One and Twenty Paisa) on 24 December, 2024.

v. Alteration to the Articles of Association of the Company

During the audit period, pursuant to amendment in the clause 145 of the Articles of Association ("AOA") with respect to the affixation of common seal, the Company altered its AOA vide special resolution passed at the Extraordinary General Meeting held on 7 November, 2024.

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

Vinita Nair
Joint Managing Partner
Membership No.: F10559
CP No.: 11902
UDIN: F010559G000233936
Peer Review Certificate No. 4123/2023

Place: Mumbai
Date: 29 April, 2025

This report is to be read with our letter of even date which is annexed as **Annexure 'I'** and forms an integral part of this report.

Annexure I

ANNEXURE TO SECRETARIAL AUDIT REPORT (NON-QUALIFIED)

To,
The Members,
SMFG India Home Finance Company Limited
(Formerly Fullerton India Home Finance Co. Ltd.)

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

1. Maintenance of secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit. The list of documents for the purpose, as seen by us, is listed in **Annexure II**;
2. We have followed the audit practices and the processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion;
3. Our Audit examination is restricted only upto legal compliances of the applicable laws to be done by the Company, we have not checked the practical aspects relating to the same.
4. Wherever our Audit has required our examination of books and records maintained by the Company, we have also relied upon electronic versions of such books and records, as provided to us through online communication. Considering the effectiveness of information technology tools in the audit processes, we have conducted online verification and examination of records, as facilitated by the Company, for the purpose of issuing this Report. In doing so, we have followed the guidance as issued by the Institute.
5. We have not verified the correctness and appropriateness of financial records and books of accounts of the Company as well as correctness of the values and figures reported in various disclosures and returns as required to be submitted by the Company under the specified laws, though we have relied to a certain extent on the information furnished in such returns.
6. Wherever required, we have obtained the management representation about the compliance of laws, rules and regulation and happening of events etc.
7. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. Our examination was limited to the verification of procedure on test-check basis.
8. Due to the inherent limitations of an audit including internal, financial, and operating controls, there is an unavoidable risk that some misstatements or material non-compliances may not be detected, even though the audit is properly planned and performed in accordance with audit practices.
9. The contents of this Report has to be read in conjunction with and not in isolation of the observations, if any, in the report(s) furnished/to be furnished by any other auditor(s)/agencies/authorities with respect to the Company.
10. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Annexure II

LIST OF DOCUMENTS

1. Minutes of the meetings of the following:
    - Board of Directors;
    - Audit Committee;
    - Nomination and Remuneration Committee;
    - Corporate Social Responsibility Committee;
    - Risk Oversight Committee;
    - Asset Liability Management Committee;
    - IT Strategy Committee;
    - Stakeholders Relationship Committee;
    - Annual General Meeting and Extraordinary General Meetings.
2. Resolution passed by circulation on a sample basis;
3. Notice for Board and Committee Meetings on a sample basis;
4. List of related parties maintained till date;
5. Statutory Registers under Act, 2013;
6. Disclosures under Act, 2013 and Rules made thereunder;
7. Intimations/ Information submitted to Stock Exchanges, Debenture Trustees, RBI, IRDAI and Credit Rating Agencies;
8. Forms and returns filed with the ROC, NHB;
9. Codes and Policies framed under applicable SEBI Regulations and disclosures/ details obtained/ furnished thereunder;
10. Annual report FY 2023-24 and quarterly financials submitted during the period under review.

Annexure V to Directors' Report

RELATED PARTY TRANSACTION POLICY

1. Scope and Objective

Related party transactions can create conflict of interest affecting SMFG India Home Finance Company Limited *(Formerly Fullerton India Home Finance Co. Ltd.)* (Company) and its stakeholders. To maintain transparency and compliance, the Company adheres to legal norms such as the Companies Act, 2013, Listing Regulations, RBI Directions, IND AS-24, and IRDA Regulations ('Applicable Laws').

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

- Systematic identification of Related Parties ('RP') per applicable laws.
- Transparent processes for identifying, approving, and disclosing RPTs as per applicable laws.
- Fair conduct of RPTs in line with legal requirements.
- To set out Materiality thresholds for RPTs.

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

2. Definitions

Annual Consolidated Turnover	Turnover as per the last audited Consolidated Financial Statements
Annual Standalone Turnover	Turnover as per the last audited Standalone Financial Statements.
Company	SMFG India Home Finance Company Limited *(Formerly Fullerton India Home Finance Co. Ltd.)*
Key Managerial Personnel ('KMPs')	i. Chief Executive Officer ('CEO') or the MD or the Manager; ii. Company Secretary ('CS'); iii. the Whole-time Director ('WTD'); iv. the Chief Financial Officer ('CFO'); v. such other officer as may be prescribed under the Companies Act 2013;
Listing Regulations/ LODR	SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, from time to time.
Material Modification	any modification, either individually or taken together with any previous modification, made in the nature, value/exposure, or other terms and conditions of any ongoing or proposed RPT, as originally approved by the Audit Committee ('ACB') and/or shareholders, which has the effect of variation in the approved value of the transaction, by 20% or more, or by which the transaction ceases to be in ordinary course and/or on arm's length or such other parameter as may be determined by the ACB from time to time. Provided that, a modification mandated pursuant to change in law, or pursuant to and in accordance with the terms of the approved transaction/contract, or resulting from change in constitution of either of the parties pursuant to schemes of arrangement (e.g. merger, amalgamation, demerger, etc.), or is of a nature which is purely technical and does not result in substantive change or alteration of rights, interests, and obligations of any of the parties, or is uniformly affected for similar transactions with unrelated parties shall not be regarded as material modification.
Material Related Party Transaction	Material RPT shall mean transactions: (i) falling under Rule 15(3) of The Companies (Meetings of Board and its Powers) Rules, 2014, (ii) to be entered into individually or taken together with previous transactions during a financial year, exceeds ₹1,000 crores or 10 (ten) percent of the Annual Consolidated Turnover of the Company, as per the last audited financial statement of the Company, whichever is lower; and (iii) involving payments made to a Related Party for brand usage or brand royalty, if it individually or taken together with previous transactions, during a financial year, exceed 5% of the Annual Consolidated Turnover of the Company, as per the last audited financial statement
Net Worth	The aggregate value of the paid-up share capital and all reserves created out of the profits and securities premium account and debit or credit balance of profit and loss account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, as per the audited balance sheet, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation.

Potential Conflict of Interest	Conflict of interest either by being a party to an RPT or in case of an RPT with another body corporate, holding more than 2% of the paid-up share capital of the other body corporate.
Related Party ('RP')	RP with reference to a company, shall include: i. director or his relative; ii. key managerial personnel or his relative; iii. firm, in which a director, manager or his relative is a partner; iv. private company in which a director or manager or his relative is a member or director; v. public company in which a director or manager is a director and holds along with his relatives, more than two percent of its paid-up share capital; vi. body corporate whose Board of Directors, Managing Director or manager is accustomed to act in accordance with the advice, directions or instructions of a director or manager excluding person giving directions or instructions in a professional capacity; vii. any person on whose advice, directions or instructions a director or manager is accustomed to act other than advice, directions or instructions given in a professional capacity excluding person giving directions or instructions in a professional capacity; viii. body corporate which is: (a) a holding, subsidiary or an associate company of such company; (b) a subsidiary of a holding company to which it is also a subsidiary; (c) an investing company or the venturer of the company ("the investing company or the venturer of a company" means a body corporate whose investment in the company would result in the company becoming an associate company of the body corporate.); ix. a director (other than an independent director) or KMP of the holding company or his relative with reference to the Company. x. any person or entity forming a part of the promoter or promoter group of the Company, xi. any person or any entity, holding ten per cent or more equity shares in the Company either directly or on a beneficial interest basis as provided under section 89 of the Companies Act, 2013, at any time, during the immediate preceding financial year; xii. Person or entity as identified under IND-AS 24.
Related Party Transaction ('RPT')	Means a transaction involving transfer of resources, services or obligations between: i. The Company or any of its subsidiaries on one hand with a RP of the Company or any of its subsidiaries on the other; or ii. The Company or any of its subsidiaries on one hand with any other person or entity on the other, the purpose and effect of which is to benefit a RP of the Company or any of its subsidiaries, excluding transactions specified under Para 3 of this Policy It is clarified that regardless of whether a price is charged, a "transaction" with a RP shall be construed to include a single transaction or a group of transactions in a contract.
Relative	'Relative' with reference to any person, means any one who is related to another, if they are- i. members of Hindu Undivided Family; ii. husband or wife; iii. father (including step-father) and mother (including step-mother); iv. son (including step-son) and son's wife; v. daughter and daughter's husband; vi. brother (including step-brother) and sister (including step-sister).
Senior Officers ('SOs')/ Senior Management/ Leadership Team	Means personnel of the Company who are members of its core management team excluding Board of Directors comprising all members of management, one level below the Managing Director & CEO, including the functional heads and persons identified and designated as KMP (other than board of directors).
Turnover	The gross amount of revenue recognized in the profit and loss account from the sale, supply, or distribution of goods or on account of services rendered, or both, by the Company during a financial year.

Note: *All words and expressions used herein, unless defined herein, shall have the same meaning as respectively assigned to them under the Companies Act, 2013 and Rules framed thereunder, LODR, IND-AS 24 or any other applicable law.*

3. Exclusion from the definition of RPTs

The following transactions shall not be considered as related party transactions under this Policy, although disclosure in the financial statement as per LODR shall be made by the Company:

- the issue of specified securities on a preferential basis, subject to compliance of the requirements under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended from time to time.
- Corporate actions uniformly applicable or offered to all shareholders in proportion to their shareholding, including:
  - Payment of dividends;
  - Subdivision or consolidation of securities;
  - Issuance of securities via rights issue or bonus issue; and
  - Buy-back of securities.
- Acceptance of fixed deposits (including payment of interest thereon) by banks / NBFCs at the terms uniformly applicable/offered to all shareholders/public, subject to disclosure of the same along with the disclosure of related party transactions every six months to the stock exchange(s), in the format as specified by SEBI.
- Acceptance of current account deposits and savings account deposits by banks in compliance with the directions issued by the relevant regulators in the relevant jurisdiction from time to time. For the purposes of these clauses, acceptance of deposits includes payment of interest thereon.
- Retail purchases from the Company or its subsidiary by its directors or employees, without establishing a business relationship and on terms that are uniformly applicable or offered to all employees and directors. "Retail purchases" refer to the purchase or availing of products and services offered by the Company in the ordinary course of business, or, in case of any related party transaction by any subsidiary, by such subsidiary in the ordinary course of its business through retail channels (i.e., branches or business outlets) through which the Company/subsidiary services its retail customers, on terms uniformly offered to all of its employees as per applicable policies of the Company/ subsidiary, subject to applicable laws.
- Any other exception consistent with the Applicable Laws, including any rules or regulations made thereunder.

4. Approval of related party transactions

A. Audit Committee

- All related party transactions and subsequent material modification, where Company is one of the party to the transaction, should be approved by the Audit Committee of the Company before entering into such transaction.
- The Audit Committee shall consider all relevant factors while deliberating the related party transactions for its approval. The Audit Committee may not approve a transaction but may make appropriate recommendations to the Board.
- Only those members of the Committee, who are independent directors, shall approve related party transactions. A related party transaction which is (i) not in the ordinary course of business, or (ii) not at arm's length price, would require approval of the Board of Directors or of shareholders as discussed subsequently.
- The Audit Committee shall grant omnibus approval for related party transactions of the Company which are repetitive in nature and subject to certain criteria/ conditions as required under Regulation 23 and Companies Rules, 2014 and such other conditions as it may consider necessary in line with this policy and in the interest of the Company. Such omnibus approval shall be valid for one financial year. Refer to Para 4 (D) of the Policy.
- Related party transactions would be exempted from obtaining the approval from the Audit Committee:
  - transaction entered by a listed subsidiary, if regulation 23 and sub-regulation 15(2) are applicable to listed subsidiary
  - transaction entered by unlisted subsidiaries of a listed subsidiary, if prior approval of the audit committee of the listed subsidiary has been obtained
  - Transactions between the Company and its wholly owned subsidiary, except those transactions listed in Section 188 of the Companies Act, 2013.
  - Remuneration and sitting fees paid by the Company or its subsidiary to Directors, KMPs, and Senior Officers, (who are not part of the promoter and promoter group), if they are not Material RPTs under LODR.
- The members of the audit committee, who are independent directors, may ratify related party transactions which is not a material related party transaction, within three months from the date of the transaction or in the immediate next meeting of the audit committee, whichever is earlier, subject to the following conditions:
  - the value of the ratified transaction(s) with a related party, whether entered into individually or taken together, during a financial year shall not exceed rupees ten million;
  - rationale for inability to seek prior approval for the transaction shall be placed before the audit committee at the time of seeking ratification;
  - the details of such ratification shall be disclosed as per Regulation 23(9) of LODR.

- failure to seek ratification of the audit committee shall render the transaction voidable at the option of the audit committee and if the transaction is with a related party to any director, or is authorised by any other director, the director(s) concerned shall indemnify the Company against any loss incurred by it.

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

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

B. Board of Directors

In case any related party transactions are referred by the Company to the Board for its approval due to the transaction being (i) not in the ordinary course of business, or (ii) not at an arm's length price, or (iii) a transaction not approved but recommended by the Audit Committee, the Board will consider such factors as, nature of the transaction, material terms, the manner of determining the pricing and the business rationale for entering into such transaction. On such consideration, the Board shall approve the transaction or require such modifications to transaction terms as it deems appropriate under the circumstances. Any member of the Board who has any interest in any related party transaction shall not vote to approve the related party transaction.

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

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

C. Shareholders

Material related party transaction or a subsequent material modifications will require shareholders' approval through resolution and no related parties will vote to approve such resolutions whether the entity is a related party to the particular transaction or not.

The following material related party transactions will be exempt from obtaining the approval from the shareholders' of the Company:

- Transactions with its wholly-owned subsidiary

- Transactions entered by the listed subsidiary of the Company (equity listed and high value debt listed) to which the listed subsidiary is a party but the listed entity is not a party, if regulation 23 and sub-regulation 15(2) are applicable to listed subsidiary

- Transactions entered by the unlisted subsidiaries of a listed subsidiary of the Company, if prior approval of the audit committee of the listed subsidiary has been obtained

If a related party transactions, entered by the Company, is not in the ordinary course of business, or not at arm's length price and exceeds the thresholds prescribed under Rule 15(3) of Companies Meeting of Board and its Powers) Rules, 2014, it shall require shareholders' approval by a resolution. In such a case, any member who is a related party having interest in the transaction for which resolution being proposed, shall not vote on such resolution passed for approving related party transaction. However, transaction between the Company and its wholly owned subsidiary will be exempt from shareholders' approval.

For related parties transaction which require shareholder approval and the holding company of the Company is conflicted, the approval of the majority of the Independent Audit Committee Members and majority of the Board Members who are not conflicted shall suffice.

D. Omnibus Approval

- The Audit Committee may grant omnibus approval in accordance with the provisions of Rule 6A of the Companies (Meetings of Board and its Powers) Rules, 2014 and Regulation 23 (3) of the Listing Regulations for Related Party Transactions proposed to be undertaken by the Company or its subsidiary(ies) that requires approval under Para 4.A. of this Policy, which are of repetitive/ regular nature proposed to be entered into.

- The Audit Committee would review on a quarterly basis the details of such Related Party Transactions entered into pursuant to each of the omnibus approval given.

- The approval will remain valid for a period of one financial year. Where the need for Related Party Transaction cannot be foreseen and aforesaid details are not available, Audit Committee may grant omnibus approval for such transactions subject to their value not exceeding rupees ten million per transaction

E. Restrictions in Voting

- Conflict of Interest: Members of the ACB or Board with a potential conflict of interest in any RPT or material modification will abstain from participating or voting on the matter.

- RP Voting: RP are not permitted to vote in favor of any material RPT or subsequent material modifications, even if they are not part to the transaction. However, they may still express their opinions or objections.

5. Loans and Advances to Directors

- Unless sanctioned by the Audit Committee, the Company shall not grant loans and advances aggregating Rupees five crores and above to-

i. Directors, (including the Chairman/Managing Director) or relatives of directors;

ii. any firm in which any of their directors or their relatives is interested as a partner, manager, employee or guarantor;

iii. any company in which any of the directors, or their relatives is interested as a major shareholder, director, manager, employee or guarantor.

- A director or their relatives shall be deemed to be interested in a company, being the subsidiary or holding company, if he/she is a major shareholder or is in control of the respective holding or subsidiary company.
- A director who is directly or indirectly concerned or interested in any proposal should disclose the nature of their interest to the Board when any such proposal is discussed and should recuse themselves from the meeting unless their presence is required by the other directors for the purpose of eliciting information and the director so required to be present shall not vote on any such proposal.
- Any loans, advances or awarding of Contracts to the above borrowers less than ₹5 crores shall be in pursuance of the provisions of the Companies Act, 2013 read with applicable Rules and Regulations thereof and shall be approved as per the loan approval matrix of the Company.
- Any such loans, advances or awarding of Contracts shall be reported to the Audit Committee and the Board in the immediate next meeting.
- Company shall obtain details of all live loans, advances or Contracts taken by an individual or their Relatives prior to becoming Director in the Company and the same shall be reported to the Board at the time of appointment

6. Loans and advances to Senior Officers of the NBFC

- Loans and advances sanctioned to senior officers of the NBFC shall be reported to the Board.
- No senior officer or any Committee comprising, inter alia, a senior officer as member, shall, while exercising powers of sanction of any credit facility, sanction any credit facility to a relative of that senior officer. Such a facility shall be sanctioned by the next higher sanctioning authority under the delegation of powers
- Company shall obtain declaration form the borrower giving details of the relationship of the borrower to its Directors/ Senior officers for availing loans and advances aggregating ₹5 crores and above from the Company. Loans to borrower shall be recalled if any false declaration is given by the borrower.

7. Disclosure

- Website and Annual Report: The RPT Policy will be uploaded on the company's website and included in the Corporate Governance Report, which is part of the Annual Report.
- Directors Report: The Policy on Related Party Transactions should be disclosed in the Directors Report. Also, particulars of RPTs will be included in the Boards' report in the form AOC-2 as per section 134(3)(h) of the Companies Act, 2013.
- Form MBP-4: The Company will disclose RPTs in Form MBP-4 Part A and Part B, as applicable.
- Half-Yearly Disclosure: Details of RPTs will be disclosed along with standalone financial results on a half-yearly basis in the specified format and uploaded on the company's website.
- Listing Regulations and RBI Guidelines: RPT details will be disclosed according to the norms under the Listing Regulations and any applicable RBI guidelines.
- Remuneration and Sitting Fees: Details of remuneration and sitting fees paid to Directors, Key Managerial Personnel, and Senior Officers (except those in the promoter and promoter group) are not required in the half-yearly disclosure under Listing Regulations, unless it is a Material RPT under LODR.
- Company shall disclose in the Annual Report, any loans, advances or Contracts made to its Related Parties, Senior Officer or to its Relatives in addition to disclosure w.r.t. related party transactions as mandated under RBI circular dated April 19, 2022 covering disclosure in financial statements -notes to accounts of NBFCs.

8. Policy Review

This Policy is framed based on the provisions of the SEBI Regulations, the Companies Act, 2013 and rules thereunder and other applicable law. In case of any subsequent changes in the provisions of the SEBI Regulations or the Companies Act, 2013 and rules thereunder or other applicable law, the relevant amended provisions would prevail over the Policy and the provisions in the Policy would be modified in due course to make it consistent with law. This Policy shall be reviewed by the Board as and when any changes are to be incorporated in the Policy due to change in applicable law or at least once in every three years and updated accordingly.

Annexure VI to Directors' Report

ANNUAL REPORT ON CSR ACTIVITIES FOR FINANCIAL YEAR 2024-25

1. A brief outline of the Company's CSR policy:

CSR policy of SMFG India Home Finance Company Limited *(Formerly Fullerton India Home Finance Co. Ltd.)*

i. INTRODUCTION

SMFG India Home Finance Company Limited *(Formerly Fullerton India Home Finance Co. Ltd.)* ('SMHFC') is a wholly-owned subsidiary of SMFG India Credit Company Limited *(Formerly Fullerton India Credit Co. Ltd.)* ('SMICC') and offers loans to salaried and self-employed individuals and organisations. With the motto of **Nayi Asha. Naya Vishwas,** SMHFC has always believed in putting its customers and their dreams first.

Like its parent company SMICC, SMHFC is also committed to grow in a socially responsible manner, with financial inclusion as its guiding business vision and aims to reach out to the under-banked and unbanked by not just providing them with financial services but also by enabling the communities with services and skills that would help improve their standard and quality of living.

Thus, SMHFC's Corporate Social Responsibility ('CSR') initiative aims at having a long-term sustainable impact on the community. The CSR initiatives shall, however, not directly relate to (i) the business of the Company and (ii) welfare of its employees and their families and are independent of the normal conduct.

ii. CSR Vision

SMHFC's CSR Vision is to enable sustainable development and inclusive growth across communities through innovative socio-economic interventions, in fulfilment of its role as a socially responsible corporate citizen.

iii. CSR Objectives

SMHFC's CSR Initiative focuses on the three keys aspects of the community's development- Social, Economic and Education. To achieve long-term sustainable impact on the community, SMHFC's CSR objectives are:

- **Improve the social well-being of the community through**
  - Health awareness and intervention programmes for community
  - Women-focused health interventions through awareness and implementation of programmes enabling adoption of best health practices
- **Advance livelihoods through**
  - Identification of technical expertise for guidance and facilitation of programmes
  - Income enhancement through skill development & market linkages
- **Promotion of Education through**
  - Access to quality education for underprivileged children
  - Financial Literacy to unbanked and under banked communities
- **Adoption of sustainable environmental practices through**
  - Promotion and adoption of environmentally sustainable practices.

iv. Scope

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

This Policy is in line with the Section 135 of the Companies Act, 2013 (the 'Act') and the rules made thereunder. If the relevant provisions of the Act are amended, this Policy should be construed to have adopted such amendment from the effective date of such amendment.

The scope of the Policy has been kept as wide as possible, to allow SMHFC to respond to different situations and challenges appropriately and flexibly, subject to the activities or subjects enumerated in Schedule VII of the Act.

2. The Composition of the CSR Committee as on 31 March, 2025:

Sr. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year[1]	Number of meetings of CSR Committee entitled to attend during the year[1]	Number of meetings of CSR Committee attended during the year
1.	Mr. Shantanu Mitra[2]	Chairman, Non-Executive, Non-Independent Director	2	1	1
2.	Mr. Deepak Patkar[2]	Member, Managing Director & CEO	2	1	1
3.	Ms. Dakshita Das[2]	Member, Non-Executive, Independent Director	2	1	1

Notes:

1. *Two meetings of the CSR Committee were held during the year on 7 August, 2024 and 20 March, 2025.*
2. *Mr. Shantanu Mitra, Non-Executive, Non-Independent Director and Chairman of the CSR Committee, Mr. Deepak Patkar, Managing Director & CEO and Member of the CSR Committee and Ms. Dakshita Das, Non-Executive Independent Director and Member of the CSR Committee were inducted w.e.f. 20 August, 2024.*
3. *Ms. Sudha Pillai, Non-Executive, Independent Director, ceased to be a Chairperson/Member w.e.f. the close of business hours on 20 August, 2024. She attended the meeting held on 7 August, 2024.*
4. *Mr. Ajay Pareek, Non-Executive, Non-Independent Director, ceased to be a Member w.e.f. the close of business hours on 19 August, 2024. He attended the meeting held on 7 August, 2024.*
5. *Mr. Radhakrishnan B. Menon, Non-Executive, Independent Director, ceased to be a Member w.e.f. the close of business hours on 22 December, 2024. He attended the meeting held on 7 August, 2024.*

3. Provide the web-links where Composition of CSR Committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the Company:

CSR Committee Composition: https://www.grihashakti.com/investors/disclosure-under-regulation-62-of-lodr.aspx

CSR Policy: https://www.grihashakti.com/investors/policies.aspx

CSR projects: https://www.grihashakti.com/investors/other-regulatory-disclosures.aspx

4. Provide the executive summary along with web-link(s) of Impact Assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8, if applicable:

Not Applicable

5.

a. Average net profit of the company as per sub-section (5) of Section 135: ₹65,36,87,021/-

b. Two percent of average net profit of the company as per sub-section (5) of section 135: ₹1,30,73,740/- (2% of ₹65,36,87,021/-)

c. Surplus arising out of the CSR projects or programmes or activities of the previous financial years: Not Applicable

d. Amount required to be set off for the financial year, if any: ₹25,65,840/-

e. Total CSR obligation for the financial year [(b)+(c)-(d)]: ₹1,05,07,900/-

6.

a. Amount spent on CSR projects (both Ongoing Project and other than Ongoing Project):
   - Details of CSR amount spent against on-going projects for the financial year: Nil
   - Details of CSR amount spent against other than on-going projects for the financial year: ₹1,08,00,000

b. Amount spent in Administrative Overheads: Nil

c. Amount spent on Impact Assessment, if applicable: Not Applicable

d. Total amount spent for the Financial Year [(a)+(b)+(c)]: ₹1,08,00,000/-

e. CSR amount spent ~~or unspent~~ for the Financial Year: ₹1,08,00,000/-

Total Amount Spent for the Financial Year (in ₹)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per sub-section (6) of section 135		Amount transferred to any fund specified under Schedule VII as per second proviso to sub-section (5) of section 135		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
1,08,00,000	Not Applicable		Not Applicable		

f. Excess amount for set-off, if any:

(1) Sr. No.	(2) Particulars	(3) Amount (in ₹)
(i)	Two percent of average net profit of the company as per sub-section (5) of section 135	1,30,73,740
(ii)	Total amount spent for the Financial Year#	1,33,65,840
(iii)	Excess amount spent for the Financial Year [(ii)-(i)]	2,92,100
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous Financial Years, if any	Nil
(v)	Amount available for set off in succeeding Financial Years [(iii)-(iv)]	2,92,100

 # The total amount spent for the FY 2024-25 is ₹1,08,00,000/-. However, the amount available for set off from previous financial years, which was availed for FY 2024-25 of Rs. ₹25,65,840/-, is added to the amount spent to reflect the correct calculation of the excess amount available for set-off.

7. Details of Unspent Corporate Social Responsibility amount for the preceding three Financial Years:

Sr. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under sub-section (6) of Section 135 (in ₹)	Balance Amount in Unspent CSR Account under sub-section (6) of Section 135 (in ₹)	Amount spent in the Financial Year (in ₹)	Amount transferred to a fund as specified under Schedule VII as per second proviso to sub-section (5) of Section 135, if any		Amount remaining to be spent in succeeding financial year (in ₹)	Deficiency, if any
					Amount (in ₹)	Date of transfer		
Not Applicable								

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

Yes ☐ No ☑

9. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per sub-section (5) of Section 135: Not Applicable

Deepak Patkar
Managing Director & CEO
DIN: 09731775

Shantanu Mitra
Chairman, CSR Committee
DIN: 03019468

INDEPENDENT AUDITOR'S REPORT

To
The Members of
SMFG India Home Finance Co. Ltd.
(Formerly Fullerton India Home Finance Co. Ltd.)

Report on the Audit of the Financial Statements

Opinion

1. We have audited the accompanying Financial Statements of **SMFG India Home Finance Co. Ltd.** *(Formerly Fullerton India Home Finance Co. Ltd.)* ('the Company'), which comprise the Balance Sheet as at 31 March, 2025, and the Statement of Profit And Loss (including Other Comprehensive Income), Statement of Changes in Equity and Statement of Cash Flows for the year ended on that date, and notes to the Financial Statements, including a summary of material accounting policy information and other explanatory information ('the Financial Statements').

2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Financial Statements give the information required by the Companies Act, 2013 ('Act') in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ('Ind AS') and other accounting principles generally accepted in India, of the State of Affairs of the Company as at 31 March, 2025, and its Profit and Other Comprehensive Income, Changes in Equity and its Cash Flows for the year ended on that date.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing ('SAs') specified under section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the 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 on the Financial Statements.

Key Audit Matters

4. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Financial Statements of the current year. 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.

S/ No.	Key Audit Matter	How the Key Audit Matter was addressed in our audit
1	**Provisioning based on Expected Credit Loss model ('ECL') under IND AS 109 and testing of Impairment of assets, more particularly the Loan Book of the Company**	
	Refer to the accounting policies in 'Note 1(C).2 to the Financial Statements: Measurement of Expected Credit Loss', 'Note 7 & 31 to the Financial Statements: Loans & Impairment of Financial Instruments and 'Note 50 to the Financial Statements: Financial Risk Management'.	
	Subjective estimates: Under Ind AS 109, "Financial Instruments", allowance for loan losses are determined using expected credit loss ('ECL') estimation model. The estimation of ECL on financial instruments involves significant judgement and estimates and therefore increased levels of audit focus in the Company's estimation of ECLs, which are as under: ▸ Data inputs - The application of ECL model requires several data inputs. This increases the risk of completeness and accuracy of the data that has been used to create assumptions in the model.	**Our key audit procedures included:** ▸ Review of Policy/procedures & design/controls ▸ Minutely going through the Board approved Policy and approach note concerning the assessment of credit and other risks and ascertainment/ageing of 'default" by the borrowers and procedures in relation to stages and ECL computation. ▸ Testing key controls relating to selection and implementation of material macro-economic variables and the controls over the scenario selection and application of probability weights. ▸ Assessing the design, implementation and operating effectiveness of key internal financial controls including monitoring process of overdue loans (including those which became overdue after the reporting date), measurement of provision, stage-wise classification of loans, identification of NPA accounts, assessing the reliability of management information.

S/ No.	Key Audit Matter	How the Key Audit Matter was addressed in our audit
	▸ Model estimations – Inherently judgmental models are used to estimate ECL which involves determining Probabilities of Default (‘PD’), Loss Given Default (‘LGD’), and Exposures at Default (‘EAD’). The PD and the LGD are the key drivers of estimation complexity in the ECL and as a result are considered the most significant judgmental aspect of the Company’s modelling approach. ▸ Economic scenarios - Ind AS 109 requires the Company to measure ECLs on an unbiased forward-looking basis reflecting a range of future economic indicators. Significant management judgement is applied in determining the economic scenarios used and the probability weights applied to them. ▸ The effect of these matters is that, as part of our risk assessment, we determined that the impairment of loans and advances to customers, involving estimations and judgements, with a potential range of reasonable outcomes greater than our materiality for the Financial Statements as a whole.	▸ Understanding management’s approach, interpretation, systems and controls implemented in relation to probability of default and stagewise bifurcation of product-wise portfolios for timely ascertainment of stress and early warning signals. ▸ Testing and review of controls over measurement of provisions and disclosures in the Financial Statements. ▸ Involvement of Information system experts to validate data integrity and process of report generation through interface of various systems. Walk through the processes which involve manual work to ascertain existence of maker-checker controls. ▸ Understanding of models and general economic indicator criteria used for regression testing over data of the loan book. **Substantive verification** ▸ Sample testing over key inputs, data and assumptions impacting ECL calculations to assess the completeness, accuracy and relevance of data and reasonableness of economic forecasts, weights, and model assumptions applied. ▸ Model calculations testing through selective re-performance, wherever possible. ▸ Assessing disclosures – Assessed whether the disclosures on key judgements, assumptions and quantitative data with respect to impairment of loans (including restructuring related disclosures) in the Ind AS Financial Statements are appropriate and sufficient as also aligned to regulatory requirements.
2	**Information Technology**	
	IT systems and controls The Company’s financial reporting processes are dependent on technology considering significant number of transactions that are processed daily across multiple and discrete Information Technology (‘IT’) systems. The Financial accounting system of the Company is interfaced with several other IT systems including Loan Management & Originating systems and several other systemic workflows. IT general and application controls are critical to ensure that changes to applications and underlying data are made in an appropriate manner. Adequate controls contribute to mitigating the risk of potential fraud or errors as a result of changes to the applications and data. These includes implementation of preventive and detective controls across critical applications and infrastructure. Due to the pervasive nature of role of information technology systems in financial reporting, in our preliminary risk assessment, we planned our audit by assessing the risk of a material misstatement arising from the technology as significant for the audit, hence the Key Audit Matter.	In course of audit, we obtained an understanding of the Company’s business IT environment and key changes if any during the audit period that may be relevant to the audit. We performed a range of audit procedures, which included: ▸ Deployed our internal experts to carry out IT general Controls testing and identifying gaps, if any. ▸ Selectively recomputing calculations and maturity dates. ▸ Testing of the system generated reports and accounting entries manually for core financial reporting matters (i.e. verification around the computer system). ▸ Evaluating the design, implementation and operating effectiveness of the significant accounts-related IT automated controls which are relevant to the accuracy of system calculation, and the consistency of data transmission and were considered as key internal controls over financial reporting. ▸ Tested the Company’s periodic review of access rights and also tested requests of changes to systems for approval and authorization. ▸ Tested compensating controls or performed alternate audit procedures to assess whether there were any unaddressed IT risks that would impact the controls or completeness and/or accuracy of data.

Independent Auditor's Report (Contd.)

Other Information

5. The Company's Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report but does not include the Financial Statements and our auditors' report thereon.

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

7. In connection with our audit of the Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Financial Statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

8. The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act, with respect to the preparation of these Financial Statements that give a true and fair view of the State of Affairs, profit and Other Comprehensive Income, Changes in Equity and Cash Flows of the Company in conformity with the Ind AS prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended and other accounting principles generally accepted in India. 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 of the appropriate accounting software for ensuring compliance with applicable laws and regulations including those related to retention of audit logs; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

9. In preparing the Financial Statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

10. The Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

    12.1. 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.

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

Independent Auditor's Report (Contd.)

12.3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.

