



ANNAPURNA
FINANCE
GROWING TOGETHER

ANNUAL REPORT 2026



GROWING TOGETHER



ANNAPURNA
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TOGETHER, WE CREATE IMPACT.

At Annapurna Finance, every step forward is driven by purpose, responsibility, and the belief that inclusive finance can transform lives. Together with our customers, partners, employees, and communities, we remain committed to building a more resilient, equitable, and sustainable future.

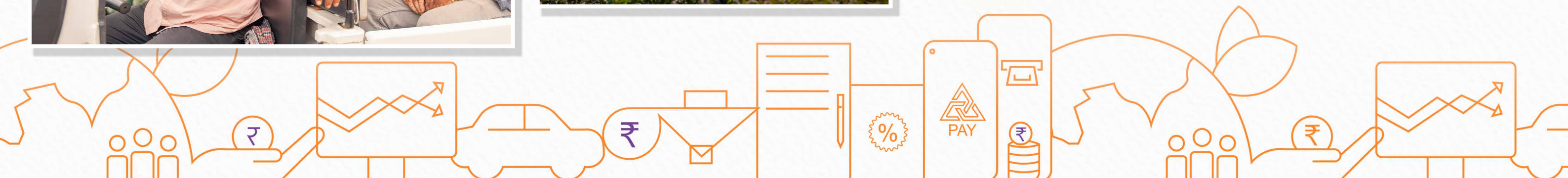
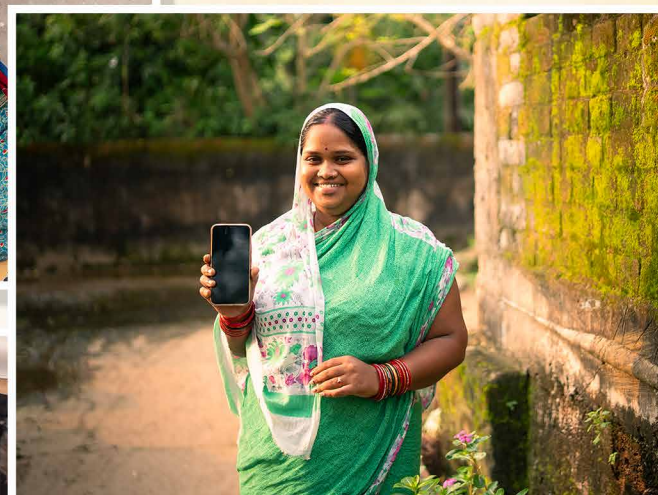


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CORPORATE IDENTITY, GOVERNANCE & STRATEGIC LEADERSHIP

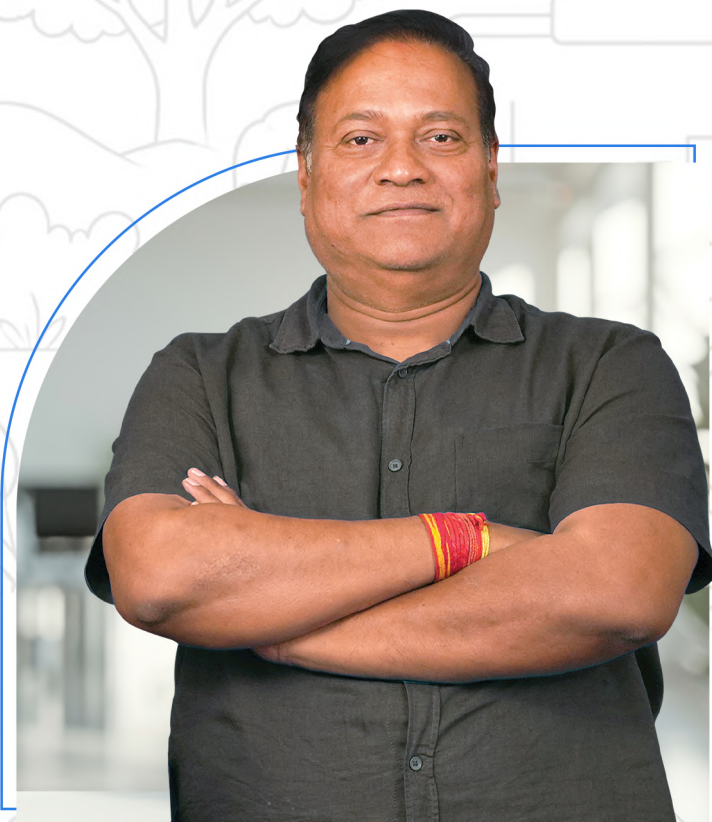
Leading with purpose. Governed by Trust.