12.4. Conclude on the appropriateness of the 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.

12.5. 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.

13. 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.

14. 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.

15. 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 current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter

16. The numbers and details pertaining to previous year ended as at 31 March, 2024 and notes related thereto in the Financial Statements have been traced from the Financial Statements of the Company, audited by M.P. Chitale & Co, Chartered Accountants ('the predecessor Auditor'), vide their unmodified report dated 9 May, 2024.

Report on Other Legal and Regulatory Requirements

17. As required by the Companies (Auditor's Report) Order, 2020 ('the Order'), issued by the Central Government of India in terms of sub-section (11) of section 143 of the 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.

18. As required by Section 143(3) of the Act, we report that:

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

18.2. 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.

18.3. The balance sheet, the statement of profit and loss including Other Comprehensive Income, the Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.

18.4. In our opinion, the aforesaid Financial Statements comply with the Ind AS specified under Section 133 of the Act read with the relevant rules thereunder.

18.5. On the basis of the written representations received from the directors as on 31 March, 2025 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2025 from being appointed as a director in terms of Section 164(2) of the Act.

18.6. With respect to the adequacy of the internal financial controls with reference to Financial Statements of the Company and the operating effectiveness of such controls, refer to our separate Report in 'Annexure B'.

18.7. In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to director is not in excess of the limit laid down under Section 197 of the Act.

Independent Auditor's Report (Contd.)

19. 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:

    19.1 The Company has disclosed the impact of pending litigations as at 31 March, 2025 on its financial position in its Financial Statements – Refer Note 42 to the Financial Statements;

    19.2 The Company did not have any long-term contracts including derivative contracts for which there were any material for foreseeable losses.

    19.3 There were no amount which required to be transferred, to the Investor Education and Protection Fund by the Company.

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

    19.5 The Management has represented, to best of their knowledge and belief, that no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ('Funding Parties'), with the understanding, whether recorded in writing or otherwise, that the Company shall, 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.

    19.6 Based on such audit procedures, that have been considered reasonable and appropriate in the circumstances, performed by us, nothing has come to our notice that has caused us to believe that the representation under para 19.4 and 19.5 contain any material misstatement.

    19.7 In our opinion and according to information and explanation given to us, the Company has not declared or paid dividend during the year, accordingly compliance with section 123 of the Act by the Company is not applicable.

    19.8 As stated in note 52(B) to the financial statements and based on our examination which included test checks, the Company, in respect of financial year commencing on 1 April, 2024, has used accounting software for maintaining its books of account which have a feature of recording audit trail (edit log) facility and the same have been operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with.

    Furthermore, the audit trail has been preserved by the Company as per statutory requirements for record retention except at the database level for the period 1 April, 2023 to 30 June, 2023.

For B.K. Khare & Co.
Chartered Accountants
FRN: 105102W

Shirish Rahalkar
Partner
Membership No. 111212
UDIN: 25111212BMKYCD7207

Place: Mumbai
Date: 7 May, 2025

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT

on the Financial Statements of SMFG India Home Finance Co. Ltd. *(Formerly Fullerton India Home Finance Co. Ltd.)* for the year ended 31 March, 2025

(Referred to in paragraph 17 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

i. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of Property, Plant and Equipment ('PPE'). The Company is maintaining proper records showing full particulars of intangible assets.

(b) The Company has a regular programme of physical verification of its PPE by which all PPE are verified once in a year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, no PPE were physically verified by the Management during the year. As informed to us, based on last verification of PPE conducted by the management, no material discrepancies were noticed on such verification.

(c) In our opinion and according to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of all the immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) disclosed in the financial statements are held in the name of the Company.

(d) In our opinion and according to the information and explanations given to us, the Company has not revalued its PPE (including Right of Use assets) or intangible assets or both during the year.

(e) In our opinion and according to the information and explanations given to us and on the basis of our examination of the records of the Company, no proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

ii. (a) The Company does not have any inventory since its principal business is to give loans, hence physical verification of inventory and accordingly reporting under clause 2(ii)(a) of the Order is not applicable to the Company.

(b) In our opinion and according to the information and explanations given to us, the Company has been sanctioned working capital limits in excess of rupees five crore, in aggregate, from banks or financial institutions which are secured on the basis of security of current assets. The quarterly returns or statements filed by the Company with such banks or financial institutions are generally in agreement with the books of account of the Company. The return for quarter ended March, 2025, has been filed based on the provisional financial statement.

iii. (a) Since the Company's principal business is to give loans, accordingly reporting under clause 3(iii)(a) of the Order are not applicable to the Company.

(b) In our opinion and according to the information and explanations given to us, the investments made and the terms and conditions of the grant of all loans are not prejudicial to the Company's interest. According to information and explanations provided to us, the Company has not provided any guarantees during the year.

(c) & (d) In respect of loans and advances in the nature of loans (together referred to as 'loan assets'), the schedule of repayment of principal and payment of interest has been stipulated. Note no. 1(C).2 to the financial statements explains the Company's accounting policy relating to impairment of financial assets which include loan assets. In accordance with that policy, loan assets with balance as at 31 March, 2025, aggregating 17,171 lakhs were categorised as credit impaired ('Stage 3') and 25,507 lakhs were categorised as those where the credit risk has increased significantly since initial recognition ('Stage 2'). Disclosures in respect of such loans have been provided in Note. no. 50 to the financial statements. In all other cases, the repayment of principal and interest is regular. Having regard to the nature of the Company's business and the volume of information involved, it is not practicable to provide an itemised list of loan assets where delinquencies in the repayment of principal and interest have been identified.

In respect of loans granted and advances in the nature of loans, provided by the Company, the total amount overdue for more than ninety days as on 31 March, 2025 is as under:

(₹ in lakhs)

No. of cases	Principal amount overdue*	Interest overdue*	Total overdue*	Remarks (if any)
930	14,582	1,687	16,269	None

** represents total outstanding as at 31 March, 2025*

Reasonable steps have been taken by the Company for recovery of the principal and interest wherever applicable.

(e) Since the Company's principal business is to give loans, accordingly reporting under clause 3(iii)(e) of the Order is not applicable to the Company.

(f) Based on our audit procedures and the information and explanations made available to us, the Company has not granted any loans or advances in the nature of loans to Promoters/Related Parties (as defined in section 2(76) of the Act) which are either repayable on demand or without specifying any terms or period of repayment. Accordingly, reporting under clause 3(ii)(f) of the Order is not applicable to the Company.

Annexure A to the Independent Auditor's Report (Contd.)

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 in contravention of provisions of section 185 of the Act. The Company has complied with the provisions of Section 186(1) of the Act; as informed, the other provisions of section 186 of the Act are not applicable to the Company.

v. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits or amounts which are deemed to be deposits from the public during the year in terms of directives issued by the Reserve Bank of India or the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed there under. Accordingly, reporting under clause 3(v) of the Order is not applicable to the Company.

vi. The Company is not required to maintain cost records under Section 148(1) of the Companies Act, 2013 read with Companies (Cost Records and Audit) Rules, 2014 and hence reporting under clause 3(vi) of the Order is not applicable to the Company.

vii. (a) In our opinion and according to the information and explanations given to us, amounts deducted/accrued in the books of account in respect of undisputed statutory dues including provident fund, employees' state insurance, professional tax, income tax, Goods and Services Tax and other material statutory dues applicable to it, have been regularly deposited by the Company with the appropriate authorities except there have been certain delays in payment of profession tax dues.

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, professional tax, income tax, Goods and Services Tax and other material statutory dues as at 31 March, 2025 for a period of more than six months from the date they became payable.

(b) In our opinion and according to the information and explanations given to us, we confirm that there are no dues of provident fund, employees' state insurance, professional tax, income tax, Goods and Services Tax and any other material statutory dues, which have not been deposited to/with the appropriate authorities.

viii. In our opinion and according to the information and explanations given to us and on the basis of our examination of the records of the Company, we confirm that we have not come across any transactions not recorded in the books of accounts which have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.

ix. (a) In our opinion, the Company has not defaulted in repayment of loans or other borrowings to financial institutions, banks, government and dues to debenture holders or in the payment of interest thereon to any lender.

(b) According to the information and explanations given to us and on the basis of our audit procedures, we report that the Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority or any other lender.

(c) In our opinion and according to the information and explanations given to us, the Company has utilized the money obtained by way of term loans during the year for the purposes for which they were obtained, other than temporary parking of funds for few days pending utilizations towards purpose for which the same are obtained.

(d) According to the information and explanations given to us, and the procedures performed by us, on an overall examination of the financial statements of the Company and further considering the Asset Liability management mechanism of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.

(e) The Company does not have any subsidiaries, associates, or joint ventures. Accordingly, reporting under clause (ix) (e) & (f) of the Order are not applicable to the Company.

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

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

xi. (a) Based upon the audit procedures performed and according to the information and explanations given by the management, there were 4 instances of fraud on the Company by its customers amounting to ₹120 lakhs as disclosed in Note no. 55 to the financial statements. We did not come across any other instances of fraud by the Company.

(b) During the year, no report under sub-section (12) of section 143 of the Companies Act, 2013 has been filed by secretarial auditor or by us in Form ADT – 4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.

Annexure A to the Independent Auditor's Report (Contd.)

(c) As represented to us by the management, there are no whistle blower complaints received by the company during the year.

xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, reporting under clause 3(xii) of the Order is not applicable to the Company.

xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with Sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.

xiv. (a) In our opinion and based on our examination, the Company has an internal audit system commensurate with the size and nature of its business.

(b) We have taken into consideration, the internal audit reports for the period under audit issued to the Company till the date of Auditors' Report for determining the nature, timing and extent of audit procedures.

xv. According to the information and explanations given to us, in our opinion during the year the Company has not entered into any non-cash transactions with its directors or persons connected with its directors. Accordingly, paragraph 3(xv) of the Order is not applicable to the Company.

xvi. (a) The Company, being a Housing Finance Company is registered with the National Housing Bank ('NHB') and hence, as informed by the management, it is not required under to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

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

(c) The Company is not a Core Investment Company ('CIC') as defined in the regulations made by Reserve Bank of India.

(d) In our opinion, there is no core investment Company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause 3(xvi)(d) of the Order is not applicable.

xvii. The Company has not incurred any cash losses in the financial year and in the immediately preceding financial year.

xviii. There has been no resignation of the statutory auditors during the year and accordingly reporting under clause 3(xviii) of the Order is not applicable.

xix. According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, along with details provided in Note 51 & 55 to the financial statements which describe the maturity analysis of assets & liabilities and other information accompanying the financial statements, our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

xx. (a) The Company has fully spent the required amount towards Corporate Social Responsibility (CSR) and there is no unspent CSR amount on account of ongoing projects or other than ongoing projects for the year requiring a transfer to a Fund specified in Schedule VII to the Act or special account in compliance with the provision of sub-section (6) of section 135 of the Act.

(b) There are no unspent amounts in respect of ongoing projects, that are required to be transferred to a special account in compliance of provision of sub section (6) of section 135 of the Act. This matter has been disclosed in Note 46 to the Financial Statements.

xxi. According to the information and explanations given to us and based on our examination of the records of the Company, there are no subsidiaries / associates / joint ventures of the Company and hence reporting under clause 3(xxi) of the Order is not applicable to the Company.

For B.K. Khare & Co.
Chartered Accountants
FRN: 105102W

Shirish Rahalkar
Partner
Membership No. 111212
UDIN: 25111212BMKYCD7207

Place: Mumbai
Date: 7 May, 2025

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT

on the Financial Statements of SMFG India Home Finance Co. Ltd. *(Formerly Fullerton India Home Finance Co. Ltd.)* for the year ended 31 March, 2025

(Referred to in paragraph 18.6 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

REPORT ON THE INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE AFORESAID FINANCIAL STATEMENTS UNDER CLAUSE (I) OF SUB-SECTION 3 OF SECTION 143 OF THE COMPANIES ACT, 2013 ('THE ACT').

Opinion

1. We have audited the internal financial controls with reference to the Financial Statements of **SMFG India Home Finance Co. Ltd.** *(Formerly Fullerton India Home Finance Co. Ltd.)* ('the Company') as at 31 March, 2025 in conjunction with our audit of the Financial Statements of the Company for the year ended on that date.

2. In our opinion, the Company has, in all material respects, an adequate internal financial controls with reference to the Financial Statements and such internal financial controls were operating effectively as at 31 March, 2025, based on the internal controls over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ('the Guidance Note').

Management's Responsibility for Internal Financial Controls

3. The Company's management is responsible for establishing and maintaining internal financial controls based on the internal controls over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to 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

4. Our responsibility is to express an opinion on the Company's internal financial controls with reference to the Financial Statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing ('SA'), prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to the Financial Statements. Those SAs and the Guidance Note require that we comply with the ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to the Financial Statements were established and maintained and whether such controls operated effectively in all material respects.

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

6. 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 the Financial Statements.

Annexure B to the Independent Auditor's Report (Contd.)

Meaning of Internal Financial Controls with reference to the Financial Statements

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

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

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

For B.K. Khare & Co.
Chartered Accountants
FRN: 105102W

Shirish Rahalkar
Partner
Membership No. 111212
UDIN: 25111212BMKYCD7207

Place: Mumbai
Date: 7 May, 2025

Independent Auditors' Report as per Para 69 of Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021

To
The Board of Directors,
SMFG India Home Finance Co. Ltd.
(Formerly Fullerton India Home Finance Co. Ltd.)

1. Introduction

This report is issued in terms of our statutory audit engagement with SMFG India Home Finance Company Limited *(Formerly Fullerton India Home Finance Company Limited)* (the "Company") in our capacity as Statutory Auditors. Pursuant to the Paragraph 69 of the Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 ('RBI Master Directions'), we have examined the matters specified in Paragraph 70 and 71 of RBI Master Directions in respect of the Company for the year ended 31 March, 2025.

2. Management's Responsibility

The Management of the Company is responsible for compliance with the RBI Master Directions, Reserve Bank of India Act, 1934 ('the RBI Act') and the National Housing Bank Act, 1987 ('the NHB Act') on an ongoing basis and reporting non-compliances, if any, to the regulatory authorities, Board of Directors and its Audit Committee. This responsibility also includes -

a. creation and maintenance of proper accounting and other records on the basis of guidelines issued by National Housing Bank ('NHB') and the Reserve Bank of India ('RBI'),

b. design, implementation and maintenance of adequate internal control relevant to the preparation and presentation of the records and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances,

c. ensuring that the records provided to us for our examination are correct and complete.

3. Auditors' Responsibility

Our responsibility is to express reasonable assurance in the form of an opinion based on our examination of the books of accounts and other records maintained by the Company on the matters specified in Paragraph 70 and 71 of the RBI Master Directions.

We conducted our examination in accordance with the Guidance Note on Reports or Certificates for Special Purposes ('the Guidance Note') issued by the Institute of Chartered Accountants of India ('ICAI'). The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.

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

4. Opinion

Based on the information and explanations given to us and shown by the records examined by us, we are of the opinion that:

I. The Company has obtained the Certificate of Registration (CoR) under Section 29A of the NHB Act from Reserve Bank of India with Registration No. DOR-00122 dated 19 May, 2023 (in lieu of CoR No. 07.0122.15 dated 14 July, 2015 issued by National Housing Bank, pursuant to change in name of the Company). The Company has fulfilled the Principal Business Criteria as specified in Paragraph 4.1.17 of RBI Master Direction.

II. The Company has complied with the Net Owned Fund ('NOF') requirements as prescribed under Section 29A of the NHB Act;

III. The Company has complied with the Special Reserve requirements as prescribed under Section 29C of the NHB Act;

IV. The total borrowings of the Company i.e. the amounts referred to in sub-clauses (iii) to (vii) of sub-section (bb) of Section 45 I of the RBI Act and loans or other assistance from the National Housing Bank, are within the limits prescribed under paragraph 27.2 of the RBI Master Directions.

V. According to the information and explanations given to us, we report that the Company has complied with the prudential norms on income recognition, accounting standards, asset classification, loan-to-value ratio, provisioning requirements, disclosures in balance sheet, investment in real estate, exposure to capital market and engagement of brokers, and concentration of credit/ investments as specified in the RBI Master Directions;

VI. The Capital Adequacy Ratio as disclosed in the Schedule II return for the half year ended 30 September, 2024 submitted to the National Housing Bank in terms of the Directions issued by NHB in this regard, has been correctly determined and such ratio is in compliance with the minimum capital to risk weighted asset ratio ('CRAR') prescribed;

VII. Schedule II Return for half year ended 30 September, 2024 was filed with the National Housing Bank within the stipulated time as specified in the Directions issued by NHB in this regard. The Schedule II return for the half year ended 31 March, 2025 that was due to be submitted on 12 May, 2025 has not submitted as of date.

VIII. Filing of quarterly Schedule III returns on Statutory Liquid Assets from quarter ended 31 December, 2021 onwards is not applicable to Company. Accordingly, the requirement to report on Para 70.1.8 of the RBI Master Directions are not applicable to the Company.

IX. The Company has complied with the requirements contained in the RBI Master Directions & NHB Directions in the case of opening of new branches/offices or in the case of closure of existing branches/offices.

X. In our opinion and according to the information and explanations given to us, the company has not granted loan against securities of shares, loan against security of single product- gold jewellery, loan against Company's own shares during the year ended 31 March, 2025 and hence provisions contained in paragraph 3.1.3, 3.1.4 and 18 of the RBI Master Directions are not applicable to the Company.

XI. The Company has passed a resolution dated 22 April, 2024 confirming non acceptance of public deposit.

XII. The Company has not accepted any public deposits during the year. Hence, reporting on compliance with para 70.2 is not required.

5. Restriction on Use

The report is solely for the purpose mentioned in paragraph 1 and should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing.

For B.K. Khare & Co.
Chartered Accountants
FRN: 105102W

Shirish Rahalkar
Partner
Membership No. 111212
UDIN: 25111212BMKYCF7375

Place: Mumbai
Date: 7 May, 2025

BALANCE SHEET

as at 31 March, 2025

(₹ lakhs)

Particulars	Note	As at 31 March, 2025	As at 31 March, 2024
ASSETS			
Financial assets			
Cash and cash equivalents	2	59,896	33,671
Bank balances other than cash and cash equivalents	3	800	799
Derivative financial instruments	4	117	-
Investments	5	41,041	25,733
Trade receivables	6	174	208
Loans and advances	7	984,066	780,732
Other financial assets	8	16,851	10,268
		1,102,945	**851,411**
Non-Financial assets			
Current tax assets (net)	9	-	547
Deferred tax assets (net)	10	3,624	4,503
Other non-financial assets	11	3,469	3,128
Property, plant and equipment	12	2,639	1,758
Right of use assets	13	6,100	5,968
Other Intangible assets	14	770	215
Intangible assets under development	14	-	170
		16,602	**16,289**
Total Assets		**1,119,547**	**867,700**
LIABILITIES AND EQUITY			
Liabilities			
Financial liabilities			
Derivative financial instruments	4	1,261	-
Trade payables	15		
i) total outstanding dues to micro enterprises and small enterprises		713	591
ii) total outstanding dues to creditors other than micro enterprises and small enterprises		2,740	3,168
Debt Securities	16	238,153	212,138
Subordinated liabilities	17	25,357	25,315
Borrowings	18	663,237	433,344
Other financial liabilities	19	27,666	89,495
		959,127	**764,051**
Non-Financial liabilities			
Current tax liabilities (net)	20	12	-
Provisions	21	1,310	1,670
Other non-financial liabilities	22	3,311	2,971
		4,633	**4,641**
Equity			
Equity share capital	23	37,116	32,622
Other equity	24	118,671	66,386
		155,787	**99,008**
Total liabilities and equity		**1,119,547**	**867,700**
Refer Summary of material accounting policies and accompanying notes which form an integral part of the financial statements	1-57		

As per our report of even date attached.

For **B K Khare & Co**
Chartered Accountants
Firm Reg No. 105102W

Shirish Rahalkar
Partner
Member Reg. No: 111212

Place: Mumbai
Date: 7 May, 2025

For and on behalf of the Board of Directors of
SMFG India Home Finance Co. Ltd
(Formerly Fullerton India Home Finance Co. Ltd.)

Colathur Narayanan Ram
Chairman, Independent Director
DIN : 00211906

Deepak Patkar
Managing Director & CEO
DIN : 09731775

Ashish Chaudhary
Chief Financial Officer

Parthasarathy Iyengar
Company Secretary
ICSI Reg. No. : A21472

Place: Mumbai
Date: 7 May, 2025

STATEMENT OF PROFIT AND LOSS

for the year ended 31 March, 2025

(₹ lakhs)

Particulars	Note	For the year ended 31 March, 2025	For the year ended 31 March, 2024
Revenue from operations			
Interest income	25	115,201	89,983
Fees and commission income	26	4,072	2,635
Gain on derecognition of financial instruments	27.1	10,466	7,510
Net gain on financial asset at FVTPL	27.2	400	419
Ancillary income	28	442	184
Total revenue from operations		**130,581**	**100,731**
Other income	29	130	130
Total Income		**130,711**	**100,861**
Finance costs	30	68,731	51,717
Impairment on financial instruments	31	3,454	2,397
Employee benefits expense	32	26,681	23,209
Depreciation and amortisation	12, 14 & 44	2,500	1,748
Other expenses	33	13,237	9,359
Total expenses		**114,603**	**88,430**
Profit/(Loss) before tax		**16,108**	**12,431**
Tax expense			
Current tax	34(a)	3,232	2,372
Deferred tax expense / (credit)		924	784
		4,156	**3,156**
Net (loss)/profit after tax		**11,952**	**9,275**
Other comprehensive income / (loss)	34(b)		
Items that will not be reclassified to profit or loss			
Re-measurement of gain/loss on defined benefit plans		(56)	(92)
Income tax relating to above		14	23
Items that will be reclassified to profit or loss			
Gain / (loss) on Derivatives designated at Cash flow hedge		(177)	-
Tax relating to above		45	-
Other comprehensive income/(loss)		**(174)**	**(69)**
Total comprehensive income/(loss) for the year		**11,778**	**9,206**
Earnings per equity share:	35		
Basic earnings per share (in ₹)		3.43	2.87
Diluted earnings per share (in ₹)		3.43	2.87
Face value per share (in ₹)		10.00	10.00
Refer Summary of material accounting policies and accompanying notes which form an integral part of the financial statements	1-57		

As per our report of even date attached.

For **B K Khare & Co**
Chartered Accountants
Firm Reg No. 105102W

Shirish Rahalkar
Partner
Member Reg. No: 111212

Place: Mumbai
Date: 7 May, 2025

For and on behalf of the Board of Directors of
SMFG India Home Finance Co. Ltd
(Formerly Fullerton India Home Finance Co. Ltd.)

Colathur Narayanan Ram
Chairman, Independent Director
DIN : 00211906

Deepak Patkar
Managing Director & CEO
DIN : 09731775

Ashish Chaudhary
Chief Financial Officer

Parthasarathy Iyengar
Company Secretary
ICSI Reg. No. : A21472

Place: Mumbai
Date: 7 May, 2025

STATEMENT OF CASH FLOW

for the year ended 31 March, 2025

(₹ lakhs)

		Year ended 31 March, 2025	Year ended 31 March, 2024
A.	**CASH FLOW FROM OPERATING ACTIVITIES**		
	Profit/(Loss) before tax	16,108	12,431
	Adjustments for:		
	Financial asset measured at amortised cost	(2,767)	(2,029)
	Financial liabilities measured at amortised cost	4,043	3,048
	Depreciation and amortisation	2,500	1,748
	Interest income on fixed deposits and investments	(3,396)	(2,358)
	Net (gain)/loss on financial assets at FVTPL	(400)	(419)
	Impairment on financial instruments	3,454	2,397
	Write off of Property, plant & equipment and intangible assets	2	-
	Profit on sale of property, plant and equipment	(6)	(2)
	Fair valuation of Stock appreciation rights	731	744
	Gain on derecognition of financial instruments held at amortized cost	(10,466)	(7,510)
	Operating profit before working capital changes	**9,803**	**8,050**
	Adjustments for working capital:		
	– (Increase)/decrease in loans and advances	(204,022)	(199,060)
	– (Increase)/ decrease in financial and non-financial assets	4,336	1,589
	– Increase/(decrease) in financial and non-financial liabilities	(66,533)	62,755
	Cash generated from/(used in) operating activities	**(256,416)**	**(126,666)**
	Income tax paid (net of refund)	559	902
	Net cash generated from/(used in) operating activities (A)	**(255,857)**	**(125,764)**
B.	**CASH FLOW FROM INVESTING ACTIVITIES**	.	
	Purchase of property plant and equipment and intangibles	(2,470)	(1,646)
	Proceeds from sale of property, plant and equipment and intangibles	303	91
	Purchase of investments	(511,346)	(317,002)
	Sale/maturity of investments	513,873	307,539
	Fixed deposit placed during the year	(643,834)	(488,377)
	Fixed deposit matured during the year	626,447	487,638
	Interest received on fixed deposits and investments	3,349	2,327
	Net cash generated from/(used in) investing activities (B)	**(13,678)**	**(9,430)**
C.	**CASH FLOW FROM FINANCING ACTIVITIES**		
	Proceeds from issuance of share capital (including share premium)	45,000	7,500
	Proceeds from borrowings from banks and debentures	443,705	355,130
	Repayment of borrowings from banks and debentures	(190,197)	(199,008)
	Payment of ancillary borrowing costs	(1,155)	(846)
	Principal payment of lease liability	(1,593)	(1,086)
	Net cash generated from/(used in) financing activities (C)	**295,760**	**161,690**
	Net increase / (decrease) in cash and cash equivalents D=(A+B+C)	**26,225**	**26,496**
	Cash and cash equivalents as at the beginning of the period (E)	33,671	7,175
	Closing balance of cash and cash equivalents (D+E)	**59,896**	**33,671**
	Components of cash and cash equivalents:		
	Cash on hand	85	55
	Balances with banks		
	– in current accounts	17,171	8,162
	– in fixed deposit with maturity less than 3 months	41,954	24,521
	Cheques, drafts on hand	686	933
	Cash and cash equivalents	**59,896**	**33,671**

Note:

The cash flow statement has been prepared under the indirect method as set out in Indian Accounting Standard (Ind AS 7) statement of cash flows.

Refer Summary of material accounting policies and accompanying notes which form an integral part of the financial statements 1-57

As per our report of even date attached.

For **B K Khare & Co**
Chartered Accountants
Firm Reg No. 105102W

Shirish Rahalkar
Partner
Member Reg. No: 111212

Place: Mumbai
Date: 7 May, 2025

For and on behalf of the Board of Directors of
SMFG India Home Finance Co. Ltd
(Formerly Fullerton India Home Finance Co. Ltd.)

Colathur Narayanan Ram
Chairman, Independent Director
DIN : 00211906

Deepak Patkar
Managing Director & CEO
DIN : 09731775

Ashish Chaudhary
Chief Financial Officer

Parthasarathy Iyengar
Company Secretary
ICSI Reg. No. : A21472

Place: Mumbai
Date: 7 May, 2025

STATEMENT OF CHANGES IN EQUITY

for the year ended 31 March, 2025

A. Equity Share Capital

Particulars	Number of shares	Amount (₹ lakhs)
Equity share of ₹10 each fully paid up as at 31 March, 2023	318,482,513	31,848
Changes in Equity Share Capital due to prior period errors	-	-
Restated balance as at 31 March, 2023	**318,482,513**	**31,848**
Changes during the year ended 31 March, 2024	7,739,938	774
Equity share of ₹10 each fully paid up as at 31 March, 2024	**326,222,451**	**32,622**
Changes in Equity Share Capital due to prior period errors	-	-
Restated balance at the 31 March, 2024	326,222,451	32,622
Changes during the year ended 31 March, 2025	44,940,718	4,494
Equity share of ₹10 each fully paid up as at 31 March, 2025	**371,163,169**	**37,116**

B. Other Equity

(₹ lakhs)

Particulars	Reserves and surplus						Items of OCI		Total
	General Reserve	Capital Reserve	Securities premium	Reserve Fund under Section 29C(i) of the NHB Act, 1987	Deemed Equity Contribution	Retained Earnings	Re-measurement of gain/loss on defined benefit plans	Effective portion of cash flow hedge	
Closing balance as at 31 March, 2023	-	10	49,141	1,650	-	(1,393)	(25)	-	49,383
Changes in accounting policy or prior period error	-	-	-	-	-	-	-	-	-
Restated balance as at 31 March, 2023	**-**	**10**	**49,141**	**1,650**	**-**	**(1,393)**	**(25)**	**-**	**49,383**
Securities Premium on shares issued	-	-	6,726	-	-	-	-	-	6,726
Transferred from retained earnings to reserve fund	-	-	-	1,855	-	(1,855)	-	-	-
Profit / (loss) for the year	-	-	-	-	-	9,275	-	-	9,275
Corporate Guarantee issued by SMICC to NHB for Refinance	-	-	-	-	1,071	-	-	-	1,071
Other comprehensive income/(loss) for the year	-	-	-	-	-	-	(69)	-	(69)
Closing balance as at 31 March, 2024	**-**	**10**	**55,867**	**3,505**	**1,071**	**6,027**	**(94)**	**-**	**66,386**
Changes in accounting policy or prior period error	-	-	-	-	-	-	-	-	-
Restated balance as at 31 March, 2024	**-**	**10**	**55,867**	**3,505**	**1,071**	**6,027**	**(94)**	**-**	**66,386**
Securities Premium on shares issued	-	-	40,507	-	-	-	-	-	40,507
Transferred from retained earnings to reserve fund	-	-	-	2,390	-	(2,390)	-	-	-
Profit / (loss) for the year	-	-	-	-	-	11,952	-	-	11,952
Corporate Guarantee issued by SMICC to NHB for Refinance	-	-	-	-	-	-	-	-	-
Other comprehensive income/(loss) for the year	-	-	-	-	-	-	(42)	(132)	(174)
Closing balance as at 31 March, 2025	**-**	**10**	**96,374**	**5,895**	**1,071**	**15,589**	**(136)**	**(132)**	**118,671**

Refer Summary of material accounting policies and accompanying notes which form an integral part of the financial statements 1-57

As per our report of even date attached.

For **B K Khare & Co**
Chartered Accountants
Firm Reg No. 105102W

For and on behalf of the Board of Directors of
SMFG India Home Finance Co. Ltd
(Formerly Fullerton India Home Finance Co. Ltd.)

Shirish Rahalkar
Partner
Member Reg. No: 111212

Colathur Narayanan Ram
Chairman, Independent Director
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Managing Director & CEO
DIN : 09731775

Ashish Chaudhary
Chief Financial Officer

Parthasarathy Iyengar
Company Secretary
ICSI Reg. No. : A21472

Place: Mumbai
Date: 7 May, 2025

Place: Mumbai
Date: 7 May, 2025

NOTES TO FINANCIAL STATEMENTS

for the year ended 31 March, 2025

Summary of material accounting policies and other explanatory information to the financial statements as at and for the year ended 31 March, 2025

1 Notes to Financial Statement

(A) Company information

SMFG India Home Finance Co. Ltd. *(Formerly Fullerton India Home Finance Co. Ltd.)* ('the Company'). is a public limited Company domiciled in India and incorporated under the provisions of Companies Act, 1956. The Company is a Housing finance company (HFC) registered vide Registration number DOR-00122 dated 19 May, 2023, with the Reserve Bank of India (RBI), erstwhile Registration number 07.0122.15 dated 14 July, 2015, with the National Housing Bank ('NHB'). The Registered address of the Company is SMFG India Home Finance Company Limited, Commerzone IT Park, Tower B, 1st Floor, No 111, Mount Poonamallee Road, Porur, Chennai - 600116. The Company provides loans to customers for purchase of home, home improvement loans, home construction, home extensions, loans against property, Developer Funding (collectively referred to as "Portfolio Loans").

As at 31 March, 2025, SMFG India Credit Co. Ltd. *(Formerly Fullerton India Credit Co. Ltd.)*, the holding Company owned 100% of the Company's equity share capital.

The Company is a Public Limited Company and its debts are listed on the National Stock Exchange (NSE).

(B) Basis of preparation

(i) Statement of compliance

These financial statements have been prepared, on a going concern basis, in accordance with the Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015, as amended by the Companies (Indian Accounting Standards) Rules, 2016, notified under Section 133 of the Companies Act, 2013 (the "Act"), other relevant provisions of the Act, guidelines issued by the NHB Directions 2010 as applicable to a HFCs and other accounting principles generally accepted in India.

The financial statements were approved for issue by the Company's Board of Directors on 7 May, 2025.

(ii) Presentation of financial statements

The balance sheet, the statement of profit and loss and the statement of changes in equity are presented in the format prescribed in the Schedule III vide their Notification G.S.R. 1022(E) dated 11 October, 2018 for Non –Banking Financial Companies in Division III to the Act read with amendment to Schedule III made vide Notification G.S.R. (E) dated 24 March, 2021. The statement of cash flow has been presented as per the requirements of Ind AS 7 "Statement of Cash Flows".

The Company presents its balance sheet in order of liquidity. An analysis regarding recovery or settlement within 12 months after the reporting date and more than 12 months after the reporting date is presented in Note 51.

(iii) Functional and presentation currency

Indian rupees is the Company's functional currency and the currency of the primary economic environment in which the Company operates. Accordingly, the management has determined that financial statements are presented in Indian Rupees. All amounts have been rounded off to the nearest lakhs upto two decimal places, unless otherwise indicated.

(iv) Basis of measurement

The standalone financial statements have been prepared on a historical cost basis, except for fair value through other comprehensive income ('FVOCI') instruments and certain financial assets and financial liabilities (including derivative financial instruments) measured at fair value through profit and loss statement ('FVTPL') (refer Section C of Note 1).

(v) Use of estimates and judgments

The preparation of financial statements in conformity with Ind AS requires management to make estimates, assumptions and exercise judgement in applying the accounting policies that affect the reported amount of assets, liabilities and disclosure of contingent liabilities at the date of financial statements and the reported amounts of income and expenses during the year.

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

Assumptions and estimation uncertainties

Information about critical judgments, assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ended 31 March, 2025 is included in the following notes to the policy:

Note 1.C.2 – financial instruments – Fair values, risk management and impairment of financials assets

Note 1.C.9 – recognition of deferred tax assets;

Note 1.C.11 – estimates of useful lives and the residual value of property, plant and equipment and intangible assets;

Note 1.C.12 – Impairment test of non-financial assets : key assumptions underlying recoverable amounts including the recoverability of expenditure on intangible assets;

NOTES TO FINANCIAL STATEMENTS

for the year ended 31 March, 2025

Note 1.C.13 – measurement of defined benefit obligation: key actuarial assumptions and cash-settled – share-based payments

Note 1.C.14 – recognition and measurement of provisions and contingencies : key assumptions about the likelihood and magnitude of an outflow of resources, if any.

(vi) Measurement of fair values

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using an appropriate valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

A number of the Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

The Company has an established control framework with respect to the measurement of fair values. Measurement of fair value includes determining appropriate valuation techniques.

The objective of valuation techniques is to arrive at a fair value measurement that reflects the price that would be received to sell the asset or paid to transfer the liability in an orderly transaction between market participants at the measurement date.

Valuation models that employ significant unobservable inputs require a higher degree of judgment and estimation in the determination of fair value.

Judgment and estimation are usually required for the selection of the appropriate valuation methodology, determination of expected future cash flows on the financial instrument being valued, determination of the probability of counterparty default and selection of appropriate discount rates.

The management regularly reviews significant unobservable inputs and valuation adjustments.

Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques. When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Further information about the assumptions made in measuring fair values is included in the following notes to accounts:

Note 4 – Derivative Financial Instruments

Note 38 – Gratuity and Leave encashment

Note 40 – Cash-settled - share-based payments

Note 50 – Financial instruments - Fair values and risk management

(C) Material Accounting Policy Information

1 Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured and there exists reasonable certainty of its recovery.

Interest income

The Company calculates interest income by using the effective interest rate ('EIR') method.

The effective interest rate method

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

The EIR (and therefore, the amortised cost of the asset) is calculated by taking into account any discount or premium on acquisition, commission, fees and costs incremental and directly attributable to the specific lending arrangement.

The Company recognizes interest income using a rate of return that represents the best estimate of a constant rate of return over the expected life of the financial asset. The future cash flows are estimated taking into account all the contractual terms of the asset. If expectations regarding the cash flows on the financial asset are revised for reasons other than credit risk. The adjustment is booked as a positive or negative adjustment to the carrying amount of the asset in the balance sheet with an increase or reduction in interest income. The adjustment is subsequently amortized through Interest income in the statement of profit and loss.

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When a financial asset becomes credit-impaired subsequent to initial recognition, the Company calculates interest income by applying the effective interest rate to the amortised cost (net of provision) of the financial asset. If the financial assets cures and is no longer credit-impaired, the Company reverts to calculating interest income on a gross basis.

Interest income on financial assets classified as FVTPL is recognized at contractual interest rate of financial instruments.

Penal/additional interest on default in payment of dues by customer is recognized on realization basis.

Fee income

Loan processing fee/document fees/stamp fees which are an integral part of financial assets are recognized through effective interest rate over the term of the loan. For the agreements foreclosed or transferred through assignment, the unamortized portion of the fee is recognized as income to the Statement of profit and loss at the time of such foreclosure/transfer through the assignment. Applications fee is recognized at the commencement of the contracts. Additional charges such as penal, dishonour, foreclosure charges, delayed payment charges etc. are recognized on a realization basis, while rate conversion charges are recognized upfront based on event occurance.

Dividend income

Dividend income is recognized as and when the right to receive payment is established.

Net gain from financial instruments at FVTPL

The realised gain from financial instruments at FVTPL represents the difference between the carrying amount of a financial instrument at the beginning of the reporting period, or the transaction price if it was purchased in the current reporting period, and its settlement price.

The unrealised gain represents the difference between the carrying amount of a financial instrument at the beginning of the period, or the transaction price if it was purchased in the current reporting period, and its carrying amount at the end of the reporting period.

Rendering of services

The Company recognises revenue from contracts with customers based on a five-step model as set out in Ind AS 115 to determine when to recognize revenue and at what amount.

Revenue is measured based on the consideration specified in the contract with a customer and excludes amounts collected on behalf of third parties. Revenue from contracts with customers is recognized when services are provided and it is highly probable that a significant reversal of revenue is not expected to occur.

If the consideration promised in a contract includes a variable amount, an entity estimates the amount of consideration to which it will be entitled in exchange for rendering the promised services to a customer. An amount of consideration can vary because of discounts, rebates, refunds, credits, price concessions, incentives, performance bonuses, or other similar items. The promised consideration can also vary if an entitlement to the consideration is contingent on the occurrence or non-occurrence of a future event.

Commission income

Commission income earned for the services rendered is recognized on an accrual basis.

Other income

Other income represents income earned from the activities incidental to the business and is recognised when the right to receive the income is established as per the terms of the contract.

2 Financial instruments

Recognition and initial measurement

Financial assets and liabilities are recognsied when the company becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially recognised at fair value on a trade date basis. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial assets or financial liability. Transaction costs of financial instrument carried at fair value through profit or loss are expensed in profit or loss.

Classification and subsequent measurement

The Company assesses the classification and measurement of a financial asset based on the contractual cash flow characteristics of the asset and the Company's business model for managing the asset.

Financial assets (other than equity)

The company subsequently classifies its financial assets in the following measurement categories:

- amortised cost;
- fair value through profit or loss
- fair value through other comprehensive income

The classification depends on the Company's business model for managing the financial assets and the contractual terms of the cash flows. Financial assets are not reclassified subsequent to their initial recognition, except if and in the

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period the Company changes its business model for managing financial assets.

A financial asset is measured at amortized cost using the Effective Interest Rate ('EIR') method if it meets both of the following conditions:

- The asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Equity Instruments

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI (designated as FVOCI – equity investment). This election is made an investment – by – investment basis.

The Company subsequently measures all equity investments excluding investment in the subsidary at fair value through profit or loss, unless the Company 's management has elected to classify irrevocably some of its equity investments as equity instruments at FVOCI, when such instruments meet the definition of Equity under Ind AS 32 Financial Instruments: Presentation and are not held for trading. Such classification is determined on an instrument-by instrument basis.

Business model assessment

The Company makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The company determines business model at level that reflects it business operations & management of portfolio loans & not at instrument level. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice;
- how the performance of the portfolio is evaluated and reported to the Company's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectation about future sales activity.

At initial recognition of a financial asset, the Company determines whether newly recognized financial assets are part of an existing business model or whether they reflect a new business model. The Company reassesses its business model each reporting period to determine whether the business model has changed since the preceding period.

Assessment whether contractual cash flows are solely payments of principal and interest ('SPPI')

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. That principal amount may change over the life of the financial assets (e.g. if there are payments of principal) Amount 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a Particulars period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Company considers:

- Contingent events that would change the amount or timing of cash flows;
- Terms that may adjust the contractual coupon rate, including variable interest rate features;
- Prepayment and extension features; and
- Terms that limit the Company's claim to cash flows from specified assets.

Contractual cash flows that are SPPI are consistent with a basic lending arrangement. Contractual terms that introduce exposure to risks or volatility in the contractual cash flows that are unrelated to a basic lending arrangement, such as exposure to changes in equity prices or commodity prices, do not give rise to contractual cash flows that are SPPI.

A prepayment feature is consistent with the sole payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a significant discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

NOTES TO FINANCIAL STATEMENTS

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Subsequent measurement and gains and losses

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in the statement of profit or loss.
Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in the statement of profit or loss. Any gain or loss on de-recognition is recognised in the statement of profit or loss.
Financial assets (other than Equity Investments) at FVOCI	Financial assets that are held within a business model whose objective is achieved by both, selling financial assets and collecting contractual cash flows that are solely payments of principal and interest, are subsequently measured at fair value through other comprehensive income. Fair value movements are recognized in the other comprehensive income (OCI). Interest income measured using the EIR method and impairment losses, if any are recognised in the statement of Profit and Loss. On derecognition, cumulative gain or loss previously recognised in OCI is reclassified from the equity to 'other income' in the statement of Profit and Loss.
Equity investments at FVOCI	These assets are subsequently measured at fair value. Dividends are recognised as income in the Statement of Profit and Loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are not reclassified to profit or loss.

Financial liabilities and equity instruments

Debt and equity instruments that are issued are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement.

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received.

Financial liabilities are subsequently measured at the amortised cost using the effective interest method, unless at initial recognition, they are classified as fair value through profit and loss. Interest expense and foreign exchange gains and losses are recognised in the Statement of profit and loss. Any gain or loss on derecognition is also recognised in the statement of profit or loss.

Reclassification

If the business model under which the Company holds financial assets changes, the financial assets affected are reclassified. The classification and measurement requirements related to the new category apply prospectively from the first day of the first reporting period following the change in business model that results in reclassifying the Company's financial assets. Changes in contractual cash flows are considered under the accounting policy on modification and derecognition of financial assets described below.

Amortised cost	Revised classification	Accounting treatment
Amortised cost	FVTPL	Fair value is measured at reclassification date. Difference between previous amortized cost and fair value is recognised in Statement of Profit and Loss.
FVTPL	Amortised cost	Fair value at reclassification date becomes its new gross carrying amount. EIR is calculated based on the new gross carrying amount.
Amortised cost	FVOCI	Fair value is measured at reclassification date. Difference between previous amortised cost and fair value is recognised in OCI. No change in EIR due to reclassification.
FVOCI	Amortised cost	Fair value at reclassification date becomes its new amortised cost carrying amount. However, cumulative gain or loss in OCI is adjusted against fair value. Consequently, the asset is measured as if it had always been measured at amortised cost.
FVTPL	FVOCI	Fair value at reclassification date becomes its new carrying amount. No other adjustment is required.
FVOCI	FVTPL	Assets continue to be measured at fair value. Cumulative gain or loss previously recognised in OCI is reclassified to Statement of Profit and Loss at the reclassification date.

De-recognition, modification and transfer

Financial Assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred.

A modification of a financial asset occurs when the contractual terms governing the cash flows of a financial asset are renegotiated or otherwise modified between initial recognition and maturity of the financial asset. A modification affects the amount and/or timing of the contractual cash flows either immediately or at a future date. In addition, the introduction or adjustment of existing covenants of an existing loan would constitute a modification even if these new or adjusted covenants do not yet affect the cash flows immediately but may affect the cash flows depending on whether the covenant is or is not met (e.g. a change to the increase in the interest rate that arises when covenants are breached).

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Assignment transactions

Transfer of loans through assignment transaction can be made only after continuing involvement in loans i.e retaining a minimum specific percentage of loan but without retaining any substantial risk and reward in the loan assigned. The assigned portion of loans is derecognised and gains/losses are accounted for, only if the company transfers substantially all risks and rewards specified in the underlying assigned loan contracts. Gain/loss arising on such assignment transactions is recorded upfront in the Statement of Profit and Loss and the corresponding loan is derecognised from the Balance Sheet immediately. Further, if the transfer of loan qualifies for derecognition, entire interest spread at its present value (discounted over the life of the asset) is recognised on the date of derecognition itself as interest strip receivable (interest strip on assignment) and correspondingly presented as gain/loss on derecognition of financial asset. The Service fee received is accounted for based on the terms of the underlying deal structure of the transaction.

Securitisation transactions

In case of securitisation transactions, the Company retains substantially all the risks and rewards, of ownership of a portion of the transferred loan assets. The Company continues to recognise the entire loan and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between:

I) the carrying amount (measured at the date of derecognition) and

II) the consideration received (including any new asset obtained less any new liability assumed) is recognised in profit or loss.

Financial liabilities

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled or expired.

The Company also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised as profit or loss.

- **Offsetting of financial instruments**

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

- **Impairment and write off**

  In accordance with Ind AS 109, the Company applies expected credit loss ('ECL') model for measurement and recognition of impairment loss on the financial assets at amortized cost along with related undrawn commitments and loans sanctioned but not disbursed.

  Undrawn loan commitments are commitments under which, over the duration of the commitment, the Company is required to provide a loan with pre-specified terms to the customer. Commitment starts from the date of the sanction letter till the amount is fully drawn down by the customer.

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ECL is recognised for financial assets held under amortised cost at FVOCI, debt instruments measured at FVOCI, and certain loan commitments. Equity instruments are not subjected to ECL.

For recognition of impairment loss on financial assets, the Company determines whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, the credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, the Company reverts to recognising impairment loss allowance based on 12-month ECL. Lifetime ECL is the expected credit loss resulting from all possible default events over the expected life of a financial asset. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

Measurement of expected credit losses

Expected credit losses are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Company in accordance with the contract and the cash flows which the Company expects to receive) discounted at an approximation to the EIR.

The Company has established a policy to perform an assessment, at the end of each reporting period, of whether a financial instrument's credit risk has increased significantly since initial recognition, by considering the change in the risk of a default occurring over the remaining life of the financial instrument.

Based on the above process, the company categorises its loans into Stage 1, Stage 2 and Stage 3 as described below:

Stage 1: When loans are first recognised, the Company recognises an allowance based on 12 month ECL. Stage 1 loans also include facilities where the credit risk has improved and the loan has been reclassified from Stage 2 to Stage 1.

Stage 2: When a loan has shown an increase in credit risk since origination, the Company records an allowance for the life time expected credit losses. Stage 2 loans also include facilities, where the credit risk has improved and the loan has been reclassified from Stage 3 to Stage 2.

Stage 3: When loans shows significant increase in credit risk and/or are considered credit-impaired, the company records an allowance for the life time expected credit losses.

The Company measures ECL on an individual basis, or on a collective basis for portfolios of loans that share similar economic risk characteristics. This expected credit loss is computed based on a provision matrix which takes into account historical credit loss experience and adjusted for forward-looking information.

Key elements of ECL computation are outlined below:

- Exposure at Default ('EAD') is an estimate of the exposure at a future default date, taking into account expected changes in the exposure after the reporting date, including repayments of principal and interest, whether scheduled by contract or otherwise, expected drawdowns on committed facilities.
- Probability of default ('PD') is an estimate of the likelihood that customer will default over a given time horizon. A default may only happen at a certain time over the assessed period, if the facility has not been previously de-recognised and is still in the portfolio. PD is calculated based on historical default rate summary of past years using historical analysis.
- Loss given default ('LGD') estimates the normalised loss which Company incurs post customer default. It is computed using historical loss and recovery experience. It is usually expressed as a percentage of the Exposure at default ('EAD').

The Company measures ECL on a collective basis for portfolios of loans that share similar economic risk characteristics. It incorporates all information that is relevant including information about past events, current conditions and reasonable forecasts of future events and economic conditions at the reporting date.

A more detailed description of the methodology used for ECL is covered in the 'credit risk' section of note no. 50.

Presentation of allowance for expected credit losses in the Financial Statements

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets. ECL impairment loss allowance (or reversal) recognized during the period is accounted as income/ expense in the statement of profit and loss.

Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the company determines that the counter party does not have assets or sources of income that could generate cash flows to repay the amounts. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the company's procedures for recovery of amounts due. Any subsequent recoveries are credited to Statement of profit and loss account.

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- **Collateral valuation and repossession**

  To mitigate the credit risk on financial assets, the company seeks to use collateral, where possible as per the board approved credit policy. The Company provides fully secured loans to customers. The parameters relating to acceptability and valuation of each type of collateral is a part of the credit policy of the company.

  To mitigate the credit risk on financial assets, the Company seeks to possess collateral, wherever required as per the powers conferred on the Housing Finance Companies under the Securitisation and Reconstruction of Financial Assets and Enforcement of Securities Interest Act, 2002 ('SARFAESI').

  In its normal course of business, the Company does not physically repossess properties in its retail portfolio. For other collaterals, the Company liquidates the assets and recovers the amount due against the loan. Any surplus funds are returned to the customers/obligors. As a result of this practice, the properties under legal repossession processes are not recorded on the balance sheet and not treated as non–current assets held for sale.

3 Derivative Financial Instruments

The Company enters into a variety of derivative financial instruments to manage its exposure to interest rate risk and foreign exchange rate risk arising on account of repayment of external commercial borrowings and debts. Derivatives held include foreign exchange forward contracts and cross currency interest rate swaps.

Initial recognition and subsequent measurement

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value at each Balance Sheet date. The resulting gain/loss is recognised in the Statement of profit and loss immediately unless the derivative is designated and is effective as a hedging instrument, in which event the timing of the recognition in the statement of profit and loss depends on the nature of the hedge relationship. the Company designates certain derivatives as either hedges of the fair value of recognised assets or liabilities (fair value hedges) or hedges of highly probable forecast transactions (cash flow hedges). A derivative with a positive fair value is recognised as a financial asset whereas a derivative with a negative fair value is recognised as a financial liability.

Hedge accounting

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

At the inception of a hedge relationship, the Company formally designates and documents the hedge relationship. The documentation includes the Company's risk management objective and strategy for undertaking hedge, the hedging/ economic relationship, the hedged item or transaction, the nature of the risk being hedged. Hedge effectiveness is determined at the inception of the hedge relationship and at every reporting period end through the assessment of the hedged items and hedging instrument to determine whether there is still an economic relationship between the two. The critical terms of the foreign currency derivatives entered into exactly match the terms of the hedged item. As such the economic relationship and hedge effectiveness are based on the qualitative factors and the use of a hypothetical derivative where appropriate.

Cash flow hedges

A cash flow hedge is a hedge of the exposure to variability in cash flows that is attributable to a particular risk associated with a recognised asset or liability (such as all or some future interest payments on variable rate debt) or a highly probable forecast transaction and could affect profit or loss.

For designated and qualifying cash flow hedges, the effective portion of the cumulative gain or loss on the hedging instrument is initially recognised directly in OCI within equity (cash flow hedge reserve). The ineffective portion of the gain or loss on the hedging instrument is recognised immediately as Finance Cost in the statement of profit and loss.

When a hedging instrument expires, is sold, terminated, exercised, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss that has been recognised in OCI at that time is transferred to the statement of profit and loss.

4 Cash and cash equivalents

Cash and cash equivalents for the purpose of the cash flow statement comprise of the cash on hand, call deposits and other short term, highly liquid securities with an original maturity of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value. Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal and usage.

5 Leases

The Company assesses whether the contract is, or contains, a lease at the inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

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A finance lease is a lease which confers substantially all the risks and rewards of the leased assets on the lessee. An operating lease is a lease where substantially all of the risks and rewards of the leased asset remain with the lessor.

As a lessee

The Company has various offices, branches and other premises under non-cancellable various lease arrangements to meet its operational business requirements.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date and is discounted using the Company's incremental borrowing rate. Lease payments as at commencement date are adjusted for any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

Right-of-use assets are measured at their carrying amount at the commencement date and are discounted using the Company's incremental borrowing rate at the date of initial application. Right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

Leases may include options to extend or terminate the lease which is included in the right-of-use Assets and Lease Liability when they are reasonably certain of exercise.

The lease liability is remeasured when there is a change in one of the following:

- future lease payments arising from a change the in inflation rate,
- the Company's estimate of the amount expected to be payable under a residual value guarantee, or
- the Company's assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in the statement of profit and loss if the carrying amount of the right-of-use asset has been reduced to nil.

The company presents right-of-use assets and lease liabilities on the face of the Balance sheet.

Short-term leases and leases of low-value assets

The company has elected not to recognise right-of-use assets and lease liabilities for short-term leases of real estate properties that have a lease term of 12 months. The company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

As a lessor:

When the lease is deemed a finance lease, the leased asset is not held on the balance sheet; instead a finance lease receivable is recognized representing the lease payments receivable under the terms of the lease, discounted at the rate of interest implicit in the lease.

When the lease is deemed an operating lease, the lease income is recognised on a straight-line basis over the period of the lease unless another systematic basis is more appropriate. The company holds the leased assets on-balance sheet within property, plant and equipment.

6 Borrowing costs

Borrowing cost is calculated using the Effective Interest Rate ('EIR') on the amortised cost of the instrument. EIR includes interest and amortization of ancillary cost incurred in connection with the borrowing of funds. Other borrowing costs are recognised as an expense in the period in which they are incurred.

It also includes discounting charges paid for securitisation transactions entered under 'pass-through' arrangement.

7 Foreign currency

The Company's financial statements are presented in Indian Rupees ('INR') which is also the Company's functional currency. Transactions in foreign currencies are initially recorded by the Company at their respective functional currency spot rates at the date the transaction first qualifies for recognition. Income and expenses in foreign currencies are initially recorded by the Company at the exchange rates prevailing on the date of the transaction. Foreign currency denominated monetary assets and liabilities are translated at the functional currency spot rates of exchange at the reporting date and exchange gains and losses arising on settlement and restatement are recognized in the statement of profit and loss. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined.

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Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. Thus, translation differences on non-monetary assets and liabilities such as equity instruments held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss and translation differences on non-monetary assets such as equity investments classified as FVOCI are recognised in other comprehensive income.

8 Trade and other payables

These amounts represent liabilities for goods and services provided to the company before the end of the financial year which are unpaid. Trade and other payables are presented as financial liabilities. They are recognised initially at their fair value, net of transaction costs, and subsequently measured at amortised cost using the effective interest method where the time value of money is significant.

9 Income taxes

Income tax expense comprises current tax expenses, net change in the deferred tax assets or liabilities during the year and any adjustment to the tax payable or receivable in respect of previous years. Current and deferred taxes are recognised in the Statement of profit and loss, except when they relate to business combinations or to an item that is recognised in Other comprehensive income or directly in Equity, in which case, the current and deferred tax are also recognised in Other comprehensive income or directly in Equity respectively.

Current Income taxes

The current income tax includes income taxes payable by the Company computed in accordance with the tax laws applicable in the jurisdiction in which the Company generate taxable income and does not include any adjustment to the tax payable or receivable in respect of previous years.

The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date. Advance taxes and provisions for current income taxes are presented in the balance sheet after off-setting advance tax paid and income tax provision arising in the same tax jurisdiction and where the relevant taxpaying unit intends to settle the asset and liability on a net basis.

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

Deferred income taxes

Deferred income tax is recognised using Balance sheet approach. Deferred income tax assets and liabilities are recognised for the deductible and taxable temporary differences arising between the tax base of an assets and liabilities and their carrying amount.

Deferred tax is not recognised for:

- temporary differences arising on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss at the time of the transaction;
- taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets and liabilities are measured using substantively enacted tax rates expected to apply to taxable income in the years in which the temporary differences are expected to be reversed or settled. Deferred tax asset are recognised to the extent that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilised. The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

The carrying amount of deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable sufficient taxable profit will be available to allow part of deferred income tax assets to be utilised. At each reporting date, the company re-assesses unrecognized deferred tax assets. It recognizes unrecognized deferred tax asset to the extent that it has become reasonably certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realized.

10 Goods and services tax input credit

Goods and services tax input credit is recognised in the books of account in the period in which the supply of goods or service received is recognised and when there is no uncertainty in availing/utilising the credits.

Expenses and assets are recognised net of the goods and services tax/value-added taxes paid, except:

- When the tax incurred on a purchase of assets or receipt of services is not recoverable from the taxation authority, in which case, the tax paid is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable.
- When receivables and payables are stated with the amount of tax included

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The net amount of tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

11 Property plant and equipment (including Capital Work-in-Progress) and Intangible assets

PPE is recognised when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably

Recognition and measurement

Property, plant and equipment and intangible assets are measured at cost, less accumulated depreciation and accumulated impairment losses, if any.

Cost of an item of property, plant and equipment comprises its purchase price(after deducting trade discounts and rebates) including import duties and non-refundable taxes, any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located.

Intangible assets are initially measured at cost. Subsequently, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses, if any.

Subsequent expenditure

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company. All other expenditure is recognized in the Statement of Profit and Loss as incurred.

Depreciation/Amortisation

Depreciation on Property, plant and equipment is provided on a straight-line basis as per the estimated useful life of the assets as determined by the management, which is in line with Schedule II of the Companies Act, 2013 except for certain assets as stated below.

	Useful life estimated by the Company (in years)	Useful life as per Schedule II (in years)
Computer Server and Other Accessories *	4	6
Computer Desktop and Laptops *	3	3
Furniture and Fixtures *	5	10
Office Equipment's *	5	5
Handheld devices *	2	5
Vehicles *	4	8

** Useful life of the assets has been assessed based on internal assessment, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, history of replacement, anticipated technological changes, manufacturers warranties and maintenance support, etc.*

Depreciation/Amortization method, useful life and residual value are reviewed at each financial year end and adjusted if required. Depreciation/Amortization on addition/disposable is provided on a pro-rata basis i.e from/upto the date on which asset is ready to use/disposed off except assets valued less than ₹5,000. Changes in the expected useful life are accounted for by changing the amortisation period or methodology, as appropriate, and treated as changes in accounting estimates. All assets costing up to ₹5,000 are depreciated fully in the year of capitalization.

Leasehold improvements are amortized over the period of the lease subject to a maximum lease period of 66 months.

Intangible assets are amortized using the straight line method over a period of five years commencing from the date on which such asset is first installed.

Derecognition

Property, plant and equipment is derecognised on disposal or when no future economic benefits are expected from its use. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is recognised in other income/ expense in the statement of profit and loss in the year the asset is derecognised. The date of disposal of an item of property, plant and equipment is the date the recipient obtains control of that item in accordance with the requirements for determining when a performance obligation is satisfied in Ind AS 115.

The cost and related accumulated depreciation are eliminated from the financial statements upon sale or retirement of the asset and the resultant gains or losses are recognized in the Statement of Profit and Loss. Assets to be disposed off are reported at the lower of the carrying value or the fair value less cost to sell.

12 Impairment on Non-financial Assets

The carrying amount of the non-financial assets other than deferred tax are reviewed at each Balance Sheet date if there is any indication of impairment based on internal /external factors. For the purpose of assessing impairment, the smallest identifiable group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets is considered as a cash generating unit.

The Company reviews at each reporting date, whether there is any indication that the loss has decreased or no longer exists. A previously recognised impairment loss is increased or reversed depending on changes in circumstances. However, the carrying value after reversal is not increased beyond the carrying value that would have prevailed by charging usual depreciation / amortisation if there were no impairment.

NOTES TO FINANCIAL STATEMENTS

for the year ended 31 March, 2025

If any indication of impairment exists, an estimate of the recoverable amount of the individual asset/cash generating unit is made. The recoverable amount of the assets/ Cash generating unit is estimated as the higher of net selling price and its value in use. Asset/cash generating unit whose carrying value exceeds their recoverable amount is written down to the recoverable amount by recognising the impairment loss as an expense in the Statement of Profit and Loss. After impairment, depreciation / amortisation is provided on the revised carrying amount of the asset over its remaining useful life.

13 Employee Benefits

Short-term employee benefits

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised during the year when the employees render the service. These benefits include performance incentive and compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related service.

Defined Contribution Plans

Contributions to defined contribution schemes includes employees' state insurance, superannuation scheme, employee pension scheme. A defined contribution plan is a post-employment benefit plan under which the Company pays fixed contributions into an account with a separate entity and has no legal or constructive obligation to pay further amounts. The Company makes specified periodic contributions to the credit of the employees' account with the Employees' Provident Fund Organisation. Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in the Statement of Profit and Loss in the periods during which the related services are rendered by employees.

Defined Benefit Plans

Gratuity

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Company's net obligation in respect of defined benefit plans is calculated by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of the defined benefit obligation is performed periodically by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Company, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan ('the asset ceiling'). In order to calculate the present value of economic benefits, consideration is given to any minimum funding requirements.

Re-measurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised in Other Comprehensive Income ('OCI'). The Company determines the net interest expense /income on the net defined benefit liability/asset for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then net defined benefit liability/asset, taking into account any changes in the net defined benefit liability / asset during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in the Statement of Profit or Loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service ('past service cost' or 'past service gain') or the gain or loss on curtailment is recognised immediately in the Statement of Profit or Loss. The Company recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

Other long term employee benefits

The Company's net obligation in respect of long-term employee benefits other than post-employment benefits, which do not fall due wholly within 12 months after the end of the period in which the employees render the related services, is the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value, and the fair value of any related assets is deducted. The obligation is measured on the basis of an independent actuarial valuation using the projected unit credit method. Remeasurements gains or losses are recognised as profit or loss in the period in which they arise.

Share Based Payment (Stock Appreciation Rights)

For cash-settled share based payments, the fair value of the amount payable to employees is recognised as 'employee benefit expenses' with a corresponding increase in liabilities, over the vesting period on straight line basis. The liability is re-measured at each reporting period up to, and including the settlement date, with changes in fair value recognised in employee benefits expenses. Refer Note 40 for details.

14 Provisions (other than for employee benefits), contingent liabilities, contingent assets and commitments

A provision is recognized when an enterprise has a present legal or constructive obligation as a result of past event and it

NOTES TO FINANCIAL STATEMENTS

for the year ended 31 March, 2025

is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

Contingent assets are neither recognized nor disclosed in the financial statements. However, it is disclosed only when an inflow of economic benefits is highly probable.

The Company operates in a regulatory and legal environment that, by nature, has inherent litigation risk to its operations and in the ordinary course of the Company's business. Given the subjectivity and uncertainty of determining the probability and amount of losses, the Company takes into account a number of factors including legal advice, the stage of the matter and historical evidence from similar incidents.

Commitments include the amount of purchase order (net of advances) issued to the counterparties for supplying/ development of asset and amount of undisbursed portfolio loans.

Provisions, contingent assets, contingent liabilities and commitments are reviewed at each reporting date.

Commitments

Commitments are future liabilities for contractual expenditure, classified and disclosed as follows:

a) Estimated amount of contracts remaining to be executed on capital account and not provided for;

b) Other non-cancellable commitments, if any

15 Earnings per share

The Company reports basic and diluted earnings per share in accordance with Ind AS 33 on Earnings per share. Basic earnings per share are computed by dividing profit after tax (excluding other comprehensive income) attributable to the equity shareholders by the weighted average number of equity shares outstanding during the year.

Diluted earnings per share are computed by dividing profit after tax (excluding other comprehensive income) attributable to the equity shareholders as adjusted for dividend, interest and other charges to expense or income relating to the dilutive potential equity shares, by the weighted average number of shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the profit per share.

16 Operating Segments

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker ('CODM'). The CODM's function is to allocate the resources of the Company and assess the performance of the operating segments of the Company.

NOTES TO FINANCIAL STATEMENTS

for the year ended 31 March, 2025

17 Dividend on equity shares

The Company recognizes a liability to make cash distributions to equity holders when the distribution is authorized and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution is authorized when it is approved by the shareholders except in case of interim dividend. A corresponding amount is recognized directly in equity.

18 Trade receivables

These amounts represent receivable for goods and services provided by the company. Trade receivables are presented as financial asset. They are measured at amortised cost, using the effective interest method, less any impairment loss. An allowance for impairment of trade receivable is established if the collection of the receivable becomes doubtful.

19 Events after reporting date

Where events occurring after the balance sheet date provide evidence of conditions that existed at the end of the reporting period, the impact of such events is adjusted within the financial statements. Otherwise, events after the balance sheet date of material size or nature are only disclosed.

20 Financial Guarantees

Financial guarantees given are initially recognised in the financial statements at fair value, being the premium received. Subsequent to initial recognition, the Company's liability under each guarantee is measured at the higher of the amount initially recognised less cumulative amortisation recognised in the statement of profit and loss. The premium is recognised in the statement of profit and loss on a straight-line basis over the life of the guarantee.

Financial guarantees received are recognised in the financial statements at fair value of the premium paid. In case of guarantees received without consideration from group companies, the fair value of premium payable over the life of the guarantee is recognised as deemed investment. The fair value of premium is recognised as expense in the statement of profit and loss on a straight-line basis over the life of the guarantee.

(D) Recent accounting developments

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. For the year ended 31 March, 2025, MCA has notified below new standards or amendments to the existing standards applicable to the Company.

MCA has notified Ind AS – 117 Insurance contracts and amendments to Ind AS 116 – Leases, relating to sale and leaseback transactions, applicable to the Company w.e.f. 1 April, 2024. The Company has reviewed the new pronouncements based on its evaluation has determined that it does not have any significant impact in its financial statements.