- A. Corporate Overview
- B. Who We Are
- C. Governance & Leadership
- D. Corporate Strength & Impact
- E. Recognition & Brand Excellence



BOARD OF DIRECTORS

*Guided by vision. Driven by values.
Committed to creating financially inclusive
and socially equitable communities.*



**MR. GOBINDA CHANDRA
PATTANAİK**

Managing Director,
ANNAPURNA FINANCE PVT. LTD.

A visionary leader in the microfinance and development sector, Mr. Gobinda Chandra Pattanaik brings over 30 years of experience in financial inclusion, social development, and community empowerment. Inspired by Gandhian values, he began his journey as a social worker dedicated to improving the lives of vulnerable communities through sustainable and inclusive development initiatives.

Under his leadership, Annapurna Finance has grown into one of India's leading NBFC-MFIs, serving over 2.9 million clients across 22 states. Beyond financial services, he has championed women's empowerment, rural healthcare, livelihood promotion, and the establishment of rehabilitation and shelter centres for marginalized women and children. A recipient of several prestigious honours, including the Durgabai Deshmukh Award, the Odisha Citizen Award, and ET's Most Inspiring CEO recognition, he continues to drive Annapurna Finance's mission of creating a financially inclusive and socially equitable society through innovation, impact, and responsible growth.



**MR. DIBYAJYOTI
PATTANAİK**

Director,
ANNAPURNA FINANCE PVT. LTD.

Mr. Dibyajyoti Pattanaik is a seasoned development and finance professional with over 20 years of experience in microfinance, enterprise development, and financial inclusion. He has played a pivotal role in shaping Annapurna Finance's growth journey and strengthening its position as one of India's leading financial institutions. Before joining People's Forum as Program Head and Chief Financial Officer (CFO) in 2007, he worked extensively across the development and public sectors, contributing to institutional growth and sustainable development initiatives.

A postgraduate from EDII, Ahmedabad, he has further strengthened his expertise through advanced leadership and finance programmes at the Boulder Institute and Harvard Business School. He currently serves as the President of OSAFII and Vice Chairperson of MFIN, actively contributing to the advancement of the microfinance ecosystem in India. Recognized among India's Top 25 Great People Managers by Forbes India and the Great Manager Institute in 2024, he is widely respected for his leadership, strategic vision, and commitment to driving inclusive and sustainable growth.

BANKERS & FINANCIAL PARTNERS

STRATEGIC PARTNERSHIPS WITH LEADING BANKS AND FINANCIAL INSTITUTIONS HAVE REMAINED A CORNERSTONE OF ANNAPURNA FINANCE'S GROWTH JOURNEY. BUILT ON MUTUAL TRUST AND SHARED VALUES, THESE COLLABORATIONS CONTINUE TO SUPPORT THE ORGANIZATION'S VISION OF FOSTERING FINANCIAL INCLUSION, RESPONSIBLE LENDING, AND SUSTAINABLE DEVELOPMENT.



WHO WE ARE

OUR PURPOSE & VISION



PURPOSE

Empowering India—>Socially—>Financially—>Digitally



OUR VISION

Establishment of a self-sustainable and economically empowered rural, tribal & sub-urban society



OUR MISSION

Empowerment of 40,00,000 poor women and households for their economic security by 2027. Bring recognition, legitimacy, respect and opportunity for 120,000 micro-enterprises by 2027



OUR GOAL

Increase availability of a wider range of microfinance services. Improve the ability of 40,00,000 poor women for efficient use of such services by the year 2027

ORGANIZATIONAL OVERVIEW



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Annapurna Finance remains committed to advancing financial inclusion by extending accessible, affordable, and responsible financial services to underserved and unbanked communities across the country. Through its extensive branch network, customer-centric approach, and technology-enabled solutions, the organization continues to bridge financial gaps and empower individuals, households, and micro-entrepreneurs to build sustainable livelihoods.