NOTES TO FINANCIAL STATEMENTS

for the year ended 31 March, 2025

2 Cash and Cash Equivalents

(₹ lakhs)

Particulars	As at 31 March, 2025	As at 31 March, 2024
Cash on hand	85	55
Balances with banks		
- in current accounts	17,171	8,162
- in fixed deposit with original maturity less than 3 months	41,954	24,521
Cheques, drafts on hand	686	933
Total	**59,896**	**33,671**

3 Bank Balances Other than Cash and Cash Equivalents

(₹ lakhs)

Particulars	As at 31 March, 2025	As at 31 March, 2024
In Deposits accounts- with original maturity of more than 3 months*	800	799
Total	**800**	**799**

** Includes deposit with bank kept as lien or guarantee as detailed below:*

1) *Deposits amounting to ₹26 lakhs (31 March, 2024: ₹25 lakhs) pertain to collateral deposits towards recovery expense fund (REF) with NSE in the interest of investors.*

2) *All secured NCDs issued by the Company are secured by first pari-passu charge on the Company's immovable property at Chennai and by hypothecation of book debts / loan receivables and by fixed deposit with the banks to the extent of shortfall in asset cover as mentioned in respective information memorandum.*

3) *Deposits amounting to ₹6 lakhs (31 March, 2024: ₹5 lakhs) pertain to lien towards WCDL.*

4) *Deposits amounting to ₹767 lakhs (31 March, 2024: ₹768 lakhs) pertain to loss guarantee provided by the Company under the securitization agreements..*

5) *Deposits amounting to ₹1 lakh (31 March, 2024: ₹1 lakh) pertain to lien towards NACH Migration.*

4 Derivative Financial instruments

(₹ lakhs)

Particulars	As at 31 March, 2025			For the year ended 31 March, 2025	
	Notional amount	Fair value assets	Fair value liabilities	Hedging (gains) or losses recognised in other comprehensive income	Hedge ineffectiveness recognised in statement of profit and loss
Interest rate derivatives/Cross currency swap					
- Cross Currency Swaps					
USD	86,113	117	1,261	(177)	-
Total Derivative financial instruments	**86,113**	**117**	**1,261**	**(177)**	**-**

(₹ lakhs)

Particulars	As at 31 March, 2024			For the year ended 31 March, 2024	
	Notional amount	Fair value assets	Fair value liabilities	Hedging (gains) or losses recognised in other comprehensive income	Hedge ineffectiveness recognised in statement of profit and loss
Interest rate derivatives/Cross currency swap					
- Cross Currency Swaps	-	-	-	-	-
USD					
Total Derivative financial instruments	**-**	**-**	**-**	**-**	**-**

NOTES TO FINANCIAL STATEMENTS

for the year ended 31 March, 2025

Notes:

1. *All financial derivate instruments are held for cashflow hedging as part of risk management strategy, these derivative instruments are designated at Fair value through OCI.*
2. *Hedge ineffectiveness is accounted under finance cost in Statement of profit and loss.*
3. *Qualitative Disclosure:-*

   All hedging activities,if any are carried out by treasury department possessing the appropriate skills, experience and supervision. The Company's activities expose it to the financial risks of changes in foreign exchange rates and Interest rate. The Company uses derivative contracts to hedge its exposure to movements in foreign exchange and Interest rate. The use of these derivative contracts reduce the risk or cost to the Company. The Company's policy is to hedge the exposure by taking derivative instruments and not for trading in derivatives for speculative purposes.

   The Company has a risk management policy to enter into derivatives to manage the risk associated with external commercial borrowings. The following table highlights the key aspects of the policy:

   a) *Derivative instruments are elected and governed by risk management policy approved by the Board;*
   b) *The Company has fully hedged the risk on account of foreign currency fluctuation and change in interest rate towards external commercial borrowing;*
   c) *Market/Price risk arising from the fluctuations of interest rates and foreign exchange rates or from other factors shall be closely monitored and controlled and reported in ALCO.*
   d) *The Company has a hedging policy in place which mandates to have a hedge relation established before a derivative transaction is entered into. The Company ensures that the hedging effectiveness is monitored continuously during the life of the derivative contract;*
   e) *The Company has put in place accounting policy covering recording hedge and non-hedge transactions, recognition of income, premiums and discounts; valuation of outstanding contracts; provisioning and credit risk mitigation.*

5 Investments

(₹ lakhs)

Particulars	As at 31 March, 2025	As at 31 March, 2024
Measured at fair value through profit and loss		
Quoted: T-bills	41,041	20,782
Unquoted: Certificate of deposits	-	4,951
Total	**41,041**	**25,733**
Investments within India	41,041	25,733
Investments Outside India	-	-

6 Trade Receivables

(₹ lakhs)

Particulars	As at 31 March, 2025	As at 31 March, 2024
Receivables considered good- Unsecured	174	208
Less: Provision for impairment*	-	-
Total	**174**	**208**

**No receivables which have significant increase in credit risk /credit impaired.*

No trade receivable are due from directors or other officers of the Company either severally or jointly with any other person. Also, no trade or other receivables are due from firms or private companies respectively in which any director is a partner, a director or a member.

NOTES TO FINANCIAL STATEMENTS

for the year ended 31 March, 2025

(A) Trade Receivables ageing schedule as on 31 March, 2025

(₹ lakhs)

Particulars	Unbilled Dues	Outstanding for following periods from date of transaction					Total
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	-	174	-	-	-	-	174
(ii) Undisputed Trade Receivables – considered doubtful	-	-	-	-	-	-	-
(iii) Disputed Trade Receivables considered good	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables considered doubtful	-	-	-	-	-	-	-

(B) Trade Receivables ageing schedule as on 31 March, 2024

(₹ lakhs)

Particulars	Unbilled Dues	Outstanding for following periods from date of transaction					Total
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	-	208	-	-	-	-	208
(ii) Undisputed Trade Receivables – considered doubtful	-	-	-	-	-	-	-
(iii) Disputed Trade Receivables considered good	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables considered doubtful	-	-	-	-	-	-	-

7 Loans and Advances

(₹ lakhs)

Particulars	As at 31 March, 2025		As at 31 March, 2024	
	At Amortised cost	At FVOCI	At Amortised cost	At FVOCI
Portfolio Loan*	997,941	-	725,765	70,695
Gross loans	**997,941**	**-**	**725,765**	**70,695**
Less- Impairment allowance	(13,875)	-	(15,326)	(402)
Net loans	**984,066**	**-**	**710,440**	**70,292**
(i) Secured by tangible assets	997,887	-	725,509	70,695
(ii) Secured by intangible assets	-	-	-	-
(iii) Covered by Bank/Government Guarantees**	54	-	256	-
(iv) Unsecured	-	-	-	-
Gross loans	**997,941**	**-**	**725,765**	**70,695**
Less: Impairment loss allowance	(13,875)	-	(15,326)	(402)
Net loans	**984,066**	**-**	**710,440**	**70,292**
Loans to public sector	-	-	-	-
Loans to others	**984,066**	**-**	**710,440**	**70,292**

**Note:*

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

*** Secured loans given to customers are secured by equitable mortgage of property. Loans secured by Government Guarantee are credit facilities provided under the Emergency Credit Line Guarantee Scheme provided by Government of India.*

NOTES TO FINANCIAL STATEMENTS

for the year ended 31 March, 2025

8 Other Financial Assets

(₹ lakhs)

Particulars	As at 31 March, 2025	As at 31 March, 2024
Security Deposits- Considered Good and Unsecured	487	434
Interest Accrued on Investment	308	144
Interest strip asset on assignment	15,465	9,610
Others	591	80
Total	**16,851**	**10,268**

9 Current Tax Assets

(₹ lakhs)

Particulars	As at 31 March, 2025	As at 31 March, 2024
Advance tax (net of provision)	-	547
Total	**-**	**547**

10 Deferred Tax Assets (Net)

(₹ lakhs)

Particulars	As at 31 March, 2025	As at 31 March, 2024
Deferred tax asset arising on account of:		
Disallowance U/s 43B of Income Tax Act, 1961	411	233
Timing difference between book depreciation and Income Tax Act, 1961	136	134
Impairment on financial assets	3,492	3,958
Adjustment pertaining to income and expenses on financial assets recognised based on effective interest rate	293	275
Provision for expenses	528	705
Impact on account of lease liabilities	1,777	1,675
Derivatives designated at Cash Flow Hedge	45	-
MTM on Investments	6	2
Total deferred tax assets (A)	**6,688**	**6,982**
Deferred tax liability arising on account of :		
Impact on account of right to use asset	1,528	1,499
Adjustment pertaining to income and expenses on Financial liabilities recognised based on effective interest rate	527	411
Special Reserve created as per section 29C of NHB Act, 1987 and claimed as deduction u/s 36 (1) (viii) of Income Tax Act, 1961	1,009	569
Total deferred tax liabilities (B)	**3,064**	**2,479**
Deferred tax assets (net) (A-B)	**3,624**	**4,503**

NOTES TO FINANCIAL STATEMENTS

for the year ended 31 March, 2025

11 Other Non-financial Assets

(₹ lakhs)

Particulars	As at 31 March, 2025	As at 31 March, 2024
Goods and service tax recoverable	237	51
Prepayments	1,401	1,206
Capital advances	2	4
Advances to employees	6	6
Deferred Guarantee Commission	661	1,000
Others	1,162	861
Total	**3,469**	**3,128**

12 Property, Plant and Equipment

(₹ lakhs)

Particulars	Office Equipments	Furniture & Fixtures	Computers & Accessories	Leasehold Improvements	Vehicles	Land & Building*	Total
Gross block							
Balance as at 31 March, 2023	**213**	**687**	**788**	**470**	**186**	**6**	**2,350**
Additions	98	400	481	199	118	-	1,296
Deletions	(1)	-	(86)	-	-	-	(87)
Balance as at 31 March, 2024	**310**	**1,087**	**1,183**	**669**	**304**	**6**	**3,559**
Additions	129	512	491	378	313	-	1,823
Deletions	(35)	(98)	(57)	(60)	(47)	-	(297)
Balance as at 31 March, 2025	**404**	**1,501**	**1,617**	**987**	**570**	**6**	**5,085**
Accumulated depreciation							
Balance as at 31 March, 2023	133	412	464	254	18	-	1,282
Depreciation charge	46	172	230	96	62	-	606
Deletions	(1)	-	(86)	-	-	-	(87)
Balance as at 31 March, 2024	**178**	**584**	**608**	**351**	**80**	**-**	**1,801**
Depreciation charge	51	233	395	128	104	-	911
Deletions	(31)	(96)	(57)	(59)	(23)	-	(266)
Balance as at 31 March, 2025	**198**	**721**	**946**	**420**	**161**	**-**	**2,446**
Net block							
Balance as at 31 March, 2024	**132**	**503**	**575**	**319**	**224**	**6**	**1,758**
Balance as at 31 March, 2025	**206**	**780**	**671**	**567**	**409**	**6**	**2,639**
Capital Work-in-Progress (CWIP)							
Balance as at 31 March, 2024							-
Balance as at 31 March, 2025							**-**

** Pledged as security against secured non convertible debenture*

Notes:

1) As per management assessment there are no probable scenario in which the recoverable amount of asset would decrease below the carrying amount of asset. Consequently no impairment required.

2) The title deeds, comprising all the immovable properties (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee) classified as Property Plant and Equipment, are held in the name of the Company.

NOTES TO FINANCIAL STATEMENTS

for the year ended 31 March, 2025

13 Right-of-Use Assets

(₹ lakhs)

Particulars	As at 31 March, 2025	As at 31 March, 2024
Right-of-use assets (Refer Note 44)	6,100	5,968
Total	**6,100**	**5,968**

14 Other Intangible Assets

(₹ lakhs)

Particulars	Computer Software	Total
Gross block		
Balance as at 31 March, 2023	480	480
Additions	76	76
Deletions	-	-
Balance as at 31 March, 2024	**556**	**556**
Additions	719	719
Deletions	-	-
Balance as at 31 March, 2025	**1,275**	**1,275**
Amortisation		
Balance as at 31 March, 2023	255	255
Amortisation	86	86
Deletions	-	-
Balance as at 31 March, 2024	**341**	**341**
Amortisation	164	164
Deletions	-	-
Balance as at 31 March, 2025	**505**	**505**
Net block		
Balance as at 31 March, 2024	**215**	**215**
Balance as at 31 March, 2025	**770**	**770**
Intangibles under development		
Balance as at 31 March, 2024	**170**	**170**
Balance as at 31 March, 2025	**-**	**-**

Ageing of Intangibles under Development

(₹ lakhs)

CWIP	As on 31 March, 2025					As on 31 March, 2024				
	Amount in CWIP for a period of				Total	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years		Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress*	-	-	-	-	-	120	50	-	-	170
Projects temporarily suspended	-	-	-	-	-	-	-	-	-	-

** Cost is within the agreed commercial & target timeline.*

NOTES TO FINANCIAL STATEMENTS

for the year ended 31 March, 2025

14 Trade Payables

(₹ lakhs)

Particulars	As at 31 March, 2025	As at 31 March, 2024
Dues to micro enterprises and small enterprises (refer note 45 for dues to Micro, Small and Medium enterprise)	713	591
Dues to creditors other than micro enterprises and small enterprises	2,740	3,168
Total	**3,453**	**3,759**

(A) Trade Payable Ageing Schedule as on 31 March, 2025

(₹ lakhs)

Particulars	Unbilled Dues	Outstanding for following periods from transaction				
		Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	676	37				713
(ii) Others	2,156	576	2	5	1	2,740
(iii) Disputed dues – MSME	-	-	-	-	-	-
(iv) Disputed dues – Others	-	-	-	-	-	-

(B) Trade Payable Ageing Schedule as on 31 March, 2024

(₹ lakhs)

Particulars	Unbilled Dues	Outstanding for following periods from transaction				
		Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	447	142	2	-	-	591
(ii) Others	2,715	443	8	2	-	3,168
(iii) Disputed dues – MSME	-	-	-	-	-	-
(iv) Disputed dues – Others	-	-	-	-	-	-

16 Debt Securities

(₹ lakhs)

Particulars	As at 31 March, 2025	As at 31 March, 2024
At amortised cost		
Non-convertible debentures (secured)*	238,153	212,138
Total	**238,153**	**212,138**
Debt securities within India	238,153	212,138
Debt securities Outside India	-	-

**All secured NCDs issued by the Company are secured by first pari-passu charge on the Company's immovable property at Chennai and of book debts / loan receivables and by fixed deposit with the banks to the extent of shortfall in asset cover as mentioned in respective information memorandum.*

The funds raised by the Company during the year by issue of Secured Non Convertible Debentures were utilised for the purpose intended as mentioned in information memorandum of respective issuance.

NOTES TO FINANCIAL STATEMENTS

for the year ended 31 March, 2025

17 Subordinated Liabilities

(₹ lakhs)

Particulars	As at 31 March, 2025	As at 31 March, 2024
At amortised cost		
Non-convertible debentures (unsecured)*	25,357	25,315
Total	**25,357**	**25,315**
Subordinated liabilities within India	25,357	25,315
Subordinated liabilities Outside India	-	-

* *The funds raised by the Company during the year by issue of Subordinated liabilities were utilised for the purpose intended as mentioned in information memorandum of respective issuance.*

18 Borrowings

(₹ lakhs)

Particulars	As at 31 March, 2025	As at 31 March, 2024
At amortised cost		
Term loans from bank (secured)*	609,374	424,722
External Commercial Borrowings (Secured)	42,636	-
Other Loans		
Commercial papers (unsecured)	4,950	-
Borrowing through Pass Through Certificate (PTC)	6,277	8,622
Total	**663,237**	**433,344**
Borrowings within India	620,601	433,344
Borrowings Outside India	42,636	-

(a) Nature of securities and terms of repayment for borrowings

* Term loan from banks & working capital demand loan are secured by first pari passu charge over all loan receivables. Refinance from National Housing Bank ('NHB') which is secured by first and exclusive charge on the receivable offered as security.

The funds raised by the Company during the year from borrowings were utilised for the purpose intended as mentioned in respective sanction terms.

The ECBs are secured against first pari passu charge over all loan receivables and are hedged through currency swaps & interest rate swaps as per the applicable RBI guidelines.

(b) Net Debt Reconciliation

(₹ lakhs)

Particulars	As at 31 March, 2025	As at 31 March, 2024
Borrowings	663,237	433,344
Debt securities (including Subordinated liabilities)	263,510	237,453
Less: Cash and cash equivalents	(59,896)	(33,671)
Net Debt	**866,851**	**637,126**

NOTES TO FINANCIAL STATEMENTS

for the year ended 31 March, 2025

Details of terms of contractual principal redemption/repayment in respect of debt securities and borrowing.

(A) Debt Securities as on 31 March, 2025

(₹ lakhs)

Original maturity of loan	Rate of Interest	Due within 1 year	Due 1 to 2 years	Due 2 to 3 years	More than 3 years	Total
Issued at par and redeemable at par						
2-3 years	08% - 09%	30,000	54,500	40,000	-	124,500
3-4 years	08% - 09%	8,670	-	-	-	8,670
More than 4 years	08% - 09%	-	-	-	-	-
	09% - 11%	2,500	-	-	-	2,500
Issued at premium and redeemable at par						
2-3 years	08% - 09%	-	35,000	57,500	-	92,500
Debt Issued at discount and redeemable at par						-
2-3 years	08% - 09%	-	-	-	-	-
Total		**41,170**	**89,500**	**97,500**	**-**	**228,170**

(B) Subordinated Debt as on 31 March, 2025

(₹ lakhs)

Original maturity of loan	Rate of Interest	Due within 1 year	Due 1 to 2 years	Due 2 to 3 years	More than 3 years	Total
More than 3 years	07% - 08%	-	-	-	6,500	6,500
	08% - 09%	-	-	-	18,000	18,000
Total		**-**	**-**	**-**	**24,500**	**24,500**

(C) Debt Securities as on 31 March, 2024

(₹ lakhs)

Original maturity of loan	Rate of Interest	Due within 1 year	Due 1 to 2 years	Due 2 to 3 years	More than 3 years	Total
Issued at par and redeemable at par						
2-3 years	08%- 09%	42,500	30,000	54,500	-	127,000
3-4 years	08%- 09%	10,000	8,670	-	-	18,670
More than 4 years	08%- 09%	12,100	-	-	-	12,100
	09%- 11%	-	2,500	-	-	2,500
Issued at premium and redeemable at par						-
2-3 years	08%- 09%	-	-	35,000		35,000
Debt Issued at discount and redeemable at par						-
3-4 years	05%- 07%	9,900	-	-	-	9,900
Total		**74,500**	**41,170**	**89,500**	**-**	**205,170**

(D) Subordinated Debt as on 31 March, 2024

(₹ lakhs)

Original maturity of loan	Rate of Interest	Due within 1 year	Due 1 to 2 years	Due 2 to 3 years	More than 3 years	Total
More than 3 years	07%- 08%	-	-	-	6,500	6,500
	08%- 09%	-	-	-	18,000	18,000
Total		**-**	**-**	**-**	**24,500**	**24,500**

NOTES TO FINANCIAL STATEMENTS

for the year ended 31 March, 2025

(E) Borrowings as on 31 March, 2025

Original maturity of loan	Rate of Interest	Due within 1 year		Due 1 to 2 years		Due 2 to 3 years		More than 3 years		Total
		No. of instalments	₹ lakhs	No. of instalments	₹ lakhs	No. of instalments	₹ lakhs	No. of instalments	₹ lakhs	₹ lakhs
Monthly repayment schedule										
More than 4 years	08% - 09%	27	2,089	12	714	9	536	-	-	3,339
Quarterly repayment schedule										
2-3 years	08% - 09%	6	9,000	5	9,250	4	8,000	-	-	26,250
	09% - 11%	-	-	-	-	-	-	-	-	-
3-4 years	07% - 08%	3	1,500	-	-	-	-	-	-	1,500
	08% - 09%	12	6,000	12	6,000	12	6,000	5	2,750	20,750
More than 4 years	05% - 07%	12	2,508	16	3,344	16	3,344	56	10,354	19,550
	07% - 08%	21	8,700	22	9,200	20	8,200	23	9,750	35,850
	08% - 09%	73	25,670	95	39,529	95	40,179	324	112,595	217,972
	09% - 11%	4	6,249	-	-	-	-	-	-	6,249
Half yearly repayment schedule										
2-3 years	08% - 09%	1	3,750	-	-	-	-	-	-	3,750
2-3 years	08% - 09%	2	8,750	1	1,250	-	-	-	-	10,000
3-4 years	08% - 09%	2	4,000	-	-	-	-	-	-	4,000
	09% - 11%	3	2,494	-	-	-	-	-	-	2,494
More than 4 years	08% - 09%	48	48,554	43	50,971	39	52,554	95	91,841	243,919
	09% - 11%	3	3,056	3	3,889	2	2,222	-	-	9,167
Bullet repayment schedule										
2-3 years	08% - 09%			1	4,996					4,996
Total		**217**	**132,320**	**210**	**129,143**	**197**	**121,035**	**503**	**227,290**	**609,786**

Original maturity of PTC	Rate of Interest	Due within 1 year		Due 1 to 2 years		Due 2 to 3 years		More than 3 years		Total
		No. of instalments	₹ lakhs	No. of instalments	₹ lakhs	No. of instalments	₹ lakhs	No. of instalments	₹ lakhs	₹ lakhs
Monthly repayment schedule										
More than 4 years	8%	12	849	12	904	12	960	41	3,599	6,313

Original maturity of CP	Rate of Interest*	Due within 1 year		Due 1 to 2 years		Due 2 to 3 years		More than 3 years		Total
		No. of instalments	₹ lakhs	No. of instalments	₹ lakhs	No. of instalments	₹ lakhs	No. of instalments	₹ lakhs	₹ lakhs
Monthly repayment schedule										
< 1 year	7.6%	1	5,000	-	-	-	-	-	-	5,000

Note: ₹ Nil in year ended 31 March, 2024.

NOTES TO FINANCIAL STATEMENTS

for the year ended 31 March, 2025

(F) Borrowings as on 31 March, 2024

Original maturity of loan	Rate of Interest*	Due within 1 year		Due 1 to 2 years		Due 2 to 3 years		More than 3 years		Total
		No. of instalments	₹ lakhs	No. of instalments	₹ lakhs	No. of instalments	₹ lakhs	No. of instalments	₹ lakhs	₹ lakhs
Monthly repayment schedule										
More than 4 years	9%- 11%	36	3,214	27	2,089	12	714	9	536	6,553
Quarterly repayment schedule										
2-3 years	08%- 09%	1	1,250	4	5,000	1	1,250			7,500
	09%- 11%	4	2,000	-	-	-				2,000
3-4 years	07%- 08%	-	-	-	-	-	-	-	-	-
	08%- 09%	12	7,750	7	3,500	2	1,000	-	-	12,250
More than 4 years	05%- 07%	3	1,635	4	2,180	4	2,180	11	8,160	14,155
	08%- 09%	57	19,481	60	22,665	57	20,040	155	55,283	117,469
	09%- 11%	8	3,668	8	3,668	8	3,668	26	5,463	16,467
Half yearly repayment schedule										
2-3 years	08%- 09%	5	12,558	5	17,832	3	8,252	-	-	38,642
3-4 years	08%- 09%	6	16,500	5	6,500	-	-	-	-	23,000
More than 4 years	08%- 09%	23	22,462	36	40,120	30	41,831	31	81,802	186,215
	09%- 11%	1	417	-	-	-			-	417
Total		**156**	**90,935**	**156**	**103,554**	**117**	**78,936**	**232**	**151,244**	**424,668**

Original maturity of PTC	Rate of Interest*	Due within 1 year		Due 1 to 2 years		Due 2 to 3 years		More than 3 years		Total
		No. of instalments	₹ lakhs	No. of instalments	₹ lakhs	No. of instalments	₹ lakhs	No. of instalments	₹ lakhs	₹ lakhs
Monthly repayment schedule										
More than 4 years	8%	12	791	12	849	12	904	68	6,121	8,665

(G) External Commercial Borrowings as at 31 March, 2025

Original maturity of loan (in no. of days)	Rate of Interest	No. of instalments	In lakhs
Bullet repayment schedule			
3-4 years	SOFR plus spread 1.1%	1	USD 500

Note: ₹ Nil in year ended 31 March, 2024.

Particulars of Secured Redeemable Non-convertible Debentures:

Particulars	Face value (₹ lakhs)	Quantity	Date of Redemption	As at 31 March, 2025 (₹ lakhs)	As at 31 March, 2024 (₹ lakhs)
FRB (linked to 3 month T-bills plus spread of 2.25 %) Series 17	10	1,000	13 December, 2024	-	10,000
FRB (linked to 3 month T-bills plus spread of 2.25 %) Series-17 Reissuance I	10	990	13 December, 2024	-	9,900
8.65% Series-12	10	1,210	12 February, 2025	-	12,100
8.40% Series-20	10	3,500	21 March, 2025	-	35,000
8.30% Series-21	10	750	28 March, 2025	-	7,500
8.10% Series-18	10	2,000	25 May, 2025	20,000	20,000
9.25% Series-9	10	250	8 August, 2025	2,500	2,500
8.20% Series-19	10	117	7 November, 2025	1,170	1,170
8.40% Series-21	10	1,000	26 December, 2025	10,000	10,000
8.45% Series-22	1	7,500	9 February, 2026	7,500	7,500
8.35% Series-23	1	35,000	15 May, 2026	35,000	35,000
8.15% Series-24	1	12,000	4 September, 2026	12,000	12,000
8.35% Series-25	1	42,500	15 January, 2027	42,500	42,500
8.25% Series-26	1	20,000	28 May, 2027	20,000	-
8.07% Series-27	1	20,000	10 September, 2027	20,000	-
8.07% Series-27 Re-issuance 1	1	37,500	10 September, 2027	37,500	-
8.16% Series-28	1	20,000	29 October, 2027	20,000	-
Total				**228,170**	**205,170**

NOTES TO FINANCIAL STATEMENTS

for the year ended 31 March, 2025

Particulars of Unsecured Non-convertible Debentures:

(₹ lakhs)

Particulars	Face value (₹ lakhs)	Quantity	Date of Redemption	As at 31 March, 2025	As at 31 March, 2024
8.5% Sub-debt-1	10	300	7 June, 2030	3,000	3,000
7.63% Sub-debt-2	10	400	1 January, 2031	4,000	4,000
7.7% Sub-debt-3	100	25	12 August, 2031	2,500	2,500
8.4% Sub-debt-4	100	100	22 July, 2032	10,000	10,000
8.4% Sub-debt-5	100	50	12 August, 2032	5,000	5,000
Total				**24,500**	**24,500**

19 Other Financial Liabilities

(₹ lakhs)

Particulars	As at 31 March, 2025	As at 31 March, 2024
Employee benefits and other payables	4,310	4,670
Book overdraft*	7,337	71,260
Payable towards asset assignment / securitisation	4,706	3,577
Lease liabilities	7,062	6,656
Others**	4,251	3,332
Total	**27,666**	**89,495**

** Book overdraft represents cheque issued towards disbursement to borrowers but not presented to banks as on 31 March, 2025.*

*** Others includes expense accruals amounting to ₹1,561 lakhs (As at 31 March, 2024 ₹2,250 lakhs)*

20 Current tax liabilities (net)

(₹ lakhs)

Particulars	As at 31 March, 2025	As at 31 March, 2024
Provision for income tax (net of advance tax)	12	-
Total	**12**	**-**

21 Provisions

(₹ lakhs)

Particulars	As at 31 March, 2025	As at 31 March, 2024
Provision for compensated absences (Refer Note 38C)	606	473
Provision for defined benefit plans (Refer Note 38B)	23	84
Provision for code on social security (Refer Note 21.1 & 39)	-	439
Provision for future litigation (Refer Note 21.1)	681	674
Total	**1,310**	**1,670**

21.1 Provision for future litigation & code on social security

(₹ lakhs)

Particulars	Provision for code on social security		Provision for future litigation	
	As at 31 March, 2025	As at 31 March, 2024	As at 31 March, 2025	As at 31 March, 2024
Opening	439	285	674	550
Addition	42	154	7	124
Reduction	(481)	-	-	-
Closing	**-**	**439**	**681**	**674**

NOTES TO FINANCIAL STATEMENTS

for the year ended 31 March, 2025

22 Other Non-financial Liabilities

(₹ lakhs)

Particulars	As at 31 March, 2025	As at 31 March, 2024
Statutory dues	568	438
Prepayments from Borrower	622	386
Others	2,121	2,147
Total	**3,311**	**2,971**

23 Equity Share Capital

(₹ lakhs)

Particulars	As at 31 March, 2025	As at 31 March, 2024
Authorised Equity shares Capital	150,000	150,000
1,500,000,000 (31 March, 2024: 1,500,000,000) equity shares of ₹10 each		
Issued, subscribed and fully paid up	37,116	32,622
37,11,63,169 (31 March, 2024: 32,62,22,451) Equity shares of ₹10 each fully paid		

(a) Reconciliation of equity shares outstanding at the beginning and at the end of the reporting period

Particulars	As at 31 March, 2025		As at 31 March, 2024	
	Number of shares	Amount (₹ lakhs)	Number of shares	Amount (₹ lakhs)
Balance at the beginning of the year	326,222,451	32,622	318,482,513	31,848
Add: Shares issued during the year	44,940,718	4,494	7,739,938	774
Balance at the end of the year	**371,163,169**	**37,116**	**326,222,451**	**32,622**

(b) Terms/Right Attached to Equity Shares:

The Company has only one class of equity shares having a par value of ₹10 per share. Each holder of equity shares is entitled to one vote per share.

Any Dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. Dividend is declared and paid in Indian rupees.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all the preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(c) Shares Held by Holding Company

Out of equity shares issued by the Company, shares held by its holding company, ultimate holding company and their subsidiaries/ associates are as below:

Particulars	As at 31 March, 2025		As at 31 March, 2024	
	Number of shares	Amount (₹ lakhs)	Number of shares	Amount (₹ lakhs)
SMFG India Credit Co. Ltd. *(Formerly Fullerton India Credit Co. Ltd.)*, the holding company and its nominees 37,11,63,169 (31 March, 2024: 32,62,22,451) Equity shares of ₹10 each fully paid	371,163,169	37,116	326,222,451	32,622

NOTES TO FINANCIAL STATEMENTS

for the year ended 31 March, 2025

(d) Shareholders holding more than 5% of the shares in the Company

Particulars	As at 31 March, 2025		As at 31 March, 2024	
	Number of shares	% of holding	Number of shares	% of holding
SMFG India Credit Co. Ltd. *(Formerly Fullerton India Credit Co. Ltd.)*, the holding company and its nominees	371,163,169	100.0%	326,222,451	100.0%

(e) Disclosure of Shareholding of Promoters

Particulars	As at 31 March, 2025		As at 31 March, 2024	
	Number of shares	% of holding	Number of shares	% of holding
SMFG India Credit Co. Ltd. *(Formerly Fullerton India Credit Co. Ltd.)*, the holding company and its nominees	371,163,169	100.0%	326,222,451	100.0%

(f) The Company has not issued any bonus shares or shares for consideration other than cash nor has there been any buyback of shares during five years immediately preceding 31 March, 2025.

24 Other Equity

(₹ lakhs)

Particulars	As at 31 March, 2025	As at 31 March, 2024
Capital Reserve	10	10
Securities premium	96,374	55,867
Reserve Fund under Section 29C(i) of the NHB Act, 1987	5,895	3,505
Items of other comprehensive income	(268)	(94)
Deemed Equity Contribution	1,071	1,071
Surplus in the statement of profit and loss	15,589	6,027
Total	**118,671**	**66,386**

(Refer Statement of Change in Equity for the year ended 31 March, 2025 for movement in Other Equity)

Nature and Purpose of Reserves

(i) Capital Reserve

Capital Reserve is created on account of reversal of debenture issue costs charged to securities premium under previous GAAP. The same shall be utilised as per the provisions of Companies Act, 2013.

(ii) Securities Premium

Securities premium is used to record the premium on issue of shares. The reserve can be utilised in accordance with the provisions of the Companies Act, 2013.

(iii) Reserve Fund under Section 29C(I) of the NHB Act, 1987

The Company is required to create a fund by transferring not less than 20% its net profit every year as disclosed in the statement of profit and loss account and before any dividend is declared. The fund shall be utilised for the purpose as may be specified by the National Housing Bank from time to time and every such appropriation shall be reported to the National Housing Bank within 21 days from the date of such withdrawal.

(iv) Retained Earning & Surplus in the statement of profit and loss

Retained earning are profit that the company has earned to date, less any dividend or other distributions paid to the shareholders, net of utiliasation as permitted under applicable law.

NOTES TO FINANCIAL STATEMENTS

for the year ended 31 March, 2025

25 Interest Income

(₹ lakhs)

Particulars	For the year ended 31 March, 2025	For the year ended 31 March, 2024
On Financial assets measured at amortised cost		
On Portfolio Loans	103,969	83,869
On Deposits withs banks	1,308	992
On Financial assets measured at FVOCI		
On Portfolio Loans	7,836	3,774
On Financial assets measured at Fair value through Profit and Loss (FVTPL)		
On Investments	2,088	1,348
Total	**115,201**	**89,983**

26 Fees and Commission Income

(₹ lakhs)

Particulars	For the year ended 31 March, 2025	For the year ended 31 March, 2024
Fees and commission income	4,072	2,635
Total	**4,072**	**2,635**

27.1 Gain/(Loss) on Derecognition of Financial Instruments

(₹ lakhs)

Particulars	For the year ended 31 March, 2025	For the year ended 31 March, 2024
Gain/(Loss) on derecognition of financial assets		
Financial assets measured at amortised cost	3,386	3,824
Financial assets carried at FVOCI	7,080	3,686
Total	**10,466**	**7,510**

27.2 Net Gain on Financial Asset at FVTPL

(₹ lakhs)

Particulars	For the year ended 31 March, 2025	For the year ended 31 March, 2024
On financial instruments designated at fair value through profit or loss		
Realised Gain on Financial instruments	423	425
Unrealised Gain	(23)	(6)
Total	**400**	**419**

28 Ancillary Income

(₹ lakhs)

Particulars	For the year ended 31 March, 2025	For the year ended 31 March, 2024
Other fee income	442	184
Total	**442**	**184**

NOTES TO FINANCIAL STATEMENTS
for the year ended 31 March, 2025

29 Other Income

(₹ lakhs)

Particulars	For the year ended 31 March, 2025	For the year ended 31 March, 2024
Profit on derecognition of property plant and equipment (net)	6	1
Interest on Security Deposits	25	28
Miscellaneous income*	99	101
Total	**130**	**130**

Includes Interest on income tax refund of ₹46 lakhs (FY 2023-24: ₹66 lakhs).

30 Finance Costs

(₹ lakhs)

Particulars	For the year ended 31 March, 2025	For the year ended 31 March, 2024
On financial liabilities measured at amortised cost		
Borrowings	43,634	33,076
Debt securities	22,773	17,008
Interest expense on lease rental liabilities	446	352
Commitment fee and bank charges	1,878	1,281
Total	**68,731**	**51,717**

31 Impairment on Financial Instruments

(₹ lakhs)

Particulars	For the year ended 31 March, 2025	For the year ended 31 March, 2024
Bad debts and Write off (net of recovery)*	5,307	2,758
Expected credit loss on portfolio loans**	(1,853)	(361)
Total	**3,454**	**2,397**

** Bad debts and write offs offset by recovery of ₹4,680 lakhs (FY 2023-24: ₹1,233 lakhs) including realisation from stressed assets sale of ₹3,023 lakhs (FY 2023-24: NIL).*

*** Includes expected credit loss ₹ Nil (FY 2023-24: ₹402 lakhs) for portfolio loans measured at FVOCI.*

32 Employee Benefits Expense

(₹ lakhs)

Particulars	For the year ended 31 March, 2025	For the year ended 31 March, 2024
Salaries, bonus and allowances	23,710	20,268
Share based payment to employee and directors	731	744
Contribution to provident and other funds (refer note 38)	1,198	1,014
Provision for code on social security (refer note 21.1 & 39)	(422)	165
Staff welfare and training expenses	1,464	1,018
Total	**26,681**	**23,209**

NOTES TO FINANCIAL STATEMENTS

for the year ended 31 March, 2025

33 Other Expenses

(₹ lakhs)

Particulars	For the year ended 31 March, 2025	For the year ended 31 March, 2024
Printing and stationery	314	210
Rent	161	83
Rates and taxes	31	26
Legal charges	711	576
Professional charges	4,063	2,739
Courier charges	352	305
Repairs and maintenance		
Office premises	434	363
Others	2	7
Directors' sitting fees	103	182
Travelling expenses	1,187	866
Telecommunication expenses	236	156
Payment to auditor (refer details below)	52	61
Electricity charges	289	179
Security charges	125	142
Recruitment expenses	103	117
Fees and subscription	41	22
Corporate social responsibility expenses as per section 135 (5) of Companies Act, 2013 (refer note 46)	108	30
Resource sharing expenses	4,593	2,743
Miscellaneous expenses	330	552
Write off of Property, plant & equipment and intangible assets	2	-
Total	**13,237**	**9,359**
Professional fees payable to auditors		
Statutory Audit fee	20	20
Limited review	8	7
Tax Audit fee	5	5
In other capacity		
- Certification matter	17	28
- Reimbursement of expenses	2	1
	52	**61**

34 Tax Expense

(a) Amount Recognised in the Statement of Profit and Loss

(₹ lakhs)

Particulars	For the year ended 31 March, 2025	For the year ended 31 March, 2024
Current tax for the year	3,232	2,372
Current tax expense (A)	**3,232**	**2,372**
Deferred taxes for the year		
Change in deferred tax assets	339	(165)
Change in deferred tax liabilities	585	949
Net deferred tax expense (B)	**924**	**784**
Income tax for earlier years (C)	**-**	**-**
Total income tax expense (A+B+C)	**4,156**	**3,156**

NOTES TO FINANCIAL STATEMENTS
for the year ended 31 March, 2025

(b) Amount recognised in Other comprehensive income

(₹ lakhs)

Particulars	For the year ended 31 March, 2025	For the year ended 31 March, 2024
Items that will not be reclassified to profit or loss		
Actuarial gain/(loss) on defined benefit obligations	(56)	(92)
Income tax relating to actuarial gain/(loss) on defined benefit obligations	14	23
Derivatives designated at Cash flow hedge	(177)	-
Tax relating to Derivatives designated at Cash flow hedge	45	-
Total	**(174)**	**(69)**

(c) Tax Reconciliation (For Profit and Loss)

The tax charge shown in the statement of profit and loss differs from the tax charge that would apply if all profits had been charged at India corporate tax rate. A reconciliation between the tax expense and the accounting profit multiplied by India's domestic tax rate for the years ended 31 March, 2025 and 2024 is, as follows:

(₹ lakhs)

Particulars	For the year ended 31 March, 2025	For the year ended 31 March, 2024
Net profit / (loss) before OCI as per Profit and loss	**16,108**	**12,431**
Income tax @ Statutory Tax Rate of 25.17%	4,054	3,129
Tax effects of:		
Net expenses that are not deductible in determining taxable profit	116	27
Income tax expenses reported in PL	**4,170**	**3,156**
Tax Rate Effective	25.88%	25.39%

Significant Components and Movement in Deferred Tax Assets and Liabilities

(₹ lakhs)

Particulars	As at 31 March, 2024	Recognised in Profit and loss	Recognised in OCI	Recognised in equity	As at 31 March, 2025
Deferred tax liabilities on account of:					
Impact on account of Right of use assets	1,499	29	-	-	1,528
Adjustment pertaining to income and expenses on Financial liabilities recognised based on effective interest rate	411	116	-	-	527
Special Reserve created as per section 29C of NHB Act, 1987 and claimed as deduction u/s 36 (1) (viii) of Income Tax Act, 1961	569	440	-	-	1,009
Deferred Tax liability (A)	**2,479**	**585**	**-**	**-**	**3,064**
Deferred tax assets on account of:					
Disallowance U/s 43B of Income Tax Act, 1961	233	178	-	-	411
Timing difference between book depreciation and Income Tax Act, 1961	134	2	-	-	136
Impairment on financial assets	3,958	(466)	-	-	3,492
Adjustment pertaining to income and expenses on financial assets recognised based on effective interest rate	275	18	-	-	293
Provision for expenses	705	(177)	-	-	528
Impact on account of lease liabilities	1,675	102	-	-	1,777
Derivative designated at Cash Flow Hedge	-	-	45		45
MTM on Investments	2	4	-	-	6
Deferred tax asset (B)	**6,982**	**(339)**	**45**	**-**	**6,688**
Net Deferred tax assets (B-A)	**4,503**	**(924)**	**45**	**-**	**3,624**

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for the year ended 31 March, 2025

(₹ lakhs)

Particulars	As at 31 March, 2023	Recognised in Profit and loss	Recognised in OCI	Recognised in equity	As at 31 March, 2024
Deferred tax liabilities on account of:					
Impact on account of Right of use assets	944	555			1,499
Adjustment pertaining to income and expenses on Financial liabilities recognised based on effective interest rate	373	38			411
Special Reserve created as per section 29C of NHB Act, 1987 and claimed as deduction u/s 36 (1) (viii) of Income Tax Act, 1961	213	356	-	-	569
Deferred Tax liability (A)	**1,530**	**949**	**-**	**-**	**2,479**
Deferred tax assets on account of:					
Disallowance U/s 43B of Income Tax Act, 1961	149	84	-	-	233
Timing difference between book depreciation and Income Tax Act, 1961	106	28	-	-	134
Impairment on financial assets	4,049	(91)	-	-	3,958
Provision for security deposits			-	-	-
Adjustment pertaining to income and expenses on financial assets recognised based on effective interest rate	436	(161)	-	-	275
Provision for expenses	503	202	-	-	705
Unabsorbed losses as per tax computation	520	(520)			-
Remeasurement of Employee benefits through OCI	13	(13)		-	-
Impact on account of lease liabilities	1,041	634	-	-	1,675
MTM on Investments	-	2	-	-	2
Deferred tax asset (B)	**6,817**	**165**	**-**	**-**	**6,982**
Net Deferred tax assets (B-A)	**5,287**	**(784)**	**-**	**-**	**4,503**

Notes:

1. *The Company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.*
2. *Based on the level of historical taxable income and projections for future taxable income over the periods in which the deferred income tax assets are deductible, management believes that the Company will realize the benefits of those deductible differences. The amount of the deferred income tax assets considered realizable, however, could be reduced in the near term if estimates of future taxable income during the carry forward period are reduced.*

35 Earnings per Share

(₹ lakhs)

Particulars	Year ended 31 March, 2025	Year ended 31 March, 2024
Net Profit after tax attributable to Equity Holders (₹ lakhs)	11,952	9,275
Weighted Average number of Equity Shares for basic earnings per share	348,273,871	323,282,966
Weighted Average number of Equity Shares for diluted earnings per share	348,273,871	323,282,966
Earnings per Share		
Basic earning per share ₹	3.43	2.87
Diluted earning per share ₹	3.43	2.87
Nominal value of shares ₹	10	10

The Company has not issued any potential equity shares. Accordingly diluted EPS is equal to basic EPS

NOTES TO FINANCIAL STATEMENTS

for the year ended 31 March, 2025

36 Related Party Disclosures

Name of the related party and nature of the related party relationship have been disclosed where control exists or related party is KMP, irrespective of whether or not there have been transactions between the related parties. In other cases, disclosure has been made only when there have been transactions with those parties

Related party disclosures as required under Indian Accounting standard 24, "Related party disclosure" are given below:

Nature of Relationship	Name of Related Party
Ultimate Holding Company	Sumitomo Mitsui Financial Group
Holding Company	SMFG India Credit Co. Ltd. *(Formerly Fullerton India Credit Co. Ltd.)*
Entities having significant influence	Temasek Holdings (Private) Limited (till 6 March, 2024) Fullerton Financials Holdings Pte Ltd (Holding Company of Angelica) (till 6 March, 2024) Angelica Investments Pte Ltd, Singapore ('Angelica') (till 6 March, 2024)
Key Management Personnel	Mr. Colathur Narayanan Ram – Chairman, Independent Director (appointed w.e.f. 20 August, 2024) Mr. Shantanu Mitra – Non-executive director* Mr. Deepak Patkar – Managing Director & CEO Ms. Dakshita Das – Independent Director Mr. Ajay Pareek – Non-executive director (ceased to be Director w.e.f. 19 August, 2024) Ms. Sudha Pillai – Independent Director (ceased to be Director w.e.f. 20 August, 2024) Mr. Radhakrishnan Menon – Independent director (ceased to be Director w.e.f. 22 December, 2024) Mr. Ashish Chaudhary – Chief Financial Officer Mr. Parthasarathy Iyengar – Company Secretary (w.e.f. 16 December, 2024) Mr. Jitendra Maheshwari – Company Secretary (till 7 August, 2024) Ms. Akansha Kandoi – Company Secretary (from 8 August, 2024 till 7 November, 2024)

** Mr. Shantanu Mitra ceased to be the Chairman of the Company with effect from 20 August, 2024.*

36.1 Transactions during the period with related parties

(₹ lakhs)

Nature of Transaction	As at 31 March, 2025	As at 31 March, 2024
Equity investment made by the parent company		
SMFG India Credit Co. Ltd. *(Formerly Fullerton India Credit Co. Ltd.)*	45,000	7,500
Income as per Resource sharing agreement		
SMFG India Credit Co. Ltd. *(Formerly Fullerton India Credit Co. Ltd.)*	51	89
Expense as per Resource sharing agreement*		
SMFG India Credit Co. Ltd. *(Formerly Fullerton India Credit Co. Ltd.)*	4,610	3,058
Transfer of standard assets through assignment to parent company		
SMFG India Credit Co. Ltd. *(Formerly Fullerton India Credit Co. Ltd.)*	38,153	32,520
Corporate Guarantee obtained for NHB refinance	-	30,000
Commitment Charges on Committed lines provided by parent Company		
SMFG India Credit Co. Ltd. *(Formerly Fullerton India Credit Co. Ltd.)*	183	186

NOTES TO FINANCIAL STATEMENTS

for the year ended 31 March, 2025

(₹ lakhs)

Remuneration to Company's Key Management Personnel	For the year ended 31 March, 2025	For the year ended 31 March, 2024
Salary, bonus and allowances (including short term benefits)		
Mr. Deepak Patkar	954	377
Mr. Ashish Chaudhary	98	85
Mr. Jitendra Maheswari	-	55
Ms. Akanksha Kandoi	30	-
Mr. Parthasarathy Iyengar	15	-
Director's sitting fees		
Ms. Sudha Pillai	9	23
Mr. Radhakrishnan Menon	7	16
Mr. Colathur Narayanan Ram	8	-
Ms. Dakshita Das	19	23
Director's Commission		
Ms. Sudha Pillai	14	33
Mr. Radhakrishnan Menon	24	33
Mr. Colathur Narayanan Ram	22	-
Ms. Dakshita Das	33	33
Total	**1,233**	**678**

Note: The managerial remuneration paid by the Company to its Directors during the current year is in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act vide special resolution passed at its extra ordinary general meeting held on 2 February, 2023.

** The aforesaid resource sharing cost paid to SMFG India Credit Co. Ltd. (Formerly Fullerton India Credit Co. Ltd.).*

36.2 Amount Outstanding to / From Related Parties:

(₹ lakhs)

Balance outstanding as at the period end	As at 31 March, 2025	As at 31 March, 2024
Equity investment made by the parent company		
SMFG India Credit Co. Ltd. *(Formerly Fullerton India Credit Co. Ltd.)*	133,500	88,500
Director's sitting fees		
Ms. Dakshita Das	-	2
Director's Commission		
Ms. Sudha Pillai	14	33
Mr. Radhakrishnan Menon	25	33
Mr. Colathur Narayanan Ram	22	-
Ms. Dakshita Das	33	33
Bonus and allowances (including short term benefits) to Key Management Personnel		
Mr. Deepak Patkar	44	197
Payable towards assignment transaction		
SMFG India Credit Co. Ltd. *(Formerly Fullerton India Credit Co. Ltd.)*	1,389	747
Other Payable (Net)		
SMFG India Credit Co. Ltd. *(Formerly Fullerton India Credit Co. Ltd.)*	1,423	630

[#] There are no transaction during the year in nature of borrowings, deposits, advances, investment and placement of deposit with related party or from KMPs or relative of KMPs.

NOTES TO FINANCIAL STATEMENTS

for the year ended 31 March, 2025

(₹ lakhs)

Balance outstanding as at the period end - off Balance Sheet items	As at 31 March, 2025	As at 31 March, 2024
Committed credit lines sanctioned by the holding Company (SMICC)	-	25,000
Corporate guarantee by the holding Company (SMICC) to National Housing Bank (NHB) for NHB refinance	23,559	28,905

37 Capital Management

Equity share capital and other equity are considered for the purpose of the Company's capital management. The Company's objectives when managing capital are to safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and maintain an optimal capital structure to reduce the cost of capital.

The capital structure of the Company is based on management's judgement of its strategic and day-to-day needs with a focus on total equity so as to maintain investor, creditors and market confidence. The funding requirements are met through equity, borrowings and operating cash flows generated. The management monitors the return on capital and the board of directors monitors the level of dividends to shareholders of the Company. The Company may take appropriate steps in order to maintain, or if necessary adjust, its capital structure.

The Company maintains its capital base to cover the risks inherent in the business and in meeting the capital adequacy requirements of the National Housing Bank ('NHB'). The Company endeavors to maintain capital higher than the mandated regulatory norms. The adequacy of the company's capital is monitored using, among other measures, the regulations issued NHB. Company has complied in full with all its externally imposed capital requirements over the reported period. For details refer " Note no. - 55(i) of additional disclosure required by NHB".

38 Retirement Benefit Plans

(A) Defined Contribution Plan

The total expense charged to income statement of ₹1,086 lakhs (FY 2023-24: ₹939 lakhs) represents contributions payable to Employees State Insurance Corporation and provident fund plans by the Company at rates specified in the rules of the plan.

(B) Defined Benefit Obligation

I. Gratuity

(₹ lakhs)

Particulars	As at 31 March, 2025	As at 31 March, 2024
Actuarial assumptions		
Mortality table	Indian Assured Lives Mortality (2012-14)	Indian Assured Lives Mortality (2012-14)
Discount rate and expected rate of return on assets	6.54%	7.18%
Rate of increase in compensation	9.00% p.a.	9.00% p.a.
Employee turnover:		
Category 1 – For basic upto ₹1.2 lakhs		
Up to 4 years	85.00%	50.90%
5 years and above	1.00%	1.25%
Category 2 – For basic more than ₹1.2 lakhs		
Up to 4 years	50.00%	45.20%
5 years and above	1.00%	1.25%
Assets information:		
Insurance fund	518	370

NOTES TO FINANCIAL STATEMENTS

for the year ended 31 March, 2025

(₹ lakhs)

Particulars	As at 31 March, 2025	As at 31 March, 2024
Changes in the present value of defined benefit obligation		
Present value of obligation at the beginning of the year	454	297
Interest expense	33	22
Current service cost	107	71
Past service cost	-	-
Liability Transferred In	10	17
Liability Transferred Out	(12)	(12)
Benefit Paid From the Fund / Employer	(130)	(39)
Actuarial (Gains)/Losses on Obligations – Due to Change in Demographic Assumptions	(27)	(1)
Actuarial (Gains)/Losses on Obligations – Due to Change in Financial Assumptions	52	9
Actuarial (Gains)/Losses on Obligations – Due to Experience adjustments	54	90
Present Value of obligation at the end of the year	**541**	**454**
Changes in the Fair value of Plan Assets		
Fair value of plan assets at beginning of the year	370	231
Interest income	27	17
Contributions by the Employer	228	155
Mortality charges and taxes	-	-
Benefit Paid from the Fund	(130)	(39)
Return on Plan Assets, Excluding Interest Income	23	6
Fair Value of Plan Assets at the end of the year	**518**	**370**
Assets and liabilities recognised in the balance sheet		
Present value of the defined benefit obligation at the end of the year	(541)	(454)
Fair Value of Plan Assets at the end of the Period	518	370
Funded Status (Surplus/ (Deficit))	(23)	(84)
Net (Liability)/Asset Recognized in the Balance Sheet	**(23)**	**(84)**

(₹ lakhs)

Expenses recognised in the Statement of Profit and Loss	As at 31 March, 2025	As at 31 March, 2024
Current Service Cost	107	71
Past service cost	-	-
Net interest (income)/ expense	6	5
Net gratuity expense recognised	**113**	**76**
Expenses recognised in the Statement of Other comprehensive income (OCI)		
Actuarial gain/ loss on post-employment benefit obligation	79	98
Return on Plan Assets, Excluding Interest Income	(23)	(6)
Total remeasurement cost / (credit) for the year recognised in OCI	**56**	**92**

(₹ lakhs)

Reconciliation of Net asset / (liability) recognised:	As at 31 March, 2025	As at 31 March, 2024
Opening Net Liability	84	66
Expenses recognised at the end of period	113	76
Amount recognised in other comprehensive income	56	92
Net Liability/(Asset) Transfer In	10	17
Net (Liability)/Asset Transfer Out	(12)	(12)
Employer's Contribution	(228)	(155)
Benefits directly paid by Employer	-	-
Net Liability/(Asset) Recognized in the Balance Sheet	**23**	**84**

NOTES TO FINANCIAL STATEMENTS

for the year ended 31 March, 2025

Sensitivity Analysis:

(₹ lakhs)

Particulars	As at 31 March, 2025		As at 31 March, 2024	
	Decrease	Increase	Decrease	Increase
Discount Rate (1% movement)	95	(78)	76	(63)
Future Salary Growth (1% movement)	(77)	92	(62)	74
Rate of Employee Turnover (1% movement)	26	(23)	16	(15)

The sensitivity analysis have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

The sensitivity analysis presented above may not be representative of the actual change in the Defined Benefit Obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the Defined Benefit Obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same method as applied in calculating the Defined Benefit Obligation as recognised in the balance sheet.

Maturity Analysis of Projected Benefit Obligation

(₹ lakhs)

Position as at Year end	As at 31 March, 2025	As at 31 March, 2024
1	4	5
2	5	5
3	5	6
4	7	9
5	7	9
Sum of Years 6 to 10	98	78
Sum of Years 11 and above	1,632	1,469

Risks associated with Defined Benefit Plan:

(i) Interest Rate Risk

A fall in the discount rate which is linked to the G.Sec. Rate will increase the present value of the liability requiring higher provision. A fall in the discount rate generally increases the mark to market value of the assets depending on the duration of asset.

(ii) Salary Risk

The present value of the defined benefit plan liability is calculated by reference to the future salaries of members. As such, an increase in the salary of the members more than assumed level will increase the plan's liability.

(iii) Investment Risk

The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds. If the return on plan asset is below this rate, it will create a plan deficit. Currently, for the plan in India, it has a relatively balanced mix of investments in government securities, and other debt instruments.

(iv) Asset Liability Matching (ALM) Risk

The plan faces the ALM risk as to the matching cash flow. Since the plan is invested in lines of Rule 101 of Income Tax Rules, 1962, this generally reduces ALM risk.

(v) Mortality Risk

Since the benefits under the plan is not payable for life time and payable till retirement age only, plan does not have any longevity risk.

NOTES TO FINANCIAL STATEMENTS

for the year ended 31 March, 2025

(vi) Concentration Risk

Plan is having a concentration risk as all the assets are invested with the insurance company and a default will wipe out all the assets. Although probability of this is very less as insurance companies have to follow regulatory guidelines.

During the year, there were no plan amendments, curtailments and settlements.

(C) Compensated Absences

(₹ lakhs)

Particulars	As at 31 March, 2025	As at 31 March, 2024
Actuarial assumptions		
Mortality table	Indian Assured Lives Mortality (2012-14)	Indian Assured Lives Mortality (2012-14)
Discount rate and expected rate of return on assets	6.54%	7.18%
Rate of increase in compensation	9.00% p.a.	9.00% p.a.
Employee turnover :		
Category 1 – For basic upto ₹1.2 lakhs		
Up to 4 years	85.00%	50.90%
5 years and above	1.00%	1.25%
Category 2 – For basic more than ₹1.2 lakhs		
Up to 4 years	50.00%	45.20%
5 years and above	1.00%	1.25%
Funding status	Unfunded	Unfunded
Projected obligation against compensated absences	606	473

39 The Company had been carrying a cumulative provision of ₹481 lakhs for Code on Social Security (2020). The code has not been notified and in the absence of communication from the Central Government and unanimous consent from all states, there is significant uncertainty around implementation. Based on its reassessment, unlikely retrospective implementation and expert opinion, the Company has reversed this provision during FY 2024-25. For details, refer note 21.1.

40 Employee Stock Appreciation Rights

The Company has an cash settled share based payments scheme, under which grants were made as per details provided below:

Date of Grant	Grant 7	Grant 11	Grant 11M	Grant 11B	Grant 12	Grant 13	Grant 14	Grant 14A	Grant 14B
	1 April, 2017	1 April, 2021	1 April, 2021	1 April, 2021	1 April, 2022	1 April, 2023	1 April, 2024	1 April, 2024	1 April, 2024
Value of the Grant	₹155 lakhs	₹128 lakhs	₹419 lakhs	₹1,257 lakhs	₹234 lakhs	₹457 lakhs	₹442 lakhs	₹1,200 lakhs	₹300 lakhs
Performance Condition	Achievement of PAT and ROE –Targets as per approved plan	Achievement of certain Performance targets as per approved business plan	Achievement of certain Performance targets as per approved business plan	Achievement of certain Performance targets as per approved business plan	Achievement of certain Performance targets as per approved business plan	Achievement of certain Performance targets as per approved business plan	Achievement of certain Performance targets as per approved business plan	Completion of certain time period	Achievement of certain Performance targets as per approved business plan
Graded Vesting (subject to achievement of performance condition given above)	Tranche I: 33% vesting on 1 December, 2020	Tranche I: 33% vesting on 1 September, 2024	Tranche I: 33% vesting on 1 September, 2024	Tranche I: 33% vesting on 1 September, 2024	Tranche I: 50% vesting on 1 September, 2024	Tranche I: 50% vesting on 1 September, 2026	Tranche I: 50% vesting on 1 September, 2027	Tranche I: 50% vesting on 1 September, 2027	Tranche I: 50% vesting on 1 September, 2027
	Tranche II: 33% vesting on 1 December, 2021	Tranche II: 33% vesting on 1 September, 2025	Tranche II: 33% vesting on 1 September, 2025	Tranche II: 33% vesting on 1 September, 2025	Tranche II: 50% vesting on 1 September, 2025	Tranche II: 50% vesting on 1 September, 2027	Tranche II: 50% vesting on 1 September, 2028	Tranche II: 50% vesting on 1 September, 2028	Tranche II: 50% vesting on 1 September, 2028
	Tranche III: 34% vesting on 1 December, 2022	Tranche III: 34% vesting on 1 September, 2026	Tranche III: 33% vesting on 1 September, 2026	Tranche III: 33% vesting on 1 September, 2026					

NOTES TO FINANCIAL STATEMENTS

for the year ended 31 March, 2025

Date of Grant	Grant 7	Grant 11	Grant 11M	Grant 11B	Grant 12	Grant 13	Grant 14	Grant 14A	Grant 14B
	1 April, 2017	1 April, 2021	1 April, 2021	1 April, 2021	1 April, 2022	1 April, 2023	1 April, 2024	1 April, 2024	1 April, 2024
Vesting period (including performance period)	Tranche I: 3 years 8 months	Tranche I: 3 years 5 months	Tranche I: 3 years 5 months	Tranche I: 3 years 5 months	Tranche I: 2 years 5 months	Tranche I: 2 years 5 months	Tranche I: 2 years 5 months	Tranche I: 2 years 5 months	Tranche I: 2 years 5 months
	Tranche II: 4 years 8 months	Tranche II: 4 years 5 months	Tranche II: 4 years 5 months	Tranche II: 4 years 5 months	Tranche II: 3 years 5 months	Tranche II: 3 years 5 months	Tranche II: 3 years 5 months	Tranche II: 3 years 5 months	Tranche II: 3 years 5 months
	Tranche III: 5 years 8 months	Tranche III: 5 years 5 months	Tranche III: 5 years 5 months	Tranche III: 5 years 5 months					
Exercise period	Within 30 days from each vesting date but not later than 2 years from the date of last vesting where period is 3 years								
Method of Settlement	Cash Payout as per terms of the scheme								

The estimated fair value of the grant at a notional value of ₹10 per unit (as at the date of grant) is as below:

Particulars	Grant 7	Grant 11	Grant 11M	Grant 11B	Grant 12	Grant 13	Grant 14	Grant 14A	Grant 14B
As at 31 March, 2025	NA	NA	47.90	47.90	13.57	11.73	10.58	10.58	10.58
As at 31 March, 2024	18.03	13.18	47.90	47.90	12.82	11.09	NA	NA	NA
As at 31 March, 2023	15.75	11.83	47.90	47.90	11.57	NA	NA	NA	NA
As at 31 March, 2022	12.87	10.42	NA	NA	NA	NA	NA	NA	NA
As at 31 March, 2021	12.65	NA	NA	NA	NA	NA	NA	NA	NA
Exercise price vest 1	NA	13.18	47.90	47.90	NA	NA	NA	NA	NA
Exercise price vest 2	NA	NA	NA	NA	NA	NA	NA	NA	NA
Exercise price vest 3	15.75	NA	NA	NA	NA	NA	NA	NA	NA

Fair value is computed using the method provided in the scheme for estimating the valuation of the grant which is linked to the Net Book Value of the business and board approved business plan.

The movement of the stock appreciation rights during the year is as under:

Particulars (No. of Options)	As at 31 March, 2025	As at 31 March, 2024
Options outstanding as at the beginning of the year	10,723,850	6,153,850
Options granted during the year	19,424,707	4,770,000
Options forfeited during the year	(4,024,738)	-
Options exercised during the year	(1,292,250)	-
Options lapsed during the year	(650,000)	-
Grants of employee transferred during the year from/(to) holding company	(562,900)	(200,000)
Options Outstanding as at the end of the year	23,618,669	10,723,850
Options vested and exercisable	-	38,250
Expense recognised (₹ in lakhs)	731	744

The above information is as certified by the valuer and relied upon by the auditors.

41 Segment Information

Business Segment

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

NOTES TO FINANCIAL STATEMENTS

for the year ended 31 March, 2025

Entity Wide Disclosures

The Company operates in a single business segment ie. financing, which has similar risks and returns taking into account the organisational structure and the internal reporting systems. No revenue from transactions with a single external customer or counterparty amounted to 10% or more of the company's total revenue in year ended 31 March, 2025 or 31 March, 2024. The Company operates in single geography i.e. India and therefore geographical information is not required to be disclosed separately.

42 Contingent Liability and Commitments

a) Contingent liabilities

The Company has assessed its obligations arising in the normal course of business, including pending litigations, proceedings pending with tax authorities and other contracts including derivative and long term contracts. The Company does not expect the outcome of these proceedings to have a materially adverse effect on its financial statements.

(₹ lakhs)

Particulars	As at 31 March, 2025	As at 31 March, 2024
Guarantees	25	25
For litigations pending against the Company	446	110

b) Capital and Other Commitments

(i) Estimated amount of contracts remaining to be executed on capital account and not provided for as at 31 March, 2025 is ₹429 lakhs (31 March, 2024 is ₹884 lakhs).

(ii) Loans sanctioned not yet disbursed as at 31 March, 2025 were ₹1,72,924 lakhs (31 March, 2024 were ₹1,10,388 lakhs).

c) Litigation

Litigations constitutes the number of pending litigations filed by customers/vendors/ex-employees/others against the Company for service deficiency/title claims/monetary claims/back wages/reinstatement issues respectively which is in the course of business as usual.

Asides the above the Company in its rightful entitlement initiates Civil or Criminal litigations for recovery of loan and enforcing security interest.

A provision is noted/created where an unfavourable outcome is deemed probable based on review of pending litigations with its legal counsels including loss contingency on account of such litigation and claims, and classification of such contingency as 'low', 'medium' or 'high' with due provisioning thereof . The management believes that the outcome of such matters will not have a material adverse effect on the Company's financial position, its operations and cash flows.

d) Tax Contingencies

Various tax-related legal proceedings are pending against the Company at various levels of appeal with the tax authorities. Management to best of its judgement and estimates where a reasonable range of potential outcomes is estimated basis available information accrues liability. Based on judicial precedents in the Company's and other cases and upon consultation with tax counsels, the management believes that it is more likely than not that the Company's tax position will be sustained. Accordingly, provision has been made in the accounts wherever required. Disputed tax issues that are classified as remote are not disclosed as contingent liabilities by the Company.

NOTES TO FINANCIAL STATEMENTS

for the year ended 31 March, 2025

43 EMI Moratorium and resolution as per RBI Regulatory packages

Disclosures pursuant to RBI Notification - RBI/2020-21/16 DOR.No.BP.BC/3/21.04.048/2020-21 dated 6 August, 2020, and RBI/2021-22/31/ DOR.STR.REC.11/21.04.048 / 2021-22 dated 5 May, 2021.

(₹ lakhs)

Type of Borrowers	Exposure to accounts classified as Standard consequent to implementation of resolution plan- Positions as at 30 September, 2024** (A)	Of (A) aggregate debt that slipped into NPA during the half year ended 31 March, 2025**	Of (A) amount written off during the half-year 31 March, 2025	Of (A) amount paid by the borrowers during the half year ended 31 March, 2025	Exposure to accounts classified as Standard consequent to implementation of resolution plan- Position as at the end of this half year ended 31 March, 2025*
Personal Loans	1,806	67	7	173	1,637
Others (including MSMEs)	428	136	-	32	269
Total	**2,234**	**203**	**7**	**205**	**1,906**

(₹ lakhs)

Type of Borrowers	Exposure to accounts classified as Standard consequent to implementation of resolution plan- Positions as at 30 September, 2023** (A)	Of (A) aggregate debt that slipped into NPA during the half year ended 31 March, 2024**	Of (A) amount written off during the half-year 31 March, 2024	Of (A) amount paid by the borrowers during the half year ended 31 March, 2024	Exposure to accounts classified as Standard consequent to implementation of resolution plan- Position as at the end of this half year ended 31 March, 2024*
Personal Loans	3,040	181	124	272	2,232
Others (including MSMEs)	932	182	19	307	435
Total	**3,972**	**363**	**143**	**579**	**2,667**

** Includes interest capitalised post implementation of one time resolution plan.*

*** Net of upgradation from NPA to standard.*

44 Leases

The Company has entered into leasing arrangements for premises. Majority of the leases are cancellable by the Company. ROU has been included after the line 'Property, Plant and Equipment' and Lease Liability has been included under 'Other Financial Liabilities' in the Balance Sheet.

(i) Amounts Recognised in Balance Sheet

(₹ lakhs)

Particulars	As at 31 March, 2025	As at 31 March, 2024
a) Right-of-use assets (net)	6,100	5,968
b) Lease liabilities		
Current	1,230	1,012
Non-current	5,832	5,644
Total Lease liabilities	**7,062**	**6,656**
c) Additions to the Right-of-use assets	1,724	3,299

Statement showing carrying value of right of use assets:

(₹ lakhs)

Particulars	As at 31 March, 2025	As at 31 March, 2024
As the beginning of year end	5,968	3,757
Additions	1,724	3,299
Deductions/Adjustments	167	32
Depreciation	1,425	1,056
As the year end	6,100	5,968

NOTES TO FINANCIAL STATEMENTS

for the year ended 31 March, 2025

(ii) Amount Recognised in Profit & Loss

(₹ lakhs)

Particulars	As at 31 March, 2025	As at 31 March, 2024
Depreciation charge for right-of-use assets	1,425	1,056
Interest expenses (included in finance cost)	446	352
Variable lease payments not included in the measurement of lease liabilities	-	-
Income from sub-leasing right-of-use assets	-	-
Expenses relating to short-term leases and leases of low value assets	-	-

(iii) Maturity Analysis of Undiscounted Lease Liability

(₹ lakhs)

Particulars	As at 31 March, 2025	As at 31 March, 2024
Less than one year	1,776	1,537
One to five years	5,609	5,454
More than five years	1,483	1,518
Total payments	**8,868**	**8,509**

(iv) Cash Flows

(₹ lakhs)

Particulars	As at 31 March, 2025	As at 31 March, 2024
The total cash outflow of leases	1,648	1,088

(v) Future Commitments

(₹ lakhs)

Particulars	As at 31 March, 2025	As at 31 March, 2024
Future undiscounted lease payments to which leases is not yet commenced	-	-

(vi) Future cash outflows to which the lessee is potentially exposed that are not reflected in the measurement of lease liabilities and are as follow :

(a) Variable lease payments – This variability will typically arise from either inflation or market-based pricing adjustments. Currently, the Company do not have any lease which have variable lease payment terms based on inflation or market based pricing.