With a strong presence across rural, semi-urban, and urban geographies, Annapurna Finance focuses on reaching customers who often have limited access to formal financial services. By offering a diversified portfolio of financial products, including group loans, individual loans, MSME finance, housing finance, green finance, dairy finance, and other livelihood-focused solutions, the organization addresses the evolving needs of its customers at different stages of their financial journey.

Customer outreach efforts are strengthened through continuous engagement, financial literacy initiatives, awareness programmes, and personalized support delivered by field teams. These initiatives help customers make informed financial decisions, improve financial resilience, and enhance their ability to participate in the formal economy.

The organization's digital ecosystem, including A-Pay and other technology-enabled solutions, further enhances accessibility, convenience, and service delivery. By integrating digital channels with on-ground outreach, Annapurna Finance enables customers to access financial services more efficiently while promoting digital inclusion across communities.

Guided by its mission of creating sustainable impact, Annapurna Finance continues to foster inclusive growth by empowering women, supporting entrepreneurship, strengthening local economies, and creating opportunities for socio-economic advancement. Through its unwavering focus on customer outreach and inclusion, the organization remains dedicated to transforming lives and building financially empowered communities.



MESSAGE FROM THE MANAGING DIRECTOR



Dear Readers,

At Annapurna Finance, we have always believed that true progress is measured not merely by financial growth but by the positive transformation we bring to human lives. Our journey has consistently been guided by the aspiration to create a more balanced, compassionate, and inclusive world through innovation, responsible finance, and purposeful action.

Every living being possesses a fundamental will to live and an inherent desire to survive. These timeless words, beautifully expressed by Nobel Laureate Albert Schweitzer in his book *Reverence for Life*, continue to inspire our philosophy and our purpose.

Life repeatedly asks each one of us profound questions: Do you understand yourself? Do you understand others? Do you understand why you are here? These questions have shaped my own reflections over the years. Through my experiences, I have often realized that many among us, irrespective of age or generation, continue to search for the true meaning of life and the purpose of our existence.

Whether we describe today's youth as Generation Z, Alpha, Beta, or by any other name, labels matter far less than how we choose to understand them. They deserve empathy rather than judgment, encouragement rather than criticism, respect rather than prejudice, and above all, unconditional love. They are the custodians of the future and the inheritors of the legacy we are building today. Whether they choose to continue this journey or create a new path of their own, they must always be empowered to pursue their dreams with courage, passion, and dignity.

India continues to be a nation where nearly three-fourths of the population resides in rural areas, many still lacking access to quality healthcare, education, sustainable livelihoods, and financial opportunities. Millions more live in urban slums or struggle every day to secure a life of dignity. These realities remind us that inclusive development remains both our responsibility and our greatest opportunity.

At Annapurna Finance, our vision extends beyond providing financial services. We aspire to become a trusted engine of rural transformation, empowering women, youth, farmers, micro and small entrepreneurs, students, start-ups, and aspiring business owners to move confidently towards their goals. Like a train that connects distant destinations, we seek to connect aspirations with opportunities, enabling every individual to realise their fullest potential.

As we continue this journey alongside our valued stakeholders, I remain deeply convinced that while human capability has its limits, destiny does not. Belief gives us strength but surrender to a higher purpose creates miracles. I humbly place our efforts before the Almighty and continue to be guided by the timeless prayer: "Sarve Bhavantu Sukhinah"

This prayer continues to inspire every step we take, and I sincerely hope that every new member joining the Annapurna family embraces this spirit of service, compassion, and responsibility. Wherever there is human need, there exists an opportunity to serve, to care, and to make a meaningful difference. This conviction gives purpose to our journey and strengthens our commitment to building a more inclusive society.