(b) Extension options and termination options – The table above represents Company's best estimate of future cash out flows for leases, including assumptions regarding the exercising of contractual extension and termination options.

(c) Residual value guarantees – The Company has asset retiral obligations and accordingly have recognised them as part of ROU.

(d) The Company does not have any lease arrangements as at reporting date which are not yet commenced to which the Company is committed.

(vii) The Company currently does not have any sale and lease back transactions. The Company does not have any restrictions or covenants imposed by the lessor on its operating leases which restrict its businesses.

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for the year ended 31 March, 2025

45 Micro and Small Enterprises

The Company identifies suppliers registered under the Micro, Small and Medium Enterprises Development Act, 2006, ('MSMED') by obtaining confirmations from all suppliers. Based on the information received by the Company, some of the suppliers have confirmed to be registered under MSMED Act, 2006. Accordingly the disclosure relating to amount unpaid as at the year ended together with interest paid/payable is disclosed below:

(₹ lakhs)

Particulars	As at 31 March, 2025	As at 31 March, 2024
The principal amount and the interest due thereon (to be shown separately) remaining unpaid to any supplier as at the end of each accounting year	713	591
The amount of interest paid by the buyer in terms of section 16 of the Micro Small and Medium Enterprise Development Act, 2006, along with the amounts of the payment made to the supplier beyond the appointed day during each 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 Micro Small and Medium Enterprise Development Act, 2006.	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year;	10	31
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the Micro small and Medium Enterprise Development Act, 2006.	-	-

46 Corporate Social Responsibility Expenses

The details of amounts spent towards CSR are as under:

(₹ lakhs)

Particular	For the year ended 31 March, 2025	For the year ended 31 March, 2024
i) Gross amount required to be spent by the Company during the year	131	4
ii) Amount spent during the year	108	30
iii) Shortfall/(Excess spent after adjusting the shortfall of the earlier year)	-	(26)
iv) Total of previous years shortfall/(Excess)	(26)	-
v) Reason for shortfall	NA	NA
vi) Nature of CSR activities	Refer Note 1	Refer Note 1
vii) Details of related party transactions	NA	NA
viii) Where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year shall be shown separately	NA	NA

Note-1

(₹ lakhs)

Particulars	As at 31 March, 2025	As at 31 March, 2024
i) Construction / acquisition of any asset	-	-
ii) On purpose other than (i) above	134	30
Amount spent	**134**	**30**

The Company's CSR policy is both community and environment-based. Various programmes are planned in areas as diverse as health, education, livelihood generation, skill development and rural development.

NOTES TO FINANCIAL STATEMENTS
for the year ended 31 March, 2025

47 Resource Sharing Cost

During the year, the holding company leased its premises to its subsidiary, SMFG India Home Finance Co. Ltd. *(Formerly Fullerton India Home Finance Co. Ltd.)* to carry out its operations. The holding company has entered into resource sharing agreement with the subsidiary company, as per which the holding company has agreed to share premises and other resources and thereby to facilitate achieve economies of scale and avoid duplication. The reimbursement of cost is calculated as per arm's length price certified by the independent third party.

During the year the Company has paid ₹4,610 lakhs (FY 2023-24: ₹3,058 lakhs) on account of above mentioned arrangement.

During the year, the Company has also co-shared the premises to its holding company to carry out its operations. The Company has entered into resource sharing agreement with its holding company. Under the arrangement the company have leased the premises and other resources to facilitate the business operation. The reimbursement of cost is calculated as per arm's length price certified by the independent third party.

During the year the Company has charged to ₹51 lakhs (FY 2023-24: ₹89 lakhs) on account of above mentioned arrangement.

48 Insurance regulatory and development authority ('IRDA')

Disclosure as per Schedule VI B for insurance commission income earned during the year ended:

(₹ lakhs)

Particulars	As at 31 March, 2025	As at 31 March, 2024
ICICI Prudential Life Insurance Company	510	-
HDFC Life Insurance Company	376	-
ICICI Lombard General Insurance Company	11	-
Tata AIG General Insurance company	8	-

49 There was no amount due and outstanding to be credited to Investor Education and Protection Fund as at 31 March, 2025 (31 March, 2024: ₹ Nil).

50 Financial Risk Management

Risk Management Framework

The Company places emphasis on risk management practices to ensure an appropriate balance between risks and returns. As part of Risk Management practice, one of focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance. The Board of Directors of the Company ('BOD') along with the management are primarily responsible for Financial Risk Management of the Company. The BOD's oversight of risk includes review and approval of key risk strategies and policies. These are monitored and governed through the Risk Oversight Committee ('ROC'). Audit Committee ('AC') ensures that an independent assurance is provided to the BOD.

The ROC controls and manages an inherent risks related to the Company’s activities by the following risk categories:

Risk	Exposure arising from	Management
Credit Risk	Cash and cash equivalents, bank balances, trade & other receivables, other financial assets	ROC is actively involved in the following: – Guide the development of a robust risk management framework and foster a risk-aware culture – Establish, review, and monitor risk management policies and frameworks; – Review portfolio performance, product programs, and set overall risk tolerance limits;
Liquidity Risk	Financial liabilities	BOD is responsible for setting the strategic direction for the Company. This includes, establishing the liquidity risk appetite and the liquidity required to fulfil its strategic initiatives, setting boundaries/limits within such levels of tolerance and approving the policies that govern risk management under business as usual and stressed conditions. Liquidity risk is managed by the Asset Liability Committee (‘ALCO’), based on the Company’s Liquidity Policy and procedures which are based on guidelines provided by ROC. ALCO derives its authority from the ROC and is responsible for ensuring adherence to the liquidity and asset – liability management limits set by the BOD and to oversee implementation of the strategic direction articulated by the BOD. ALCO not only ensures that the Company has adequate liquidity on an on-going basis but also examines how liquidity requirements are likely to evolve under different assumptions.
Market Risk – Foreign Exchange	Recognised financial assets and financial liabilities not denominated in functional currency	ROC is involved in the formulation of policies for monitoring market risk. The risk is managed through close identification, supervision and monitoring of risks arising from movements in market rates such as interest rates, foreign exchange rates, traded prices and credit spreads, which may result in a loss of earnings and capital.
Market Risk – Interest Rate / Dividend Coupon	Investments in equity securities, units of mutual funds, bonds, government securities, certificate of deposits and commercial paper and derivative financial instruments	

All hedging activities are carried out by the treasury department possessing the appropriate skills, experience and supervision structure. The Company's policy is to hedge the exposure by taking derivative instruments and not to trade in derivatives for speculative purposes. By using derivative financial instruments to hedge exposures to changes in interest rates, the Company also exposes itself to credit risk of the derivative counterparty, which is not offset by the hedged item.

The above risks are discussed in more detail below:

Credit Risk

Credit risk is the risk of financial loss to the Company if a customer or counter party to the financial instrument fails to meet its contractual obligation, and arises principally from the cash and cash equivalents, bank balances, trade & other receivables and other financial assets.

The Risk Management Policy addresses the recognition, measurement, monitoring and reporting of the Credit risk. The ROC reviews and approves Loan Product programs on an on-going basis. Key aspects of the product programs outline the framework of any credit financial product being offered by the Company. Within this established framework, credit policies are established to manage the sourcing of proposals, channels of business acquisition, process of underwriting, information systems involved, credit appraisal, verification, documentation, disbursement and collection / recovery procedures.

NOTES TO FINANCIAL STATEMENTS

for the year ended 31 March, 2025

Product level credit risk policies are implemented to align all new customer acquisitions across locations and regions, individual profiles, income levels, leverage positions, collateral types and value, source of income and continuity of employment/business.

The Company has additionally taken the following measures:-

- Credit risk team is appointed to enhance focus on monitoring of borrowers and to facilitate proactive action wherever required.
- Enhanced monitoring of portfolio through periodic reviews.
- Periodic trainings to its credit officers

Credit Approval

The Board of Directors through Credit Risk Management Policy delegates credit approval authority to the Company's Credit Committee, and Head - Credit Risk in turn can sub-delegate to the credit resources. The branch credit team/operations team monitors compliance with the terms and conditions of credit facilities prior to disbursement. It also reviews the completeness of documentation and creation of security by the borrower.

The central operations team verifies adherence to the terms of the credit approval prior to the disbursement of credit facilities.

Credit Underwriting

The Company's credit officers evaluate credit proposals on the basis of credit underwriting policies and procedures approved by the management. The criteria typically include factors such as the customer eligibility, income and debt obligation assessment, nature of the product, customer scorecards wherever applicable, historical experience, type of collateral provided and demographic parameters. Any deviations need to be approved at the designated levels. The company offers to add on funding to existing borrowers basis credit performance governed through credit approvals and approved policy.

External agencies facilitate in due diligence process such as field investigation agencies in conducting visits to offices and residences, Fraud risk containment agencies for document frauds, legal & valuer agencies for property evaluation.

Analysis of risk concentration

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions.

Since the Company provides only retail loans, there is no significant concentration risk at the borrower / counterparty level. The maximum loan outstanding to any individual borrower or counterparty as of 31 March, 2025 was ₹3,498 lakhs (31 March, 2024: ₹3,436 lakhs), before taking into account collateral or other credit enhancements or undisbursed commitments.

About 70% of the Company's Loan outstanding is from Borrowers residing across 7 various states of India.

Stress testing of portfolio

The Company evaluates potentially adverse scenarios that may impact the business or portfolio performance. As part of ICAAP, annual stress test exercise is performed covering the entire portfolio to assess vulnerability of the business extreme scenarios to possible extreme scenarios and effectiveness of management actions.

Analysis of inputs to the ECL model under multiple economic scenarios

Expected credit losses are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Company in accordance with the contract and the cash flows which the Company expects to receive) discounted at an approximation to the EIR.

Cash shortfalls are identified as follows.

- **For 12-month ECLs:** Cash shortfalls resulting from default events that are possible in the next 12 months.
- **For lifetime ECLs:** Cash shortfalls resulting from default events that are possible over the expected life of the financial instrument.

For undrawn loan commitments, a cash shortfall is the difference between:

- the contractual cash flows that are due to the Company if the holder of the loan commitment draws down the loan; and
- the cash flows that the Company expects to receive if the loan is drawn down.

The Company records allowance for expected credit losses for cash and cash equivalents, bank balance, investment, trade and other receivables, loans and advances together with loan commitments and other financial assets measured at amortised cost, collectively named as 'financial assets at amortised cost'.

The Company performs a collective assessment on a homogeneous pool of outstanding loans grouped on the basis of shared risk characteristic based on the type of products sliced down to geography as part of the impairment analysis.

For estimation of ECL, the entire portfolio is broadly partitioned into products like Loan against property and Housing Loans. Products are further segregated on geography level and sectors. This portfolio is used to arrive exposure at Default, Probability of default and Loss given default.

The Company follows the expected credit loss ('ECL') methodology based on historically available information and projection of macroeconomic indicators in order to determine the impairment allowance required against different categories / pool of loan accounts.

All defining parameters (PD, LGD, EL Adjustment factor) are estimated on a half yearly frequency. However, required changes may be done more frequently in case of change in market condition, portfolio changes and other scenarios.

The ECL allowance is based on the credit losses expected to arise over the life of the asset (the lifetime expected credit loss or LTECL), unless there has been no significant increase in credit risk since its initial recognition, in which case, the allowance is based on the 12 months' expected credit loss (12mECL).

The 12mECL is part of LTECL that represent the ECLs from default events on a financial asset that are possible within the 12 months after the reporting date.

Definition of Default

As per the Company's policy, all assets are classified into stage 1, stage 2 and stage 3. Assets up to 30 DPD (days past due) are classified as stage 1 assets. Assets with DPD of 31 days up to 89 days are classified as stage 2 assets and assets with DPD greater than 91 days are classified as stage 3 assets. The Company considers a financial instrument defaulted and therefore Stage 3 (credit-impaired) for ECL calculations in all cases when the borrower becomes 91 days past due on its contractual payments. As a part of qualitative assessment, of whether the customer is in default, the company also considers a variety of instances that may indicate unlikeliness to pay. In such instances, the Company treats the customer at default and therefore assesses such loans as stage 3 for ECL calculations, following are such instances:

- If the customer has requested restructuring in repayment terms, such restructured, rescheduled or renegotiated accounts
- A stage 3 customer having other loans which are in stage 1 or stage 2
- Cases where company suspects fraud and legal proceedings are initiated.

The Company continues to recognize interest income during the moratorium period. As per assessment done by the Company and in the absence of other customer related credit risk indicators, the granting of moratorium period does not result in automatically triggering of significant increase in credit risk criteria of Ind AS 109.

The Company continuously monitors all financial assets subject to ECLs. In order to determine whether an instrument or a portfolio of instruments are subject to 12mECL or LTECL, the Company assesses whether there has been a significant increase in credit risk since initial recognition. The Company considers an exposure to have significantly increased in credit risk since initial recognition when contractual payments are more than 30 days past due. The Company also applies a qualitative method for triggering a significant increase in credit risk for an asset. This will be the case for exposure that meets certain heighted risk criteria, such as political situations and exceptions to normal economic scenarios. Such factors are based on its expert judgement and relevant historical experiences. Significant increase in Credit risk has also been recognised for borrowers to whom One Time Restructuring has been granted on account of Covid-19, and LTECL has been computed for such borrowers.

NOTES TO FINANCIAL STATEMENTS

for the year ended 31 March, 2025

The Probability of Default ('PD') is an estimate of the likelihood of default over a given time horizon. A default may only happen at a certain time over the assessed period, if the facility has not been previously derecognised and is still in the portfolio.

The Company collects performance and default information about its credit risk exposures analysed by Product and geography. The Company employs statistical models of flow analysis and marginal default rate technique to analyse the data collected and generate estimates of the remaining lifetime PD of exposures and how these are expected to change as a result of the passage of time.

The Exposure at Default ('EAD') is an estimate of the exposure at a future default date, taking into account expected changes in the exposure after the reporting date, including repayments of principal and interest, whether scheduled by contract or otherwise, expected drawdowns on committed facilities and accrued interest whether due or not.

The Loss Given Default ('LGD') is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due (net of recovery cost) and those that the lender would expect to receive. They are calculated on a discounted cash flow basis using the effective interest rate as the discounting factor. It is usually expressed as a percentage of the EAD.

The Company collects a list of all the defaulters and tracked from the first time they become non-performing asset ("Stage 3"). The Company calculates the LGD based on the present value of month on month recovery post default for Stage 1 and 2 and takes into account of the Stage 3 recovery and present value of the actual Stage 3.

EL Adjustment Factor is factor used to adjust the ECL computation to eliminate the biasness in different ticket size and number of loan accounts considering the nature of business/products.

Forward-looking Information

While estimating the expected credit losses, the Company arrives at forward-looking PD estimates through the incorporation of forward-looking macro-economic factors. The various macro-economic factors considered are Gross Domestic Product (% real change), Consumer Price Index Change (%), Lending Interest Rate (%), Private consumption (% real change), Manufacturing (% real change), Industrial production (% change), Recorded unemployment (%). Product-wise selection of macro-economic factors is done basis the best fitting of the macro indicators with the historical loss trends also taking into account management views, if any, on the drivers of the portfolio. Apart from considering the base case of the macro outlook, two more scenarios an optimistic and pessimistic views of the outlook are also evaluated taking into account the external market conditions. Appropriate weightage is assigned to each of the scenarios to arrive at the final estimates. Presently, a higher deterioration of the base macro outlook is done to arrive at the pessimistic view and also its weightage has been increased vis-a-vis pre-Covid levels in view of external conditions. The inputs and models used for calculating ECLs may not always capture all characteristics of the market at the date of the financial statements. To reflect this, qualitative adjustments or overlays are occasionally made as temporary adjustments when such differences are significantly material.

Reconciliation of ECL Balances is given below:

(₹ lakhs)

Particulars	As at 31 March, 2025				As at 31 March, 2024			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
ECL allowance - opening balance	5,433	3,360	6,935	15,728	4,094	5,136	6,860	16,090
New assets originated or purchased	2,268	4	-	2,272	2,484	-	-	2,484
Assets derecognised or repaid	(1,081)	(563)	(2,115)	(3,759)	(1,290)	(741)	(1,847)	(3,878)
Net transfers to/from Stage 1	3,916	(2,936)	(980)	-	5,467	(4,340)	(1,127)	-
Net transfers to/from Stage 2	(2,286)	3,638	(1,352)	-	(1,628)	3,200	(1,572)	-
Net transfers to/from Stage 3	(38)	(3,529)	3,567	-	(37)	(3,405)	3,442	-
Remeasurement of ECL	(3,995)	3,274	5,384	4,663	(3,632)	3,646	3,088	3,102
Amounts written off	(1)	(94)	(4,934)	(5,029)	(25)	(136)	(1,909)	(2,070)
ECL allowance - closing balance	**4,216**	**3,154**	**6,505**	**13,875**	**5,433**	**3,360**	**6,935**	**15,728**

NOTES TO FINANCIAL STATEMENTS

for the year ended 31 March, 2025

Credit Quality

The Company has classified portfolio loans as financial assets at amortized cost and has assessed it at the collective pool level. The vintage analysis methodology has been used to create the PD term structure which incorporates both 12 month (Stage 1 Loans) and lifetime PD (Stage 2 and stage 3 Loans). The vintage analysis captures a vintage default experience across a particular portfolio by tracking the periodic slippages. The vintage slippage experience/default rate is then used to build the PD term structure.

The vintage analysis methodology has been used to create the LGD vintage. The LGD vintage takes into account the recovery experience across accounts of a particular portfolio post default. The recoveries are tracked and discounted to the date of default using the effective interest rate.

Accordingly, the Company analysis exposure to credit risk on the basis of vintage experience across its products. The Company categorizes its loans into Stage 1, Stage 2 and Stage 3 based on vintage experience.

Accordingly, the Company analysis exposure to credit risk on the basis of vintage experience across its products. The Company categorizes its loans into Stage 1, Stage 2 and Stage 3 based on vintage experience.

(₹ lakhs)

Particulars	As at 31 March, 2025				As at 31 March, 2024			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Opening balance	**755,357**	**18,109**	**15,171**	**788,637**	**557,752**	**21,411**	**13,604**	**592,767**
New assets originated or purchased	509,158	41	-	509,199	432,351	3	-	432,354
Assets derecognised/repaid/ recovery	(291,101)	(3,894)	(6,742)	(301,737)	(224,252)	(3,364)	(5,357)	(232,973)
Net transfers to/from Stage 1	22,472	(19,674)	(2,798)	-	25,138	(22,269)	(2,869)	-
Net transfers to/from Stage 2	(48,833)	52,640	(3,807)	-	(34,688)	38,647	(3,959)	-
Net transfers to/from Stage 3	(607)	(22,123)	22,730	-	(613)	(15,855)	16,468	-
Amounts written off	(82)	(423)	(8,341)	(8,846)	(331)	(464)	(2,716)	(3,511)
Closing balance	**946,364**	**24,676**	**16,213**	**987,253**	**755,357**	**18,109**	**15,171**	**788,637**
Interest accrued and other amortised cost	8,898	832	958	10,688	5,988	602	1,233	7,823
	955,262	**25,508**	**17,171**	**997,941**	**761,345**	**18,711**	**16,404**	**796,460**

Trade Receivables

Exposures to customers' outstanding at the end of each reporting period are reviewed by the Company to determine incurred and expected credit losses. Historical trends of collection from counterparties on timely basis reflects low level of credit risk. Company creates ECL on trade receivable balances in line with board’s approved provisioning policy.

Cash and Cash Equivalents, Other Bank Balance and Other Financial Assets

The Company has a low credit risk in respect of its exposure with financial institutions and other financial assets. Funds are invested after taking into account parameters like safety, liquidity and post tax returns etc. The Company avoids concentration of credit risk by spreading them over several counterparties with good credit rating profile and sound financial position. The Company’s exposure and credit ratings of its counterparties are monitored on an ongoing basis.

The Company holds cash and cash equivalents and other bank balances with banks and financial institutions. The credit worthiness of such banks and financial institutions is evaluated by the management on an ongoing basis and is considered to be high.

While exposure with respect to security deposit and advance given for business purpose is spread across and carry low credit exposure as the Company has possession of rental premises and other with whom the Company has worked with for a number of years.

Write-off Policy

The Company has laid down explicit policies on loan write-offs to deal with assets which are impaired due to customer’s inability to repay the loan.

NOTES TO FINANCIAL STATEMENTS

for the year ended 31 March, 2025

Exposure to Credit Risk and Collateral Management

The Company holds collateral like residential, commercial land & building against its secured portfolio loans such as housing loan, loan against properties, and developer funding.

The Company has a collateral management system to address the risks associated in the mortgage business. Onsite inspections by independent experts are carried out to satisfy that the value of the collateral is sufficient to cover the associated credit risk and that the claim on property is legally enforceable. Credit policy guidelines clearly specify Loan to value ('LTV') ratios and ensures a maximum permissible limit on exposure in any collateral backed funding. This takes care of any revaluation or depreciation in value of asset due to unforeseen circumstances.

The Collection team follows up with the customers through field visits as well as through telecommunication for payment of over dues. Collection team is also responsible for initiating legal action including repossession and selling of collaterals. In its normal course of business, the Company does not physically repossess properties in its retail portfolio. For other collaterals the Company liquidates the assets and recovers the amount due against the loan. Negotiations with customers with respect to settlement of loans are also carried out by the authorised personnel from collection team. Any surplus funds are returned to the customers/obligors.

An estimate of the lower of fair value of collateral and other security enhancements held and carrying amounts of the financial assets as at the reporting date is shown below. This excludes the value of collateral and other security enhancements that are determined not to be enforceable (legally or practically) by the Company.

(₹ lakhs)

As at 31 March, 2025	Maximum exposure to credit risk	Collaterals (Land & building)*	Associated ECLs
Financial Assets			
Balances with Bank	60,611	-	-
Loans & Advances (gross)	997,941	2,856,021	(13,875)
Derivative Financial Instrument	117	-	-
Trade receivables	174	-	-
Other financial asset	16,851	-	-
Total Financial Asset	**1,075,694**	**2,856,021**	**(13,875)**

(₹ lakhs)

As at 31 March, 2024	Maximum exposure to credit risk	Collaterals (Land & building)*	Associated ECLs
Financial Assets			
Balances with Bank	34,416	-	-
Loans & Advances (gross)	796,460	2,427,655	(15,728)
Derivative Financial Instrument	-	-	-
Trade receivables	208	-	-
Other financial asset	10,268	-	-
Total Financial Asset	**8,41,352**	**2,427,655**	**(15,728)**

** The value of the collateral for residential & commercial mortgage loans is based on the collateral value at origination. For credit-impaired loans the value of collateral is based on the most recent appraisals.*

The below tables provide an analysis of the current fair values of collateral held and credit enhancements for stage 3 assets.

Fair value of collateral and credit enhancements held under the base case scenario.

(₹ lakhs)

Portfolio Loans	Maximum exposure to credit risk	Collaterals (Land & building)*	Associated ECLs
As at 31 March, 2025	17,171	33,212	(6,505)
As at 31 March, 2024	16,404	40,157	(6,935)

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for the year ended 31 March, 2025

Liquidity Risk

Liquidity risk is the risk that the Company, though solvent, either does not have sufficient financial resources available to meet its obligations as they fall due, or can secure them only at excessive costs. Liquidity risk management involves estimating and managing the liquidity requirements of the Company within acceptable structural boundaries and in a cost-efficient manner, and involves the Board and senior management's development and oversight of a comprehensive process that identifies, measures, monitors and controls the Company's liquidity risk exposure.

The Company maintains a reliable management information system designed to provide the senior management with timely and forward-looking information on the liquidity position of the Company. In terms of actions, the Company's liquidity risk management policy is guided by the following principles:

1. Lender diversification demonstrated by an increase in lenders, across instruments (bank finance, bonds, money market instruments, sell down of loan portfolio of loan portfolio) and liquidity pools (banks, mutual funds, insurance companies, pension funds, foreign portfolio investors)
2. Matching of asset and liability tenor
3. Maintenance of adequate liquidity buffer as per internal policy
4. Structural liquidity mismatch

Tools to Manage Liquidity Risk

The Company manages its liquidity risk through liquidity gap analysis, monitoring concentration limits (tenor, counterparty and instrument type) and liquidity ratios.

Projected rolling cash flow for the next 6 months is prepared which provides a gap analysis of expected cash inflow and outflow on a given date. Treasury is responsible to prepare a suitable funding plan based on the cash flow.

Single lender limit, single financial instrument or category limit and negative gap mismatches are monitored on a monthly basis to ensure these are within the policy limits.

The Company manages liquidity risk by maintaining sufficient cash and cash equivalents and by having access to funding through an adequate amount of committed credit lines. The Company maintains flexibility in funding by maintaining availability under committed credit lines to meet obligations when due.

Analysis of financial liabilities by remaining contractual maturities

The tables below analyse the Company's financial liabilities into relevant maturity groupings based on their contractual maturities for all financial liabilities for which the contractual maturities are essential for an understanding of the timing of the cash flows. The amounts disclosed in the table are the contractual undiscounted cash flows (payable along with interest outgo*).

(₹ lakhs)

As at 31 March, 2025	Carrying value	Within 1 year	1 to 5 years	After 5 years	Total
Financial liabilities					
Derivative Financial Instrument	1,261	-	1,261	-	**1,261**
Trade payables	3,453	3,453	-	-	**3,453**
Borrowings other than debt securities	663,237	186,527	530,489	100,195	**817,211**
Debt Securities (including Subordinated liabilities)	263,510	61,965	218,351	29,226	**309,542**
Lease liabilities	7,062	1,776	5,609	1,483	**8,868**
Other financial liabilities (excluding lease liabilities)	20,604	18,828	1,776	-	**20,604**

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for the year ended 31 March, 2025

(₹ lakhs)

As at 31 March, 2024	Carrying value	Within 1 year	1 to 5 years	After 5 years	Total
Financial liabilities					
Derivative Financial Instrument	-	-	-	-	**-**
Trade payables	3,759	3,759	-	-	**3,759**
Borrowings other than debt securities	433,801	124,921	348,608	58,673	**532,202**
Debt Securities	237,452	94,815	156,989	31,239	**283,043**
Lease liabilities	6,656	1,537	5,454	1,518	**8,509**
Other financial liabilities (excluding lease liabilities)	82,839	81,847	992	-	**82,839**

** The interest payments on variable interest rate loans in the table above reflect interest rates at the reporting date and these amount may change as market interest rates change.*

The Company's expected cash flows on some financial assets and financial liabilities vary significantly from the contractual cash flows. As part of the management of liquidity risk arising from financial liabilities, the Company holds liquid assets comprising cash and cash equivalents to meet liquidity requirements. In addition, the Group maintains agreed lines of credit with other banks to maintain the liquidity requirements.

Financing Arrangement

The Company had access to the following undrawn borrowing facilities at the end of the reporting period:

(₹ lakhs)

Particulars	As at 31 March, 2025	As at 31 March, 2024
Expiring within one year	127,830	145,000
Expiring beyond one year (term loan)	-	62,830

The bank term loan facilities may be drawn at any time in ₹ and have an average maturity of 5 years (FY 2023-24: 3.1 years), Subject to maintenance of satisfactory credit ratings. In addition to above , the company also have undrawn bank overdraft facilities ₹6,500 lakhs (31 March, 2024: ₹6,500 lakhs) which may be drawn at any time and may be terminated by the bank without notice.

Market Risk

Market risk is the risk of loss of future earnings, fair values or future cash flows related to financial instrument that may result from adverse changes in market rates and prices (such as foreign exchange rates, interest rates, other prices). The Company is exposed to market risk primarily related to currency risk, interest rate risk and price risk.

Competitions Risk

Company offers a range of mortgage products such as home loan, loans against property and construction of real estate. These are provided to a broad segment of customers Including salaried and self-employed personnel and corporates. We face competition primarily from other MFCs. The major competitive factors among the peer group are an extensive branch network, greater funding capabilities, wider range of products and services, and advanced technology offerings.

Foreign Currency Risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. Foreign currency risk for the Company arises majorly on account of foreign currency borrowings. The Company holds derivative financial instruments such as Cross currency interest rate swap & forward contracts to mitigate risk of changes in exchange rate in foreign currency and floating interest rate. When a derivative is entered into for the purpose of hedging, the Company negotiates the terms of those derivatives to match with the terms of the hedge exposure. The Company's policy is to fully hedge its foreign currency borrowings at the time of drawdown and remain so till repayment. The Counterparty for these contracts is generally a bank.

NOTES TO FINANCIAL STATEMENTS

for the year ended 31 March, 2025

Hedge Policy

The Company's hedging policy only allows for effective hedging relationships to be considered as hedges as per the relevant Ind AS 109.

Interest rate risks are mitigated by entering into interest rate swaps. The Company uses pay-fixed / receive-floating interest rate swaps and cross-currency interest-rate swaps to hedge the interest rate risks in respect of the benchmark interest rate (mainly LIBOR) and foreign currency risks (mainly US dollar, JPY, SG dollar) from its issuance of floating-rate & fixed notes denominated in foreign currencies.

The currency risk on the borrowings is actively managed mainly through forward contracts. The Company hedges interest rate risk to the extent of benchmark interest rate & spread exposure on its floating-rate notes to mitigate variability in its cash flows. Cross Currency interest rate swaps are matched to specific issuances of floating-rate notes with terms that closely align with the critical terms of the hedged item. Hedge accounting is applied where economic hedge relationships meet the hedge accounting criteria.

When the hedging instrument is a forward foreign exchange contract, the Company establishes a hedge ratio where the notional on the forward foreign exchange contract matches the carrying amount of the designated underlying. The qualitative assessment is supplemented quantitatively using the hypothetical derivative method for the purposes of assessing hedge effectiveness. The Company assesses hedge effectiveness using the hypothetical derivative method, which creates a derivative instrument to serve as a proxy for the hedged transaction. The terms of the hypothetical derivative match the critical terms of the hedged item and it has a fair value of zero at inception. The hypothetical derivative and the actual derivative are compared to establish the effectiveness of the hedge relationship.

In these hedge relationships, the main sources of ineffectiveness are:

- the effect of the counterparty and the Company's own credit risk on the fair value of the swap, which is not reflected in the fair value of the hedged item attributable to the change in interest rate and foreign currency; and
- differences in maturities or timing of cash flows of the swap and the notes
- zero floor rate under hedged item as against hedge instrument

Foreign currency exposure

(₹ lakhs)

Particulars	As at 31 March, 2025	As at 31 March, 2024
a. Long term borrowings (Hedge item)	42,738	-
b. Highly Probable borrowings	43,375	-
c. Notional Value of Derivative (Hedge instrument)	(86,113)	-
Net exposure to foreign currency risk (a-b)	**-**	**-**

(USD lakhs)

Particulars	As at 31 March, 2025	As at 31 March, 2024
Change in fair value of hedging instrument recognised in other comprehensive income (OCI)	177	-
Reclassified from OCI to profit or loss	-	-
Closing balance	**177**	**-**

The following table details the Company's sensitivity to a 1% increase and decrease in the INR against the relevant foreign currencies net of hedge accounting impact. 1% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the year-end for a 1% change in foreign currency rates, with all other variables held constant. A positive number below indicates an increase in profit or equity where INR strengthens 1% against the relevant currency and vice versa.

(₹ lakhs)

Particulars	As at 31 March, 2025		As at 31 March, 2024	
	Decrease	Increase	Decrease	Increase
USD/INR	861	(861)	-	-

NOTES TO FINANCIAL STATEMENTS

for the year ended 31 March, 2025

Price Risk

Price risk is the risk that the value of the financial instrument will fluctuate as a result of changes in market prices and related market variables such as interest rates and credit spreads whether caused by factors specific to an individual investment, its issuer and market.

The Company's exposure to price risk arises from investments in unlisted equity securities, debt securities, units of mutual funds, which are classified as financial assets at Fair Value through Profit and Loss and amounts to as follows:

(₹ lakhs)

Particulars	As at 31 March, 2025	As at 31 March, 2024
Exposure to price risk	41,041	25,733

Sensitivity Analysis

The table below sets out the effect on profit or loss due to reasonable possible weakening / strengthening in prices of 5%:

(₹ lakhs)

Effect on profit or loss (₹ lakhs)	As at 31 March, 2025	As at 31 March, 2024
Impact on profit before tax for 5% increase in prices	(106)	(86)
Impact on profit before tax for 5% decrease in prices	106	86

Interest Rate Risk

The interest rate risk is the vulnerability of the Company's financial condition to adverse movements in market interest rates. It corresponds to the potential effects of interest rate changes on the Company's profitability, in particular net interest income. Exposure to this risk primarily results from timing spread in the re-pricing of both on and off-balance sheet assets and liabilities as they mature (fixed rate instruments) or contractual re-pricing (floating rate instruments). The objective of interest rate risk policy is to establish boundaries on interest rate risk exposure for the Company and the governance and monitoring policies for interest rate risk management.

The exposure of the Company's borrowing to interest rate changes at the end of the reporting period are as follows:

(₹ lakhs)

Particulars	As at 31 March, 2025	As at 31 March, 2024
Fixed rate borrowings		
Debt Securities*	235,234	209,477
Bank Borrowing	19,550	14,155
Commercial Paper	4,950	-
Variable rate borrowings		
Debt Securities	28,276	27,976
Bank borrowing (including WCDL)	632,460	410,567
Borrowing through Pass Through Certificate (PTC)	6,277	8,622
Total borrowings	**926,747**	**670,797**

** Includes Subordinated liabilities*

The following metrics are employed for measurement of interest rate risks:

- Repricing Gap analysis – measured by calculating gaps over different time intervals as at a given date, and measures mismatches between rate sensitive liabilities and rate sensitive assets (including off-balance sheet positions).
- Sensitivity analysis – interest rate sensitivity is monitored as per interest rate simulations, viz. potential loss due to an adverse movement in interest rates of 100 bps for mismatch up to 1 year.