Words alone are insufficient to express my gratitude to our partners, lenders, investors, development institutions, regulators, and well-wishers.

Their unwavering trust, confidence in our values, and belief in our intent have made Annapurna what it is today. Their continued support has enabled us to overcome challenges and remain steadfast in our mission.

I extend my heartfelt appreciation to every member of the Annapurna family, especially our dedicated field officers who work tirelessly across villages and communities, often under challenging circumstances. Their commitment, compassion, and perseverance are the true foundation of our success.

I also express my sincere gratitude to our Senior Management Team, whose strategic leadership and relentless dedication continue to strengthen our institution. To our esteemed shareholders and visionary Board of Directors, I remain deeply indebted for your enduring confidence, invaluable guidance, and steadfast support. Your encouragement enables us to reach millions of households with dignity, hope, and opportunity.

As we move into the next phase of our journey, diversifying our initiatives while remaining steadfast to our purpose, we look forward to creating greater impact together. The destination may evolve, but our mission remains unchanged: to serve humanity with integrity, compassion, and unwavering commitment.

Thank you for walking this journey with us.

With heartfelt gratitude, respect, and warm regards,

GOBINDA CHANDRA PATTANAİK
MANAGING DIRECTOR



CORPORATE GOVERNANCE FRAMEWORK

Corporate governance remains fundamental to Annapurna Finance's business values, supporting sustainable growth, financial resilience, and stakeholder trust. During FY 2025–26, the organization further strengthened its governance framework through enhanced Board oversight, a robust risk management framework, strengthened compliance testing, and the continuous review of regulatory requirements and industry best practices. Supported by its Board and various Committees, the organization remains committed to transparency, accountability, responsible decision-making, and a structured compliance framework that drives long-term sustainable value creation.

The Board of Directors monitors the evolving industry landscape and regulatory environment through periodic reviews, management updates, and inputs from the Compliance and Risk functions. It evaluates emerging trends, regulatory changes, and sectoral developments to ensure that the organization's policies remain relevant, comprehensive, and aligned with statutory requirements. Based on these assessments, the Board adopts and revises policies, Standard Operating Procedures (SOPs), and strategic frameworks to create a conducive operating environment, support sustainable growth, and mitigate potential risks. The Board also ensures that these policies are effectively communicated and implemented across the organization, with appropriate oversight mechanisms in place for continuous monitoring and improvement.

It has an appropriately constituted Board comprising Executive, Non-Executive, and Independent Directors, in accordance with the Companies Act, 2013, and applicable regulatory requirements. The Board is constituted with an appropriate mix of skills, experience, and expertise, including sector-specific knowledge. It is responsible for overseeing

the organization's corporate governance, business strategy, financial soundness, risk management, compliance, and overall business affairs, while acting in the best interests of the organization.

Pursuant to the governance and regulatory requirements prescribed by the Reserve Bank of India (RBI) for NBFCs, the organization has appointed key managerial personnel and control functionaries to strengthen regulatory compliance, risk management, internal controls, information security, customer protection, grievance redressal, operational resilience, and overall corporate governance.

ETHICAL BUSINESS PRACTICES

Business values and customer trust remain integral to Annapurna Finance's organizational culture. The organization believes that responsible financial inclusion can only be achieved through fair, transparent, and ethical business practices that safeguard the interests of customers, employees, investors, regulators, partners, lenders, and the communities it serves.

The organization's Code of Conduct and policies establish the standards expected of the management and all employees. These standards are supported by a comprehensive policy framework comprising the Fair Practices Code, Code for Responsible Lending by the SRO, Grievance Redressal Policy, Workplace Harassment Policy, Whistle Blower Policy, Staff Accountability Policy, Fraud Management Policy, Information Security and Data Privacy Policies, and other social and governance policies.

It promotes customer-centric practices through responsible lending, financial literacy initiatives, fair recovery practices, transparent product disclosures, and the protection of customer rights. A zero-tolerance approach towards fraud, corruption, discrimination,

and other unethical practices, supported by regular employee training, an effective Vigil Mechanism, and a robust Grievance Redressal Mechanism, reinforces a culture of responsible business conduct.