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for the year ended 31 March, 2025

Sensitivity Analysis

(₹ lakhs)

Effect on profit or loss	As at 31 March, 2025	As at 31 March, 2024
Impact on profit before tax of 100 bps increase in interest rate	6,670	4,472
Impact on profit before tax of 100 bps decrease in interest rate	(6,670)	(4,472)

Financial Instrument

a) Classification and Fair Values of Financial Assets & Liabilities

The following table shows the carrying amounts and fair values of financial assets and financial liabilities as at reporting date:

(₹ lakhs)

Particulars	As at 31 March, 2025			As at 31 March, 2024		
	FVOCI	FVTPL	Amortised Cost	FVOCI	FVTPL	Amortised Cost
Financial assets:						
Cash and cash equivalent	-	-	59,896	-	-	33,671
Bank balances other than cash and cash equivalent	-	-	800	-	-	799
Derivative Financial Instrument	117	-	-	-	-	-
Trade Receivables	-	-	174	-	-	208
Loans and advances	-	-	984,066	70,292	-	710,440
Investments	-	41,041	-	-	25,733	457
Other financial assets	-	-	16,851	-	-	10,268
Total financial assets	**117**	**41,041**	**1,061,787**	**70,292**	**25,733**	**755,843**
Financial liabilities:						
Derivative Financial Instrument	1,261	-	-	-	-	-
Trade payables	-	-	3,453	-	-	3,759
Debt securities	-	-	238,153	-	-	212,138
Subordinated liabilities	-	-	25,357	-	-	25,315
Borrowing other than debt securities	-	-	663,237	-	-	433,801
Other financial liabilities	-	-	27,666	-	-	89,495
Total financial liabilities	**1,261**	**-**	**957,866**	**-**	**-**	**764,508**

Fair Value of cash and cash equivalents, bank balances other than cash and cash equivalent, trade receivables, loans and advances to customers, other financial assets, trade payables and other financial liabilities, derivative financial instruments approximate their carrying amounts largely due to short term maturities of these instruments.

b) Fair Value Hierarchy

As per Ind AS 107, 'Financial Instruments: Disclosures', the fair values of the financial assets or financial liabilities are defined as the price that would be received on sale of asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The fair value hierarchy is based on inputs to valuation techniques that are used to measure fair value that are either observable or unobservable. The hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities and lowest priority to unobservable inputs.

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the company has classified its financial instruments into the three levels prescribed under the Ind AS 107. An explanation of each level follows underneath the table.

NOTES TO FINANCIAL STATEMENTS

for the year ended 31 March, 2025

The hierarchy used is as follows:

Level 1 – Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 – Inputs are other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 - Inputs are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

a) Financial Assets Measured at FVTPL at Each Reporting Date

(₹ lakhs)

Particulars	Level 1		Level 2		Level 3	
	As at 31 March, 2025	As at 31 March, 2024	As at 31 March, 2025	As at 31 March, 2024	As at 31 March, 2025	As at 31 March, 2024
Investment	41,041	20,782	-	-	-	4,951
Total	**41,041**	**20,782**	**-**	**-**	**-**	**4,951**

b) Financial Assets and Liabilities Measured at Amortised Cost at Each Reporting Date

(₹ lakhs)

Particulars	As at 31 March, 2025		
	Carrying Value	Fair Value	
		Level 2	Level 3
Financial assets measured at amortised cost			
Loans and advances to customers*	997,941	-	997,941
Other financial assets	16,851	-	16,854
Total	**1,014,792**	**-**	**1,014,795**
Financial liabilities measured at amortised cost			
Debt securities	238,153	-	246,581
Subordinated liabilities	25,357	-	26,261
Borrowing other than debt securities	652,010	-	652,010
Borrowing through Pass Through Certificate (PTC)	6,277	-	6,277
Commercial Paper	4,950	-	4,899
Lease liabilities	7,062	-	7,125
Total	**933,809**	**-**	**943,153**

(₹ lakhs)

Particulars	As at 31 March, 2024		
	Carrying Value	Fair Value	
		Level 2	Level 3
Financial assets measured			
Loans and advances to customers at amortised cost*	725,765	-	725,765
Other financial assets at amortised cost	10,268	-	10,267
Total	**736,033**	**-**	**736,032**
Financial liabilities measured at amortised cost			
Debt securities	212,138	-	217,746
Subordinated liabilities	25,315	-	25,753
Borrowing other than debt securities	424,722	-	424,722
Borrowing through Pass Through Certificate (PTC)	8,622	-	8,622
Lease liabilities	6,656	-	6,688
Total	**677,453**	**-**	**683,531**

**Gross value of portfolio loans*

NOTES TO FINANCIAL STATEMENTS

for the year ended 31 March, 2025

c) Financial assets and liabilities measured at FVOCI at each reporting date

(₹ lakhs)

Particulars	As at 31 March, 2025		
	Carrying Value	Fair Value	
		Level 2	Level 3
Financial assets measured at FVOCI			
Loans and advances*	-	-	-
Derivative financial instruments	117	117	-
Total	**117**	**117**	**-**
Financial liabilities measured at FVOCI			
Derivative financial instruments	1,261	1,261	-
Total	**1,261**	**1,261**	**-**

(₹ lakhs)

Particulars	As at 31 March, 2024		
	Carrying Value	Fair Value	
		Level 2	Level 3
Financial assets measured at FVOCI			
Loans and advances*	70,695	-	70,695
Derivative financial instruments	-	-	-
Total	**70,695**	**-**	**70,695**
Financial liabilities measured at FVOCI			
Derivative financial instruments	-	-	-
Total	**-**	**-**	**-**

**Gross value of portfolio loans*

Fair value of financials assets and financial liabilities at amortised cost i.e., Loans and advances to customers, Other financial assets, Debt securities, Borrowing other than debt securities is calculated on pool basis at present values of future cash flows over expected tenure of financial instruments.

Following discounting factor are used for calculation of fair values:

Particulars	Discounting factors
Loans and advances to customers	These are floating advances hence fair value equals to amortised cost
Other financial assets, Debt securities, Borrowing other than debt securities	Incremental cost of funds as at reporting date

Valuation Techniques Used to Determine Fair Value

The fair value of a financial instrument on initial recognition is normally the transaction price (fair value of the consideration given or received). Subsequent to initial recognition, the Company determines the fair value of financial instruments that are quoted in active markets using the quoted bid prices (financial assets held) or quoted ask prices (financial liabilities held) and using valuation techniques for other instruments. Valuation techniques include discounted cash flow method, market comparable method, recent transactions happened in the company and other valuation models.

The Company measures financial instruments, such as investments (other than equity investments in Subsidiaries), derivative financial instruments, etc. at fair value.

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

Each class of financial assets	Techniques
Government securities	The fair value is determined by applying direct quotes available from the active market for such securities.
Certificate of Deposits	The fair value for such securities is determined by applying benchmark yield available in the public domain.
Derivative financial instruments	Discounted cash flow based on the present value of future cash flows anticipated based on forward exchange rates and forward curves

In order to assess Level 3 valuations as per Company's investment policy, the management reviews the performance of the investee companies on a regular basis by tracking their latest available financial statements / financial information, valuation report of independent valuers, recent transaction results etc. which are considered in valuation process.

NOTES TO FINANCIAL STATEMENTS

for the year ended 31 March, 2025

51 Maturity Analysis of Assets and Liabilities

(₹ lakhs)

Particulars	As at 31 March, 2025			As at 31 March, 2024		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Financial Assets						
Cash and cash equivalents	59,896	-	59,896	33,671	-	33,671
Bank balances other than cash and cash equivalents	800	-	800	799	-	799
Investments	41,041	-	41,041	25,733	-	25,733
Derivative Financial Instruments	-	117	117			
Trade receivables	174	-	174	208	-	208
Loans and advances*	181,865	802,201	984,066	116,868	663,864	780,732
Other financial assets	3,666	13,185	16,851	1,633	8,635	10,268
Non-Financial assets						
Current tax assets (net)	-	-	-	-	547	547
Deferred tax asset (net)	-	3,624	3,624	-	4,503	4,503
Other non-financial assets	1,402	2,067	3,469	1,065	2,063	3,128
Property, plant and equipment	-	2,639	2,639	-	1,758	1,758
Right of use assets	-	6,100	6,100	-	5,968	5,968
Other Intangible assets	-	770	770	-	215	215
Intangible assets under development	-	-	-	-	170	170
Total Assets	**288,844**	**830,703**	**1,119,547**	**179,977**	**687,723**	**867,700**
Financial liabilities						
Derivative Financial Instruments	-	1,261	1,261	-	-	-
Trade payables	3,453	-	3,453	3,759	-	3,759
Debt Securities	51,523	186,630	238,153	82,035	130,103	212,138
Subordinated liabilities	1,255	24,102	25,357	1,257	24,058	25,315
Borrowings	139,004	524,233	663,237	92,542	340,802	433,344
Other financial liabilities	20,059	7,607	27,666	82,858	6,637	89,495
Non-Financial liabilities						
Current tax liabilities (net)	12	-	12	-	-	-
Provisions	112	1,198	1,310	172	1,498	1,670
Other non-financial liabilities	1,486	1,825	3,311	2,779	192	2,971
Equity		-				
Equity share capital	-	37,116	37,116	-	32,622	32,622
Other equity	-	118,671	118,671	-	66,386	66,386
Total liabilities	**216,904**	**902,643**	**1,119,547**	**265,402**	**602,298**	**867,700**

** Loans and advance are classified basis behavioral pattern and management estimation of future inflows and outflows which have been relied by auditors.*

NOTES TO FINANCIAL STATEMENTS
for the year ended 31 March, 2025

52 (A) Additional Regulatory Information under MCA Notification dated 24 March, 2021

a) **Details of Benami Property held:** There are no proceedings which have been initiated or pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 and rules made thereunder.

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

i. The revised quarterly returns and statements of current assets filed by the Company with banks or financial institutions for the quarter ended June 2024, September 2024 and December 2024 are in agreement with the books of accounts. Further, for quarter ended March 2025, the company has filed the provisional return and statement which will be revised subsequently based on audited numbers;

ii. The Company has used the borrowings from banks and financial institutions for the specific purpose for which it was taken as at the balance sheet date.

c) **Wilful Defaulter:** The Company has not been declared as Wilful Defaulter by any Bank or Financial Institution or other Lender.

d) **Relationship with Struck off Companies:** During the year, the Company does not have any transactions with the companies struck off under section 248 of Companies Act, 2013 or section 560 of Companies Act, 1956.

e) **Registration of charges or satisfaction with Registrar of Companies ('ROC'):** In case of borrowings, there are no charges or satisfaction pending for registration with ROC beyond the statutory period.

f) **Compliance with number of layers of companies:** The Company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017.

g) **Ratios:**

Particulars	As at 31 March, 2025	As at 31 March, 2024
Capital to risk-weighted assets ratio (CRAR) (%)	22.27%	19.48%
Tier I CRAR (%)	18.35%	14.24%
Tier II CRAR (%)	3.92%	5.24%
Liquidity Coverage Ratio (%)	133.35%	87.03%

h) **Compliance with approved Scheme(s) of Arrangements:** The Company has no entered in any such arrangements during the year.

i) **Utilisation of Borrowed funds and share premium:**

During the financial year ended 31 March, 2025, other than the transactions undertaken in the normal course of business and in accordance with extant regulatory guidelines as applicable:

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

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

j) **Undisclosed Income:** The Company does not have any transactions not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961). Also, there are nil previously unrecorded income and related assets.

K) **Details of Crypto Currency or Virtual Currency:** The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

NOTES TO FINANCIAL STATEMENTS

for the year ended 31 March, 2025

52 (B) As per the requirements of Rule 3(1) of the Companies (Accounts) Rules 2014, "Rules", the Company uses only such accounting software for maintaining its books of account that have a feature of recording audit trail of each and every transaction creating an edit log of each change made in the books of account along with the date when such changes were made within such accounting software. This feature of recording audit trail has operated throughout the year and was not tampered with during the year. The Company has implemented a framework to identify relevant applications from the overall IT universe as “Books of account” as per the Companies Act 2013. The Company’s books of accounts maintained in the electronic mode comply with the requirements of the Companies Act 2013, read with relevant rules and notifications. Audit trail has been preserved by the Company as per statutory requirements for record retention from 1 April, 2023 at the application level, and 1 July, 2023 onwards at the database level, as Company’s IT systems were being recovered post the outage due to the IT incident of March, 2023. The Company has established and maintained an adequate internal control framework and based on its assessment, believes that this was effective as of 31 March, 2025.

53 Details of Transferred financial assets that are derecognised in their entirety

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

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

(₹ lakhs)

Particulars	As at 31 March, 2025	As at 31 March, 2024
Carrying amount of derecognised financial assets measured at amortised cost	37,373	-
Net Gain/(loss) from derecognition for the year	3,386	-
Carrying amount of derecognised financial assets carried at FVOCI	70,000	34,383
Net Gain/(loss) from derecognition for the year	**7,080**	**3,686**

(₹ lakhs)

Particulars	As at 31 March, 2025	As at 31 March, 2024
Carrying amount of continuing involvement in derecognised financial assets	22,141	11,248

54 As required by the RBI circular no. DNBS.CO.PD.No. 367/03.10.01/2013-14 dated 23 January, 2014, the details of accounts restructured during the year ended 31 March, 2025 are given below:

(₹ lakhs)

No.	Type of restructuring	Restructuring Account as on 31 March, 2024			Fresh restructuring during the year			Upgradations to restructured standard category during the FY			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			Downgradations of Restructured accounts during the FY			Write-offs of restructured accounts during the FY			Restructured accounts as on 31 March, 2025		
	Asset Classification	No. of borrowers	Amount outstanding	Provision thereon	No. of borrowers	Amount outstanding as at 31 March, 2025	Provision thereon	No. of borrowers	Amount outstanding as at 31 March, 2025	Provision thereon	No. of borrowers	Amount outstanding as at 31 March, 2025	Provision thereon	No. of borrowers	Amount outstanding as at 31 March, 2025	Provision thereon	No. of borrowers	Amount outstanding	Provision thereon	No. of borrowers	Amount outstanding	Provision thereon
1	**CDR**																					
	Standard	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Substandard	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Doubtful	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Loss	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
2	**MSME & Others**																					
	Standard	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Substandard	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Doubtful	4	40	28	-	-	-	-	-	-	1	26	13	-	-	-	1	1	1	2	13	14
	Loss	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total	**4**	**40**	**28**	**-**	**-**	**-**	**-**	**-**	**-**	**1**	**26**	**13**	**-**	**-**	**-**	**1**	**1**	**1**	**2**	**13**	**14**
3	**Grand Total**																					
	Standard	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Substandard	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Doubtful	4	40	28	-	-	-	-	-	-	1	26	13	-	-	-	1	1	1	2	13	14
	Loss	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total	**4**	**40**	**28**	**-**	**-**	**-**	**-**	**-**	**-**	**1**	**26**	**13**	**-**	**-**	**-**	**1**	**1**	**1**	**2**	**13**	**14**

Notes:

1. The outstanding amount and number of borrowers as at 31 March, 2025 is after considering recoveries and sale of assets during the year.
2. The above table pertains to advances and does not include investment in shares which have been fully provided for.
3. The provision in the above table includes general loan loss provision and other provisions held on the restructured advances.
4. For the purpose of arithmetical accuracy as required by circular, movement in provisions in the existing restructured account as compared to opening balance is disclosed under column fresh restructuring (for increase in provision) and write-off/sale/recovery (for decrease in provision) during the year and are not comparable with the additional facilities availed and partial recovery disclosed under the respective columns.
5. **MSME Details**

Particulars	No. of MSME accounts	Amount outstanding	Provision thereon
As on 31 March, 2025	-	-	-
As on 31 March, 2024	-	-	-

NOTES TO FINANCIAL STATEMENTS

for the year ended 31 March, 2025

55 Additional Disclosures Required by NHB

Disclosures as required in Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 (RBI/2020-21/73 DOR.FIN.HFC.CC.No.120/03.10.136/2020-21) dated 17 February, 2021 (updated from time to time) read with Circulars DoR.FIN.REC.No.45/03.10.119/2023-24 dated 19 October, 2023 updated on 21 March, 2024 on Scale Based Regulation ('SBR'). These have been prepared on the basis of INDAS financials in line with Master Direction.

i) Capital to Risk Assets Ratio ('CRAR')

Particulars	As at 31 March, 2025	As at 31 March, 2024
CRAR (%)	22.27%	19.48%
CRAR- Tier I Capital (%)	18.35%	14.24%
CRAR- Tier II Capital (%)	3.92%	5.24%
Amount of subordinated debt raised as Tier-II capital (₹ lakhs)*	24,500	24,500
Amount raised by issue of Perpetual Debt Instruments (₹ lakhs)	-	-

** Principal outstanding as on reporting date, during FY 2024-25 and FY 2023-24, the Company had not raised any Subordinated Debt.*

ii) Reserve Fund u/s 29C of NHB Act, 1987

The Company has created a reserve fund as required by section 29C of National Housing Bank Act, 1987, wherein a sum equal to twenty percent of its profit every year, as disclosed in the profit and loss account and before any dividend is declared, is transferred. The Special Reserve qualifies for deduction as specified u/s 36 (1) (viii) of the Income Tax Act, 1961 and accordingly, the Company has been availing tax benefits for such transfers.

(₹ lakhs)

Particulars	As at 31 March, 2025	As at 31 March, 2024
Balance at the beginning of the year		
a) Statutory Reserve u/s 29C of the National Housing Bank Act, 1987	-	-
b) Amount of Special Reserve u/s 36(1)(viii) of Income Tax Act, 1961 taken into account for the purposes of Statutory Reserve u/s 29C of the NHB Act, 1987	3,505	1,650
c) Total	**3,505**	**1,650**
Addition/ Appropriation/ Withdrawal during the year		
Add:		
a) Amount transferred u/s 29C of the NHB Act, 1987	-	-
b) Amount of special reserve u/s 36(1)(viii) of Income Tax Act, 1961 taken into account for the purposes of Statutory Reserve under Section 29C of the NHB Act, 1987	2,390	1,855
Less:		
a) Amount appropriated from the Statutory Reserve u/s 29C of the NHB Act, 1987	-	-
b) Amount withdrawn from the special reserve u/s 36(1)(viii) of Income Tax Act, 1961 taken into account which has been taken into account for the purpose of provision u/s 29C of the NHB Act, 1987	-	-
Balance at the end of the year		
a) Statutory Reserve u/s 29C of the National Housing Bank Act, 1987	-	-
b) Amount of special reserve u/s 36(1)(viii) of Income Tax Act, 1961 taken into account for the purposes of Statutory Reserve under Section 29C of the NHB Act, 1987	5,895	3,505
c) Total	**5,895**	**3,505**

NOTES TO FINANCIAL STATEMENTS

for the year ended 31 March, 2025

iii) Investments

(₹ lakhs)

Particulars	As at 31 March, 2025	As at 31 March, 2024
Value of Investments		
(i) Gross value of investments		
(a) In India	41,041	25,733
(b) Outside India	-	-
(ii) Provisions for Depreciation		
(a) In India	-	-
(b) Outside India	-	-
(iii) Net value of investments		
(a) In India	41,041	25,733
(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 / Written-bank of excess provisions during the year	-	-
(iv) Closing balance	**-**	**-**

iv) Derivatives

a) Forward Rate Agreement ('FRA') / Interest Rate Swap ('IRS') (also includes currency interest rate swaps)

(₹ lakhs)

Particulars	As at 31 March, 2025	As at 31 March, 2024
(i) The notional principal of swap agreements	86,113	Nil
(ii) Losses which would be incurred if counterparties failed to fulfil their obligations under the agreements	-	Nil
(iii) Collateral required by the HFC upon entering into swaps	-	Nil
(iv) Concentration of credit risk arising from the swaps	-	Nil
(v) The fair value of the swap book (Asset / (Liability) (net)	(1,144)	Nil

b) Exchange Traded Interest Rate ('IR') Derivative

(₹ lakhs)

Particulars	As at 31 March, 2025	As at 31 March, 2024
(i) Notional principal amount of exchange traded IR derivatives undertaken during the year ended	Nil	Nil
(ii) Notional principal amount of exchange traded IR derivatives outstanding as on year ended	Nil	Nil
(iii) Notional principal amount of exchange traded IR derivatives outstanding and not "highly effective"	Nil	Nil
(iv) Mark-to-market value of exchange traded IR derivatives outstanding and not "highly effective"	Nil	Nil

NOTES TO FINANCIAL STATEMENTS

for the year ended 31 March, 2025

c) Exchange Traded Interest Rate ('IR') Derivatives

The Company is not carrying out any activity of providing derivative cover to third parties.

d) Qualitative Disclosure

(i) All hedging activities, if any are carried out by treasury department possessing the appropriate skills, experience and supervision. The Company's activities expose it to the financial risks of changes in foreign exchange rates and Interest rate. The Company uses derivative contracts to hedge its exposure to movements in foreign exchange and Interest rate. The use of these derivative contracts reduce the risk or cost to the Company. The Company's policy is to hedge the exposure by taking derivative instruments and not for trading in derivatives for speculative purposes.

(ii) The Company has a risk management policy to enter into derivatives to manage the risk associated with external commercial borrowings. The following table highlights the key aspects of the policy:

a) Treasury and Risk function is authorised to elect appropriate derivative instrument:,

b) The Company shall fully hedge the risk on account of foreign currency fluctuation and change interest rate towards external commercial borrowing;

c) Market/Price risk arising from the fluctuations of interest rates and foreign exchange rates or from other factors shall be closely monitored and controlled and reported in ALCO;

d) The Company has a hedging policy in place which mandates to have a hedge relation established before a derivative transaction is entered into. The Company ensures that the hedging effectiveness is monitored continuously during the life of the derivative contract;

e) The Company has put in place accounting policy covering recording hedge and non-hedge transactions, recognition of income, premiums and discounts; valuation of outstanding contracts; provisioning and credit risk mitigation.

e) Quantitative Disclosure

(₹ lakhs)

Particulars	As at 31 March, 2025		As at 31 March, 2024	
	Currency derivative	Interest rate Derivatives	Currency derivative	Interest rate Derivatives
Derivatives (Notional Principal Amount) for hedging	-	86,113	-	-
Marked to Market Positions				
a) Asset (+)	-	117	-	-
b) Liability (-)	-	(1,261)	-	-
Credit Exposure	-	-	-	-
Unhedged Exposures	-	-	-	-

NOTES TO FINANCIAL STATEMENTS

for the year ended 31 March, 2025

v) Securitisation

a) Securitisation Transactions

(₹ lakhs)

Particulars	As at 31 March, 2025	As at 31 March, 2024
1. No. of SPEs holding assets for securitisation transactions originated by the originator	1	1
2. Total amount of securitised assets as per books of the SPEs	6,645	9,121
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	767	768
• Others	334	457
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	6,645	9,121
• 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	Nil	10,832
6. Form and quantum (outstanding value) of services provided by way of, liquidity support, post-securitisation asset servicing, etc.	Nil	Nil
7. Performance of facility provided		
Fixed Deposit		
(a) Amount paid	-	768
(b) Repayment received	-	-
(c) Outstanding amount	767	768
8. Average default rate of portfolios observed in the past	1.65%	1.65%
9. Amount and number of additional/top up loan given on same underlying asset	NA	Nil
10. Investor complaints (a) Directly/Indirectly received	Nil	Nil
(b) Complaints outstanding	Nil	Nil

b) Details of Financial Assets sold to Securitisation / Reconstruction Company for Asset Reconstruction

During the year, Company has not sold financials asset to securitisation/ reconstruction company for asset reconstruction.

NOTES TO FINANCIAL STATEMENTS

for the year ended 31 March, 2025

c) Assignment

Details of Assignment transactions undertaken by the Company during the year:

(₹ lakhs)

Particulars	As at 31 March, 2025	As at 31 March, 2024
Entity/Assignee	Bank/NBFC	Bank/NBFC
Number of loans assigned	7,621	4,982
Amount of loans assigned	103,285	71,983
Weighted average maturity (in months)	171	204
Weighted average holding period (in months)	16	18
Retention of beneficial economic interest	10%	5%-10%
Coverage of tangible security*	100%	100%
Rating-wise distribution of rated loans	NA	NA

**for secured loans*

d) Details of Non-performing Financial Assets Purchased / Sold

(i) Details of non-performing financial assets purchased during the year:

(₹ lakhs)

Particulars	As at 31 March, 2025	As at 31 March, 2024
No. of accounts purchased during the year	NIL	NIL
Aggregate outstanding		
Aggregate consideration paid		
Weighted average residual tenor of the loans acquired		
Of these, number of accounts restructured		
Aggregate outstanding		

The Company does not acquired any stressed assets during the year.

(ii) Details of stressed loans transferred or acquired based on RBI Circular No. RBI/DOR/2021-22/86 dated 24 September, 2021 for the year ended 31 March, 2025:

Details of stressed loans transferred during the year (to be made separately for loans classified as NPA and SMA)	For the year ended 31 March, 2025			For the year ended 31 March, 2024		
	To ARC	To permitted transferee	To other transferees	To ARC	To permitted transferee	To other transferees
No. of accounts	Nil	407	Nil	Nil	Nil	Nil
Aggregate principal outstanding of loans transferred	Nil	7,956	Nil	Nil	Nil	Nil
Weighted average residual tenor of the loans transferred	Nil	281	Nil	Nil	Nil	Nil
Net book value of loans transferred (at the time of transfer)	Nil	3,097	Nil	Nil	Nil	Nil
Aggregate consideration	Nil	3,023	Nil	Nil	Nil	Nil
Aggregate consideration Additional consideration realized in respect of accounts transferred in earlier years	Nil	-	Nil	Nil	Nil	Nil

**Includes sale of written off portfolio*

NOTES TO FINANCIAL STATEMENTS

for the year ended 31 March, 2025

vi) Asset Liability Management Maturity pattern of certain items of Assets and Liabilities:

(₹ lakhs)

Particulars	As at 31 March, 2025						
	Liabilities				Assets		
	Deposits	Borrowings from banks	Market Borrowings	Foreign Currency Liabilities	Advances*	Investments	Foreign Currency Assets
1-7 days	-	302	-	-	12,568	9,938	-
8-14 days	-	4,012	-	-	4,047	4,925	-
15-30/31 days	-	2,822	-	-	6,476	12,340	-
Over 1 month upto 2 Months	-	11,540	25,327	-	13,758	13,838	-
Over 2 months upto 3months	-	21,875	207	226	14,288	-	-
Over 3 months & up to 6 months	-	28,692	6,743	-	45,757	-	-
Over 6 Months & up to 1 year	-	69,535	20,501	-	84,971	-	-
Over 1 year & up to 3 years	-	252,042	186,630	42,410	229,289	-	-
Over 3 years & up to 5 years	-	139,959	-	-	126,528	-	-
Over 5 years	-	89,822	24,102	-	446,384	-	-
Total	**-**	**620,601**	**263,510**	**42,636**	**984,066**	**41,041**	**-**

(₹ lakhs)

Particulars	As at 31 March, 2024						
	Liabilities				Assets		
	Deposits	Borrowings from banks	Market Borrowings	Foreign Currency Liabilities	Advances*	Investments	Foreign Currency Assets
1-7 days	-	540	-	-	8,406	1,977	-
8-14 days	-	600	-	-	2,425	-	-
15-30/31 days	-	819	-	-	4,654	18,808	-
Over 1 month upto 2 Months	-	4,538	3,936	-	9,186	4,954	-
Over 2 months upto 3months	-	10,546	208	-	9,619	4	-
Over 3 months & up to 6 months	-	21,636	1,768	-	31,096	10	-
Over 6 Months & up to 1 year	-	53,905	77,380	-	51,482	22	-
Over 1 year & up to 3 years	-	184,336	130,103	-	163,238	92	-
Over 3 years & up to 5 years	-	105,449	-	-	96,773	104	-
Over 5 years	-	51,432	24,058	-	403,853	219	-
Total	**-**	**433,801**	**237,453**	**-**	**780,732**	**26,190**	**-**

** Advance as at year end are disclosed as per behavioral pattern.*

The Company does not have any deposits as on 31 March, 2025 and 31 March, 2024.

Based on Management estimation of future inflows and outflows which have been relied by auditors.

NOTES TO FINANCIAL STATEMENTS

for the year ended 31 March, 2025

vii) Exposures

a) Exposure to Real Estate Sector

(₹ lakhs)

Particulars	As at 31 March, 2025	As at 31 March, 2024
Direct exposure		
Residential Mortgages - Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented. Exposure would also include non-fund based (NFB) limits.	867,497	708,199
Commercial Real Estate - Lending secured by mortgages on commercial real estates (office buildings, retail space, multi-purpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.). Exposure would also include non-fund based limits	247,813	181,567
Investments in Mortgage Backed Securities (MBS) and other securitised exposures -		
a) Residential	-	-
b) Commercial Real Estate	-	-
Indirect Exposure - Fund based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs)	-	-
Total Exposure to Real Estate Sector	**1,115,310**	**889,766**

Exposure amount includes principal outstanding, Interest accrued thereon, undrawn amount and other adjustments for gross carrying value. The Company provides loans against property which are fully collateralized against a residential property, commercial property. All Residential collateral are reported under residential mortgage while commercials (including commercial real estate, shops, hotels and Industry) collateral are reported as commercial real estate. The end use of the loan may be business in case of a business customer or could be personal in case of a salaried and individual customer.

b) Exposure to Capital Market

The Company has no exposure to the capital markets directly or indirectly in the current and previous year.

(₹ lakhs)

Particulars	As at 31 March, 2025	As at 31 March, 2024
a) Direct investment in equity shares, convertible bonds, convertible debentures and units of equity-oriented mutual funds the corpus of which is not exclusively invested in corporate debt;	Nil	Nil
b) Advances against shares/bonds/debentures or other securities or on clean basis to individuals for investment in shares (including IPOs / ESOPs), convertible bonds, convertible debentures, and units of equity-oriented mutual funds;	Nil	Nil
c) Advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security;	Nil	Nil
d) Advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares/convertible bonds/ convertible debentures / units of equity oriented mutual funds 'does not fully cover the advances;	Nil	Nil
e) Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers;	Nil	Nil

NOTES TO FINANCIAL STATEMENTS
for the year ended 31 March, 2025

(₹ lakhs)

Particulars	As at 31 March, 2025	As at 31 March, 2024
f) Loans sanctioned to corporates against the security of shares/bonds/debentures or other securities or on the clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources;	Nil	Nil
g) bridge loans to companies against expected equity flows/issues;	Nil	Nil
h) Underwriting commitments taken up by the HFCs in respect of primary issue of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds		
i) Financing to stockbrokers for margin trading		
j) All exposures to Alternate Investment Funds (a) Category I (b) Category II (c) Category III	Nil	Nil
Total Exposure to Capital Market	-	-

c) Details of Financing of Parent Company Products

The Company has not financed any products of parent company in the financial year ended 31 March, 2025 and 31 March, 2024.

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

The company has not exceeded the Single Borrower Limit and Group Borrower Limit as prescribed by NHB during the financial year.

e) Unsecured Advances

The Company has not given any advances against intangible securities such as charge over the rights, licenses, authority, etc. in the financial year ended 31 March, 2025 and 31 March, 2024. For secured advances, refer note 7 - Loans and Advances

viii) Exposure to group companies engaged in real estate business (refer to Paragraph 21 of these directions)

Particulars	Amount (₹ lakhs)	% of owned fund
(i) Exposure to any single entity in a group engaged in real estate business	Nil	Nil
(ii) Exposure to all entities in a group engaged in real estate business	Nil	Nil

ix) Registration with Other Financial Sector

Regulators	Registration Number
Ministry of Corporate Affairs (MCA)	CIN: U65922TN2010PLC076972
Insurance Regulatory Development Authority (IRDA)	Reg No. CA 0948

x) During FY 2024-25, there were no penalties imposed by NHB or any other regulator for contravention of paragraph 22 and 27A of the Housing Finance Companies (NHB) Direction 2010.

NOTES TO FINANCIAL STATEMENTS

for the year ended 31 March, 2025

xi) Related party transactions during the current and previous year.

For the Year Ended 31 March, 2025

Particulars	Holding	Subsidiaries	Associates/ Joint ventures	Key Management#	Relatives of Key Management Personnel#	Directors#	Relatives of Directors#	Others	Total
Borrowings	-	-	-	-	-	-	-	-	-
Deposits	-	-	-	-	-	-	-	-	-
Placement of deposits	-	-	-	-	-	-	-	-	-
Advances	-	-	-	-	-	-	-	-	-
Investments	-	-	-	-	-	-	-	-	-
Purchase of fixed/other assets	38,153	-	-	-	-	-	-	-	38,153
Sale of fixed/other assets	-	-	-	-	-	-	-	-	-
Interest paid	-	-	-	-	-	-	-	-	-
Interest received	-	-	-	-	-	-	-	-	-
Others*	49,844	-	-	1,097	-	136	-	-	51,077
Total	**87,997**	**-**	**-**	**1,097**	**-**	**136**	**-**	**-**	**89,230**

** for details, please refer note 36.*

For the Year Ended 31 March, 2024

Particulars	Holding	Subsidiaries	Associates/ Joint ventures	Key Management#	Relatives of Key Management Personnel#	Directors#	Relatives of Directors#	Others	Total
Borrowings	-	-	-	-	-	-	-	-	-
Deposits	-	-	-	-	-	-	-	-	-
Placement of deposits	-	-	-	-	-	-	-	-	-
Advances	-	-	-	-	-	-	-	-	-
Investments	-	-	-	-	-	-	-	-	-
Purchase of fixed/other assets	-	-	-	-	-	-	-	-	-
Sale of fixed/other assets	32,520	-	-	-	-	-	-	-	32,520
Interest paid	-	-	-	-	-	-	-	-	-
Interest received	-	-	-	-	-	-	-	-	-
Others*	40,833	-	-	518	-	160	-	-	41,511
Total	**73,353**	**-**	**-**	**518**	**-**	**160**	**-**	**-**	**74,031**

** for details, please refer note 36.*

 # There are no transaction during the year in nature of borrowings, deposits, advances, investment and placement of deposit with related party or from KMPs/directors or relative of KMPs/directors.

NOTES TO FINANCIAL STATEMENTS
for the year ended 31 March, 2025

Diagrammatic representation of group structure

xii) Ratings Assigned by Credit Rating Agencies and Migration of Ratings during the year

Particulars	For the year ended 31 March, 2025		For the year ended 31 March, 2024	
	CARE	CRISIL	CARE	CRISIL
Non-convertible debentures/ Sub debt	AAA Stable	AAA Stable	AAA Stable	AAA Stable
Term Loan	AAA Stable	AAA Stable	AAA Stable	AAA Stable
Short-term debt / Comercial Paper	A1+	A1+	A1+	A1+

Ratings are subject to annual surveillance.

xiii) Net Profit or Loss for the Period, Prior Period Items and Changes in Accounting Policies

The Company has not debited any prior period items in statement of profit & loss during the current year/previous year.

xiv) Remuneration of Non-Executive Directors

Refer note 36 for related party transactions for remuneration paid to non- executive directors during the current and previous year.

xv) Management: Refer the Management Discussion and Analysis section.

xvi) Revenue Recognition

There has been no instance of revenue recognition being postponed pending resolution of significant uncertainties.

NOTES TO FINANCIAL STATEMENTS

for the year ended 31 March, 2025

xvii) Break-up of 'Provisions and Contingencies' shown under the head 'Expenditure' in the Statement of Profit & Loss Account

(₹ lakhs)

Break-up of 'Provisions and Contingencies' shown under the head Expenditure in Profit and Loss Account	For the year ended 31 March, 2025	For the year ended 31 March, 2024
Provision made towards income tax (incl. adj. for tax of earlier period)	3,232	2,372
Provisions for depreciation on Investment	-	-
Other Provision and Contingencies	(360)	497
Provision towards NPA portfolio loans	(218)	(845)
Provision for Standard Assets (with details like teaser loan, CRE, CRE-RH etc.)		
- Housing (Incl. CRE-RH)	(972)	1,609
- Non-Housing (incl. CRE)	(663)	(1,125)

The total provision carried by the Company in terms of paragraph 15 of Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, as follows:-

(₹ lakhs)

Break-up of Loan & Advances and Provisions thereon	As at 31 March, 2025		As at 31 March, 2024	
	Housing	Non-Housing	Housing	Non-Housing
Standard Assets				
a) Total Outstanding Amount	683,263	291,191	538,000	238,053
b) Provisions made	4,286	2,063	5,258	2,726
Sub-Standard Assets				
a) Total Outstanding Amount	11,391	7,792	6,564	4,065
b) Provisions made	3,665	1,901	2,421	1,100
Doubtful Assets – Category-I				
a) Total Outstanding Amount	1,588	909	3,551	2,894
b) Provisions made	762	367	1,504	932
Doubtful Assets – Category-II				
a) Total Outstanding Amount	761	416	1,097	2,193
b) Provisions made	296	175	663	1,084
Doubtful Assets – Category-III				
a) Total Outstanding Amount	151	479	29	14
b) Provisions made	95	265	26	14
Loss Assets				
a) Total Outstanding Amount	-	-	-	-
b) Provisions made	-	-	-	-
Total				
a) Total Outstanding Amount	**697,154**	**300,787**	**549,241**	**247,219**
b) Provisions made	**9,104**	**4,771**	**9,872**	**5,856**

xviii) Draw down from Reserves

The Company has not withdrawn any amount from any of the reserves during the year ended 31 March, 2025 (31 March, 2024: Nil)

NOTES TO FINANCIAL STATEMENTS

for the year ended 31 March, 2025

xix) Concentration of Deposits, Advances, Exposures and NPAs

(a) Concentration of Deposits

The Company has not accepted any deposits during the current and previous year. Also there are no outstanding deposits from earlier years.

(b) Concentration of Loans and Advances

(₹ lakhs)

Particulars	As at 31 March, 2025	As at 31 March, 2024
Total advances to twenty largest borrowers	39,270	30,840
Percentage of advances to twenty largest borrowers to total advances of the Company	3.9%	3.9%

(c) Concentration of All Exposures (Including Off-Balance Sheet Exposure)

(₹ lakhs)

Particulars	As at 31 March, 2025	As at 31 March, 2024
Total exposure to twenty largest borrowers/ customers (Amount includes carrying value of loans and undrawn loan commitment)	65,505	56,135
Percentage of exposures to twenty largest borrowers/ customers to Total Exposure of the Company on borrowers/ customers	5.9%	6.3%

(d) Concentration of Non-Performing Accounts

(₹ lakhs)

Particulars	As at 31 March, 2025	As at 31 March, 2024
Total Exposure to top ten NPA accounts	1,725	3,199

(e) Sector-Wise Non-Performing Accounts

Percentage of NPAs to Total Advances in that sector	As at 31 March, 2025	As at 31 March, 2024
Housing Loans		
Individuals	2.29%	2.31%
Builder/Project loans	0.00%	0.00%
Corporates	0.00%	0.00%
Others	0.00%	0.00%
Non-Housing Loans		
Individuals	3.48%	3.92%
Builder/Project loans	0.00%	0.00%
Corporates	0.00%	0.00%
Others	0.00%	0.00%

NOTES TO FINANCIAL STATEMENTS

for the year ended 31 March, 2025

xx) Movement of NPAs and Provision

(₹ lakhs)

Particulars	As at 31 March, 2025	As at 31 March, 2024
Net NPAs to Net Advances (%)	**1.61%**	**1.61%**
Movement of Gross NPAs		
(a) Opening Balance	**20,407**	**22,389**
(b) Additions during the year	30,137	19,872
(c) Reductions during the Year	27,059	21,854
(d) Closing Balance	**23,485**	**20,407**
Movement of provisions for NPAs		
(a) Opening Balance	**7,744**	**8,589**
(b) Provisions made during the year	11,054	5,260
(c) Write off / Write back of excess provisions	11,272	6,105
(d) Closing Balance	**7,526**	**7,744**
Movement of Net NPAs		
(a) Opening Balance	**12,663**	**13,800**
(b) Additions during the year	19,083	14,612
(c) Reductions during the Year	15,787	15,749
(d) Closing Balance	**15,959**	**12,663**

xxi) In terms of requirement of NHB's Circular No. NHB (ND) /DRS/ Pol.Circular. 61/2013-14 dated 7 April, 2014 following information on Reserve Fund under section 29C of the National Housing Bank Act, 1987 is provided

(Refer note no. 55 (ii))

xxii) Overseas Assets

(₹ lakhs)

Particulars	As at 31 March, 2025	As at 31 March, 2024
Overseas Assets	N.A	N.A

xxiii) Off-balance Sheet SPVs sponsored which are required to be consolidated as per accounting norms

(₹ lakhs)

Particulars	As at 31 March, 2025	As at 31 March, 2024
Name of SPV sponsored		
- Domestic	N.A	N.A
- Overseas	N.A	N.A

xxiv) The Company does not have any subsidiary, associate or joint venture company, hence the disclosure is not applicable. Further the consolidated financial statements is not applicable to the company.

NOTES TO FINANCIAL STATEMENTS

for the year ended 31 March, 2025

xxv) Asset classification based on RBI Circular No. DOR (NBFC).CC.PD.No.109/22.10.106/2019-20 dated 13 March, 2020

(₹ lakhs)

Asset Classification as per RBI Norms	Year ended 31 March, 2025					
	Asset classification as per Ind AS 109	Gross Carrying Amount as per Ind AS	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
	2	3	4	5=(3)-(4)	6	7=(4)-(6)
Performing Assets						
Standard	Stage 1	954,671	3,690	950,981	3,817	(127)
	Stage 2	19,785	2,215	17,570	109	2,106
	Stage 3	-	-	-	-	-
Subtotal		**974,456**	**5,905**	**968,551**	**3,926**	**1,979**
Non-Performing Assets (NPA)						
Substandard	Stage 1	559	83	476	83	-
	Stage 2	5,371	811	4,560	775	36
	Stage 3	13,252	4,673	8,579	1,888	2,785
Doubtful						
up to 1 year	Stage 1	13	3	10	3	-
	Stage 2	305	99	206	73	26
	Stage 3	2,179	1,027	1,152	580	447
1 to 3 years	Stage 1	18	7	11	7	-
	Stage 2	48	18	30	18	-
	Stage 3	1,110	445	665	405	40
More than 3 years	Stage 3	**630**	**360**	**270**	**615**	**(255)**
Subtotal for doubtful		**4,303**	**1,959**	**2,344**	**1,701**	**258**
Loss	Stage 3	-	-	-	-	-
Subtotal of NPA		**23,485**	**7,526**	**15,959**	**4,447**	**3,079**
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	172,660	433	172,227	-	433
	Stage 2	264	11	253	-	11
	Stage 3	-	-	-	-	-
Subtotal		**172,924**	**444**	**172,480**	**-**	**444**
Total	Stage 1	1,127,921	4,216	1,123,705	3,910	306
	Stage 2	25,773	3,154	22,619	975	2,179
	Stage 3	17,171	6,505	10,666	3,488	3,017
	Total	**1,170,865**	**13,875**	**1,156,990**	**8,373**	**5,502**

NOTES TO FINANCIAL STATEMENTS

for the year ended 31 March, 2025

(₹ lakhs)

Asset Classification as per RBI Norms	Year ended 31 March, 2024					
	Asset classification as per Ind AS 109	Gross Carrying Amount as per Ind AS	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
	2	3	4	5=(3)-(4)	6	7=(4)-(6)
Performing Assets						
Standard	Stage 1	760,962	4,999	755,963	3,030	1,969
	Stage 2	15,064	2,611	12,453	142	2,469
	Stage 3	27	10	17	0	10
Subtotal		**776,053**	**7,620**	**768,433**	**3,172**	**4,448**
Non-Performing Assets (NPA)						
Substandard	Stage 1	268	39	229	39	-
	Stage 2	2,728	490	2,238	393	97
	Stage 3	7,633	2,991	4,642	1,085	1,906
Doubtful						
up to 1 year	Stage 1	87	22	65	22	-
	Stage 2	886	242	644	213	29
	Stage 3	5,472	2,173	3,299	1,452	721
1 to 3 years	Stage 1	26	10	16	10	-
	Stage 2	34	17	17	13	4
	Stage 3	3,273	1,760	1,513	1,264	496
More than 3 years	Stage 3	-	-	-	-	-
Subtotal for doubtful		**9,778**	**4,224**	**5,554**	**2,974**	**1,250**
Loss	Stage 3	-	-	-	-	-
Subtotal of NPA		**20,407**	**7,744**	**12,663**	**4,491**	**3,253**
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	110,223	363	109,860	-	363
	Stage 2	159	1	158	-	1
	Stage 3	-	-	-	-	-
Subtotal		**110,382**	**364**	**110,018**	**-**	**364**
Total	Stage 1	871,567	5,433	866,133	3,101	2,333
	Stage 2	18,870	3,361	15,510	761	2,600
	Stage 3	16,405	6,935	9,471	3,801	3,133
	Total	**906,843**	**15,729**	**891,114**	**7,664**	**8,067**

1. Total Gross carrying amount represents loans at amortised cost as per Note 7. Other items in column 3 include undrawn loan commitments.
2. ECL provisioning is presented at the portfolio level for each stage while the Provisions required as per IRACP norms are presented in accordance with RBI/NHB guidelines and circular reference dated 17 April, 2020.
3. Interest on NPA portfolio is not recognized under IRAC norms, while interest on Stage 3 assets is accounted as net of ECL provision and forms part of carrying value of portfolio loans.

NOTES TO FINANCIAL STATEMENTS

for the year ended 31 March, 2025

xxvi) Details of principal business criteria as per paragraph 4.1.17:

(₹ lakhs)

Particulars	As at 31 March, 2025	As at 31 March, 2024
Housing Finance Assets of its total assets netted off by intangible assets	61.81%	62.64%
Individual Housing Finance assets of its total assets netted off by intangible assets	53.82%	55.35%

xxvii) Disclosure on Complaints

a) Complaints received by the HFC from its customers

(₹ lakhs)

Particulars	As at 31 March, 2025	As at 31 March, 2024
i. Number of complaints pending at beginning of the year	-	3
ii. Number of complaints received during the year	741	2,699
iii. Number of complaints disposed during the year	740	2,702
a) Of which, number of complaints rejected by the HFC	-	-
iv. Number of complaints pending at the end of the year	1	-

b) Maintainable complaints received by the HFC from office of ombudsman

(₹ lakhs)

Particulars	As at 31 March, 2025	As at 31 March, 2024
i. Number of maintainable complaints received by the HFC from Office of Ombudsman	NA	NA
a. Of i, number of complaints resolved in favour of the HFC by Office of Ombudsman		
a. Of i, number of complaints resolved through conciliation/mediation/advisories issued by Office of Ombudsman		
a. Of i, number of complaints resolved after passing of Awards by Office of Ombudsman against the HFC		
ii. Number of Awards unimplemented within the stipulated time (other than those appealed)		

Note: Maintainable complaints refer to complaints on the grounds specifically mentioned in Integrated Ombudsman Scheme, 2021 (Previously The Ombudsman Scheme for Non-Banking Financial Companies, 2018) and covered within the ambit of the Scheme.

NOTES TO FINANCIAL STATEMENTS
for the year ended 31 March, 2025

Top five grounds[a] of complaints received by the HFCs from customers

(₹ lakhs)

Particulars	As at 31 March, 2025				
	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 iv, number of complaints pending beyond 30 days
Branch Assistance	-	124	>100%	1	-
Document related	-	97	>100%	-	-
Repayment Reminders	-	85	>100%	-	-
Service Portal Issues	-	66	>100%	-	-
Onboarding Process	-	48	>100%	-	-
Total	**-**	**420**	**>100%**	**1**	**-**

(₹ lakhs)

Particulars	As at 31 March, 2024				
	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 iv, number of complaints pending beyond 30 days
Foreclosure requests	-	1,108	>100 %	-	-
Documentation requests	-	537	>100 %	-	-
Interest rate disputes	-	408	>100 %	-	-
Inability to pay/settlement	1	-	(100%)	-	-
Loan closure status disputes	-	142	NA	-	-
Pmay related	-	102	NA	-	-
Total	**1**	**2,297**	**>100 %**	**-**	**-**

xxviii) The details of frauds noticed / reported are as below:

(₹ lakhs)

Particulars	For the year ended 31 March, 2025	For the year ended 31 March, 2024
Number of cases	4	5
Amount Involved	120	243
Amount Recovered from the reported fraud till date	-	-
Amount written off/provided	120	243
Balance	-	-

xxix) The Company does not have any outstanding loan against gold jewelleries as at 31 March, 2025 (31 March, 2024: ₹ Nil).

NOTES TO FINANCIAL STATEMENTS

for the year ended 31 March, 2025

xxx) Sectoral Exposure (including funded and non-funded exposure)

(₹ lakhs)

Particulars	As at 31 March, 2025			As at 31 March, 2024		
	Total Exposure	Gross NPA	Percentage of Gross NPA to total exposure in that sector	Total Exposure	Gross NPA	Percentage of Gross NPA to total exposure in that sector
I. Gross Advances (II + III)	**1,115,310**	**23,485**	**2.11%**	**906,847**	**20,407**	**2.25%**
II. Food Credit	-	-	-	-	-	-
III. Non-Food Credit (1 to 5)	**1,115,310**	**23,485**	**2.11%**	**906,847**	**20,407**	**2.25%**
1. Agriculture and Allied Activities	-	-	-	-	-	-
2. Industry	-	-	-	-	-	-
3. Services	**297,850**	**8,913**	**2.99%**	**249,457**	**8,706**	**3.49%**
3.a) Retail Trade	195,129	7,170	3.67%	169,399	7,684	4.54%
3.b) Commercial Real Estate	86,162	1,447	1.68%	68,308	754	1.10%
3.c) Other Services	16,559	296	1.79%	11,750	268	2.28%
Total 3.a to 3.c	**297,850**	**8,913**	**2.99%**	**249,457**	**8,706**	**3.49%**
3.a) Micro and Small	297,850	8,913	2.99%	249,457	8,706	3.49%
3.b) Medium	-	-	-	-	-	-
3.c) Large	-	-	-	-	-	-
4. Retail Loans	**817,460**	**14,573**	**1.78%**	**657,390**	**11,701**	**1.78%**
Housing Loans (incl. priority sector Housing)	808,925	14,216	1.76%	647,743	11,494	1.77%
Other Retail loans , if any, Please specify	8,535	357	4.18%	9,647	207	2.15%
5. Other Non-food Credit, if any	**-**	**-**	**-**	**-**	**-**	**-**

xxxi) Intra-Group Exposure

(₹ lakhs)

Particulars	As at 31 March, 2025	As at 31 March, 2024
(i) Total amount of intra-group exposures	NIL	NIL
(ii) Total amount of Top 20 intra-group exposures		
(iii) Percentage of intra-group exposures to total exposures of the NBFC on borrowers/customers		

xxxii) Unhedged Foreign Currency Exposure

a) The Company has no unhedged foreign currency exposure on 31 March, 2025.

b) Policies to manage currency induced risk

The company has no unhedged foreign currency exposure hence policies to manage currency induced risk is not applicable.

xxxiii) Corporate Governance

Disclosure in relation to corporate governance are disclosed in the corporate governance section in accordance with SEBI (LODR) Regulation 2015 as amended from time to time.

xxxiv) Breach of Covenant

There were no instances of breach of covenant of loan availed or debt securities issued during the years ended 31 March, 2025 and 31 March, 2024.

xxxv) Divergence in Asset Classification and Provisioning

There is no divergence assessed by NHB from the inspection carried during the years ended 31 March, 2025 and 31 March, 2024.

NOTES TO FINANCIAL STATEMENTS

for the year ended 31 March, 2025

56 Public Disclosure on Liquidity Risk as at 31 March, 2025, pursuant to RBI circular No.RBI/2019-20/88 DOR.NBFC (PD) CC.No.102/03.10.001/2019-20 dated 4 November, 2019

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

Financial Year	No. of Significant Counterparties	Amount (₹ lakhs)	% of total Deposits	% of Total Liabilities*
As at 31 March, 2025	19	861,514	Not applicable	89.4%
As at 31 March, 2024	19	618,731	Not applicable	80.4%

** Total liability excludes equity*

Notes:

1) A "Significant counterparty" is defined as a single counterparty or group of connected or affiliated counterparties accounting in aggregate for more than 1% of total liabilities.

2) Total liabilities excludes shareholder's funds.

3) Principal outstanding as on reporting date.

ii) Top 20 large deposits: Not applicable

iii) Top 10 Borrowings:

Financial year	Amount (₹ lakhs)	% of Total Borrowings
As at 31 March, 2025	696,841	75.2%
As at 31 March, 2024	473,740	70.6%

Represents Principal outstanding as on reporting date.

iv) Funding concentration based on significant instrument / product:

(₹ lakhs)

Sr. No.	Name of the instrument*	Year ended 31 March, 2025	% of Total Liabilities*	Year ended 31 March, 2024	% of Total Liabilities*
1	Term Loan	609,374	63.2%	424,722	55.2%
2	Non-Convertible Debentures (NCD)	238,153	24.7%	212,138	27.6%
3	External Commercial Borrowings	42,636	4.4%	-	-
4	Sub-ordinate Debt	25,357	2.6%	25,315	3.3%
5	Borrowing through Pass Through Certificate (PTC)	6,277	0.7%	9,079	1.2%
6	Commercial Papers	4,950	0.5%	-	-

Notes:

1) A "significant instrument/product" is defined as a single instrument/product of group of similar instruments/products which in aggregate amount to more than 1% of total liabilities.

2) Carrying value as on reporting date.

3) Total liabilities excludes shareholder's fund.

NOTES TO FINANCIAL STATEMENTS

for the year ended 31 March, 2025

v) Stock Ratios:

Sr. No.	Name of the instrument	As at 31 March, 2025	As at 31 March, 2024
1	Short Term NCD (original maturity upto 1year)/Total Assets	0.0%	0.0%
2	Short Term NCD (original maturity upto 1year)/Total External Liabilities	0.0%	0.0%
3	Short Term NCD (original maturity upto 1year)/Total Public Funds	0.0%	0.0%
4	Commercial Papers/Total Assets	0.4%	0.0%
5	Commercial Papers/Total external liablities	0.5%	0.0%
6	Commercial Paper/Total Public Funds	0.5%	0.0%
7	Long Term Assets/Total Assets	74.2%	79.3%
8	Short Term Liabilities/Total External Liabilities	19.4%	22.9%
9	Other Short Term Liabilities/Total Assets	16.7%	20.3%
10	Other Short Term Liabilities/Total Public Funds	20.2%	26.2%

Notes:

1) Other Short-term Liabilities includes borrowings, which are maturing within 12 months from the reporting date excluding Commercial papers.

2) External liabilities excludes shareholder’s fund.

vi) Institutional Setup of Risk Management

The Company's Board of Directors (‘BOD’) is responsible for setting the strategic direction for the Company. This includes, establishing the liquidity risk appetite and the liquidity required to fulfil its strategic initiatives, setting boundaries/limits within such levels of tolerance and approving the policies that govern risk management under business as usual and stressed conditions.

The Company's liquidity risk is managed by Asset Liability management Committee (‘ALCO’) based on guidelines provided by Risk Oversight Committee (‘ROC’). ALCO is responsible for ensuring adherence to the liquidity risk appetite and asset-liability management limits set by the BOD and to oversee implementation of the strategic direction articulated by the BOD.The risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company’s activities.

SMFG India Home Finance Company Limited *(Formerly Fullerton India Home Finance Co. Ltd.)* has an Institutional Governance setup for Risk Management as below:

1) Board of Directors
2) Risk Oversight Committee (‘ROC’)
3) Asset Liability Management Committee (‘ALCO’)
4) ALM Support Group

The Company has a well-diversified funding mix with adequate proportion of long term borrowings.

NOTES TO FINANCIAL STATEMENTS

for the year ended 31 March, 2025

vii) Liquidity Coverage Ratio ('LCR')

A Qualitative Disclosure

SMFG India Home Finance Company Limited *(Formerly Fullerton India Home Finance Co. Ltd.)* has a Risk Oversight Committee ('ROC'), a Board level Sub-committee to oversee liquidity risk management. Liquidity risk is managed by the Asset Liability Management Committee ('ALCO'), based on the Company's Liquidity Policy and procedures which are based on guidelines provided by ROC. ALCO derives its authority from the ROC and is responsible for adherence to the liquidity and asset liability management limits and to oversee implementation of the strategic direction set by the Board. ALCO not only ensures that the Company has adequate liquidity on an on-going basis but also examines how liquidity requirements are likely to evolve under various assumptions.

RBI vide circular dated 4 November, 2019, has made it mandatory for NBFCs to implement Liquidity Coverage Ratio ('LCR') with effect from 1 December, 2020. Accordingly, the Board and ALCO approved the Liquidity risk management policy which cover Liquidity Coverage Ratio requirements. The overall Liquidity risk management of SMHFC is under the guidance of the ALCO and within the overall framework of the Board approved policies. The mandated regulatory threshold as per the transition plan is embedded into the policy to ensure maintenance of adequate liquidity buffers. LCR computations are reported to ALCO and the Board for oversight and periodic review. LCR requires SMHFC to maintain adequate stock of unencumbered High-Quality Liquid Assets ('HQLA') that can be converted into cash promptly and used immediately to meet its liquidity needs under a 30-day calendar liquidity stress scenario.

As a strategy, SMHFC has investments in government securities and balance in current account with banks which has resulted in a high level of HQLA. SMHFC follows the criteria laid down by the RBI for month-end calculation of High-Quality Liquid Assets ('HQLA'), Net Cash outflows within the next 30-day period. SMHFC is funded through Term loans from banks, Non convertible bonds and External Commercial Borrowings. The Company assesses the impact on short term liquidity gaps under stress scenarios and maintain sufficient liquidity buffers. LCR framwework has become applicable to the Company in current year.

The Company has a well-diversified funding mix with adequate proportion of long term borrowings. All foreign currency borrowings are effectively hedged through derivative contracts at the reporting date. For LCR computation only bank balances and investment in Government Securities has been considered as HQLA, while the company also holds liquid assets like callable Fixed Deposits, which can be liquidated immediately and considered as part of cash inflow.

NOTES TO FINANCIAL STATEMENTS
for the year ended 31 March, 2025

B Quantitative Disclosure

(₹ lakhs)

	Particulars	As at 30 June, 2024		As at 30 September, 2024		As at 31 December, 2024		As at 31 March, 2025	
		Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)
High Quality Liquid Assets									
1	Cash on hand	16	16	120	120	59	59	46	46
2	Balances in current account	9,671	9,671	7,485	7,485	8,808	8,808	6,450	6,450
3	Government securities	23,842	23,842	25,119	25,119	32,288	32,288	39,153	39,153
Total High Quality Liquid Assets		**33,529**	**33,529**	**32,724**	**32,724**	**41,155**	**41,155**	**45,649**	**45,649**
Cash Outflows									
4	Deposits (for deposit taking companies)	-	-	-	-	-	-	-	-
5	Unsecured wholesale funding	-	-	-	-	-	-	-	-
6	Secured wholesale funding	5,400	6,210	7,735	8,895	15,563	17,898	25,397	29,207
7	Additional requirements, of which	-	-	-	-	-	-	-	-
(i)	Outflows related to derivative exposures and other collateral requirements	-	-	-	-	-	-	-	-
(ii)	Outflows related to loss of funding on debt products	-	-	-	-	-	-	-	-
(iii)	Credit and liquidity facilities	-	-	-	-	-	-	-	-
8	Other contractual funding obligations	8,439	9,705	8,374	9,630	10,452	12,020	8,984	10,331
9	Other contingent funding obligations	107,759	123,923	120,051	138,058	98,010	112,711	84,692	97,396
Total Cash Outflows		**121,598**	**139,838**	**136,160**	**156,583**	**124,025**	**142,629**	**119,073**	**136,934**
Cash Inflows									
10	Secured lending	-	-	-	-	-	-	-	-
11	Inflows from fully performing exposures	27,535	20,651	29,480	22,110	37,915	28,436	48,847	36,635
12	Other cash inflows	171,987	128,990	210,671	158,003	171,450	128,587	178,299	133,724
Total Cash Inflows		**199,522**	**149,641**	**240,151**	**180,113**	**209,365**	**157,023**	**227,146**	**170,359**
			Total Adjusted Value		**Total Adjusted Value**		**Total Adjusted Value**		**Total Adjusted Value**
	75% of stressed outflow		104,879		117,437		106,972		102,700
	CAP of Cash inflow (Maximum of 75% of stressed outflow)		104,879		117,437		106,972		102,700
13	**Total HQLA**		**33,529**		**32,724**		**41,155**		**45,649**
14	**Total Net Cash Outflows**		**34,959**		**39,146**		**35,657**		**34,234**
15	**Liquidity Coverage Ratio (%)**		**96%**		**84%**		**115%**		**133%**

57 The Company has reclassified/regrouped previous year figures to conform to current year's classification, where applicable.

As per our report of even date attached.

For **B K Khare & Co**
Chartered Accountants
Firm Reg No. 105102W

Shirish Rahalkar
Partner
Member Reg. No: 111212

Place: Mumbai
Date: 7 May, 2025

For and on behalf of the Board of Directors of
SMFG India Home Finance Co. Ltd
(Formerly Fullerton India Home Finance Co. Ltd.)

Colathur Narayanan Ram
Chairman, Independent Director
DIN : 00211906

Deepak Patkar
Managing Director & CEO
DIN : 09731775

Ashish Chaudhary
Chief Financial Officer

Parthasarathy Iyengar
Company Secretary
ICSI Reg. No. : A21472

Place: Mumbai
Date: 7 May, 2025

NOTES TO FINANCIAL STATEMENTS

for the year ended 31 March, 2025

Schedule to the Balance Sheet of a Housing Finance Company

(as required in terms of paragraph 13 of Non-banking financials (Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank of India) Direction 2007)

(₹ lakhs)

Sr. No.	Particulars	As at 31 March, 2025	
		Amount Outstanding	Amount Overdue
Liabilities side:			
1	**Loans and advances availed by the HFC inclusive of interest accrued thereon but not paid:**		
	(a) Debentures (other than falling within the meaning of public deposits)		
	Secured	238,153	-
	Unsecured	25,357	-
	(b) Deferred Credits	-	-
	(c) Term Loans	652,010	-
	(d) Inter-corporate loans and borrowing	-	-
	(e) Commercial Paper	4,950	-
	(f) Public Deposits	-	-
	(g) Other Loans	6,277	-
2	**Break-up of (1)(f) above (Outstanding public deposits inclusive of interest accrued thereon but not paid):**		
	(a) In the form of Unsecured debentures	-	-
	(b) In the form of partly secured debentures i.e. debentures where there is a shortfall in the value of security	-	-
	(c) Other public deposits	-	-

(₹ lakhs)

Sr. No.	Particulars	As at 31 March, 2025
		Amount Outstanding
Assets side:		
3	**Break-up of Loans and Advances including bills receivables [other than those included in (4) below]:**	
	(a) Gross Secured	997,941
	(b) Gross Unsecured	-
4	**Break up of Leased Assets and stock on hire and other assets counting towards financing activities**	
	(i) Lease assets including lease rentals under sundry debtors:	
	(a) Finance Lease	-
	(b) Operating Lease	-
	(ii) Stock on hire including hire charges under sundry debtors:	
	(a) Assets on hire	-
	(b) Repossessed Assets	-
	(iii) Other Loans counting towards Assets Financing activities:	
	(a) Loans where assets have been repossessed	-
	(b) Loans other than (a) above	-

NOTES TO FINANCIAL STATEMENTS

for the year ended 31 March, 2025

(₹ lakhs)

Sr. No.	Particulars	As at 31 March, 2025 Amount Outstanding
5	**Break-up of Investments:**	
	Current Investments	
	1. Quoted:	
	(i) Shares:	
	(a) Equity	-
	(b) Preference	-
	(ii) Debentures and Bonds	-
	(iii) Units of mutual funds	-
	(iv) Government Securities	-
	(v) Others	-
	2. Unquoted:	-
	(i) Shares:	-
	(a) Equity	-
	(b) Preference	-
	(ii) Debentures and Bonds	-
	(iii) Units of mutual funds	-
	(iv) Government Securities	41,041
	(v) Others	-
	Long-Term Investments	
	1. Quoted:	-
	(i) Shares:	-
	(a) Equity	-
	(b) Preference	-
	(ii) Debentures and Bonds	-
	(iii) Units of mutual funds	-
	(iv) Government Securities	-
	(v) Others	-
	2. Unquoted:	
	(i) Shares:	
	(a) Equity	-
	(b) Preference	-
	(ii) Debentures and Bonds	-
	(iii) Units of mutual funds	-
	(iv) Government Securities	-
	(v) Others	-

NOTES TO FINANCIAL STATEMENTS

for the year ended 31 March, 2025

6 Borrower group-wise classification of all assets financed as in (3) and (4) above:

(₹ lakhs)

Particulars	As at 31 March, 2025		
Category	Amount net of Provision		
	Secured	Unsecured	Total
1. Related Parties			
(a) Subsidiaries	-	-	-
(b) Companies in the same group	-	-	-
(c) Other related parties	-	-	-
2. Other than related parties	984,066	-	984,066
Total	**984,066**	**-**	**984,066**

7 Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted):

(₹ lakhs)

Particulars	As at 31 March, 2025	
Category	Market Value / Break up or fair value or NAV	Book Value (Net of Provisions)
1. Related Parties		
(a) Subsidiaries	-	-
(b) Companies in the same management	-	-
(c) Other related parties	-	-
2. Other than related parties	41,041	41,064
Total	**41,041**	**41,064**

8 Other Information

(₹ lakhs)

Sr. No.	Particulars	As at 31 March, 2025
		Amount Outstanding
(i)	Gross Non-Performing Assets	
	(a) Related parties	-
	(b) Other than related parties	23,485
(ii)	Net Non-Performing Assets	
	(a) Related parties	-
	(b) Other than related parties	15,959
(iii)	Assets acquired in satisfaction of debt	-

For and on behalf of the Board of Directors of
SMFG India Home Finance Co. Ltd.
(Formerly Fullerton India Home Finance Co. Ltd.)

Colathur Narayanan Ram
Chairman, Independent Director
DIN: 00211906

Deepak Patkar
Managing Director & CEO
DIN: 09731775

Ashish Chaudhary
Chief Financial Officer

Parthasarathy Iyengar
Company Secretary
ICSI Reg. No. : A21472

Place: Mumbai
Date: 7 May, 2025

Place: Mumbai
Date: 7 May, 2025

NOTES

NOTES

SMFG
Grihashakti
Nayi Asha. Naya Vishwas.

SMFG India Home Finance Co. Ltd.

Registered Office

Commerzone IT Park, Tower B, 1st Floor,
No. 111, Mount Poonamallee Road, Porur,
Chennai – 600016, Tamil Nadu.

Corporate Office

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