Annapurna Finance also undertakes a range of Corporate Social Responsibility (CSR) initiatives aimed at holistic community development, particularly in underserved rural areas, with a focus on healthcare, livelihood promotion, education, sanitation, environmental sustainability, and women empowerment. It also contributes to community welfare through the installation of solar streetlights, bio-toilets, and improvements to school infrastructure, while promoting gender equality and inclusive growth. Overall, its CSR efforts are aligned with enhancing the quality of life and fostering sustainable socio-economic development.

COMPLIANCE & TRANSPARENCY

Annapurna Finance adheres to a robust compliance and governance framework supported by internal controls, risk-based assurance mechanisms, and continuous monitoring to ensure adherence to regulatory requirements and industry best practices. Through timely regulatory reporting, board reporting, and stakeholder disclosures, the organization remains committed to integrity, accountability, transparency, and long-term value creation.

The organization follows a Three Lines of Defence model to strengthen its compliance framework. The Heads of Business Units serve as the first line of defence, with primary responsibility for identifying and managing risks. The Compliance and Risk functions form the second line of defence by providing independent oversight, control, and monitoring, while the Internal Audit function acts as the third line of defence by independently

evaluating the effectiveness of the overall risk management and control framework.

The Compliance Function monitors regulatory developments on a periodic basis through regulatory communications and the compliance monitoring application, ensuring the timely identification, assessment, and dissemination of applicable regulatory updates to the concerned business and functional units.

The Compliance Function also monitors the implementation of regulatory guidelines through a structured framework comprising both on-site and off-site surveillance mechanisms. It undertakes periodic compliance testing of branches and business units based on risk-based parameters, supported by comprehensive checklists aligned with applicable laws and regulatory requirements. Observations from these reviews are documented, analysed, and reported to senior management and the relevant committees, with clearly defined timelines for corrective actions. Follow-up reviews are conducted to ensure the closure of identified gaps, thereby fostering a culture of compliance and strengthening the overall compliance environment within the organization.

The Compliance Function also uses Key Compliance Indicators (KCIs) to proactively monitor and manage compliance risks. These indicators are designed to measure, monitor, and periodically review predefined tolerance levels, facilitating the timely identification of potential compliance issues.

CORPORATE STRENGTH & IMPACT

ANNAPURNA FINANCE

Empowering Lives Through Inclusive Growth



DIGITAL ECOSYSTEM 02

- > A-Pay
- > Digital Collections
- > ADR
- > ASign
- > FinTech Solutions



FINANCIAL SERVICES 01

- > Group Loans
- > MSME Finance
- > Individual Loans
- > Housing Finance
- > Gold Loans
- > Green Finance
- > Business Loans
- > Dairy Finance

SOCIAL IMPACT 03

- > Financial Inclusion
- > Community Development
- > Livelihood Enhancement
- > Women Empowerment
- > Health & Education
- > Climate & Sustainability



TECHNOLOGY 05

- > Annapurna Tech Universe (Subsidiary Company)

DIVERSITY, EQUITY & INCLUSION 04

- > Gender Diversity
- > Inclusive Workplace Culture
- > Equal Opportunity Employment
- > Leadership Development
- > Employee Well-being & Belonging



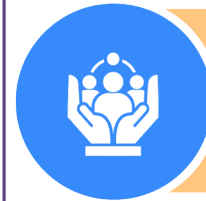
CORE STRENGTHS & CAPABILITIES

Annapurna Finance's core strengths are anchored in an integrated approach to value creation, enabling sustainable growth, operational excellence, and long-term stakeholder value. By effectively leveraging multiple forms of capital, the organization continues to strengthen its resilience, innovation capabilities, and developmental impact.



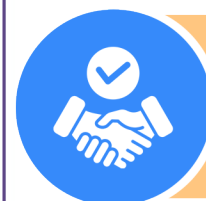
FINANCIAL CAPITAL

A robust financial foundation supported by shareholders' equity, diversified funding sources, strategic investor partnerships, retained earnings, and prudent capital management practices that sustain business growth and operational efficiency.



HUMAN CAPITAL

A diverse and skilled workforce driven by meritocracy, collaboration, leadership, and continuous learning, fostering innovation, operational excellence, and customer-centric solutions across the organization.



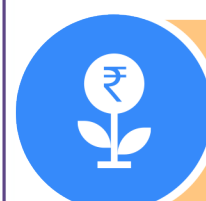
SOCIAL & RELATIONSHIP CAPITAL

Strong stakeholder relationships built on trust, inclusivity, and responsible business practices. This encompasses diversity, equity and inclusion, employee well-being, financial and digital inclusion, community development, stakeholder engagement, and social impact initiatives that create shared value.



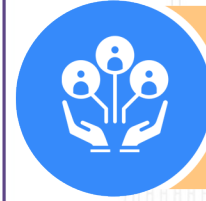
INTELLECTUAL CAPITAL

A technology-enabled ecosystem comprising digital platforms, proprietary applications, data analytics capabilities, process innovations, cybersecurity frameworks, and knowledge-driven solutions that enhance customer experience and business effectiveness.



NATURAL CAPITAL

A commitment to environmental stewardship through sustainable operations, climate-conscious practices, resource efficiency, water conservation, waste management, and initiatives that support the transition towards a greener future.



GOVERNANCE CAPITAL

A strong governance framework underpinned by ethical business conduct, risk management, data privacy, cybersecurity, regulatory compliance, customer-centricity, product innovation, and brand stewardship, ensuring transparency, accountability, and sustainable value creation.



CREATING SUSTAINABLE VALUE

By effectively integrating these capitals, Annapurna Finance continues to strengthen its ability to deliver inclusive financial solutions, drive innovation, create meaningful social impact, and generate sustainable value for customers, communities, employees, investors, and other stakeholders.

CUSTOMER OUTREACH & INCLUSION

Annapurna Finance continued to strengthen customer engagement through a technology-enabled, customer-centric service framework focused on accessibility, responsiveness, and timely grievance resolution.

CUSTOMER SERVICE HIGHLIGHTS

- 93,040 customer service tickets resolved during FY 2025–26
- 5,018 customer complaints successfully addressed
- 99%+ complaint resolution rate
- Average resolution time: 4.89 days
- Multiple customer touchpoints, including the toll-free helpline (1800 843 7200), ensuring easy access to support

STRENGTHENING CUSTOMER EXPERIENCE

- Centralized digital grievance management with real-time tracking and automated escalations.
- Internal Ombudsman mechanism ensuring transparency and regulatory compliance.
- Customer Relationship Committee (CRC) and Recovery Grievance Cell for focused customer governance.
- AI-powered NLP voice bots supporting customer onboarding, EMI reminders, and service assistance.
- Mobile-enabled grievance tracking and workflow automation for faster issue resolution.
- Multichannel customer communication through digital platforms for improved accessibility.

CUSTOMER PROTECTION & AWARENESS

- Continued customer awareness campaigns to protect borrowers from fraudulent schemes misusing the Annapurna Finance brand.
- Strengthened customer education initiatives to promote safe and responsible use of financial services.





RECOGNITION & BRAND EXCELLENCE

AWARDS & RECOGNITIONS

The year FY 2025–26 marked another significant chapter in Annapurna Finance's journey of excellence, innovation, and impact. The organization received prestigious national and international recognition across diverse areas, including digital innovation, financial inclusion, client protection, social impact, workplace excellence, diversity and inclusion, women's empowerment, and responsible finance. Among the notable achievements were recognitions for pioneering digital payment solutions, advancing financial health and inclusion, fostering an inclusive workplace culture, strengthening diversity and equity practices, and delivering measurable social impact. Annapurna Finance was also acknowledged among leading financial institutions globally for its commitment to client protection, sustainability, and responsible business practices.

Beyond these accolades, the recognitions symbolize Annapurna Finance's enduring commitment to empowering communities, fostering inclusive growth, and creating meaningful impact. They reflect the collective efforts of its employees, the trust of its stakeholders, and the aspirations of millions of customers whose progress remains at the heart of the organization's purpose.



02



Bharat NBFC & Fintech Summit & Awards
2025 – Champion in Bridging the Digital
Divide (for A-Pay)



03

Great Place to Work® India Certification
July 2025-26

04



Global Impact Champions Awards 2025 –
Finalist in Financial Health (Top 15 Financial
Institutions Globally)



05

DEI 100 Excellence Index – Ranked 24th Pan
India

06



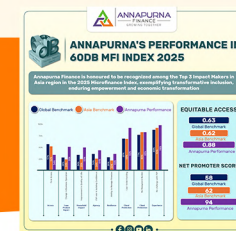
ET Edge Best Organisations for Women
2026



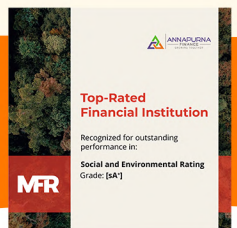
07

MFR Client Protection Certification – Gold
Level Recognition

08



MFR Social & Environmental Performance
Rating – sA+ Rating



09

60 Decibels Microfinance Index 2025 – Ranked
Among Top 3 Financial Service Providers in Asia

KEY CAMPAIGNS & BRAND INITIATIVES

Creating a Distinctive Identity Through Purpose and Innovation

At Annapurna Finance, branding extends beyond visibility. It is about creating meaningful experiences, building credibility, and strengthening stakeholder confidence. Through strategic communication, innovative design, and impactful storytelling, the organization continues to cultivate a strong and recognizable brand that reflects its commitment to financial inclusion, sustainability, and customer-centric growth. Every campaign, event, product launch, and communication initiative is designed to reinforce the organization's vision while strengthening connections with customers, employees, partners, investors, and communities.

Strengthening Brand Presence Across Platforms

The organization has developed a cohesive brand ecosystem that ensures consistency across all touchpoints while tailoring communication to diverse stakeholder groups.

Key Branding Initiatives

- Conceptualization and execution of branding campaigns for flagship products, including Group Loan, Just in Time Loan (JIT Loan), EV 2 & 3-Wheeler Loan, Rooftop Solar Loan, Individual Business Loan, SWASTH (Safe Water and Sanitation to Household), and the newly launched Annapurna Gold Loan.
- Strategic promotion of digital innovations such as A-Pay, A-Sign, ADR (Annapurna Digital Repository), and Annapurna Tech Universe, reflecting the organization's focus on technology-driven financial solutions.
- Development of visual identities, campaign themes, communication frameworks, and customer-centric content to strengthen market positioning and simplify financial concepts for diverse audiences.
- Enhancement of brand visibility through integrated digital, on-ground, and community-based communication initiatives.

Transforming Communication into Engagement

Strategic communication initiatives played a vital role in strengthening Annapurna Finance's brand narrative throughout the year. Focused campaigns showcased business achievements, customer success stories, social impact initiatives, product innovations, and key organizational milestones. Internal communication efforts were strengthened through employee recognition programmes, leadership messages, annual reports, newsletters, and event communications, fostering greater alignment across the organization.

By combining creative storytelling, visual communication, and multilingual content, complex financial concepts were made more accessible to diverse audiences. These initiatives strengthened stakeholder trust through clear, consistent, and purpose-driven communication.

Driving Visibility Through Creative Branding

Annapurna Finance enhanced stakeholder engagement by transforming key events such as Foundation Day, All Partners' Meet, Annual Review Meetings, and employee engagement programmes into impactful brand experiences through innovative branding, visual storytelling, and creative communication. Corporate films, digital campaigns, event collaterals, and promotional materials were developed to showcase the organization's achievements, values, and impact while enhancing brand recall.

Expanding Brand Impact Across Business Functions

Beyond product and corporate branding, Annapurna Finance extended its communication and branding expertise across key organizational functions, ensuring a consistent and impactful brand experience across stakeholder touchpoints.

• Social Impact & Sustainability Initiatives

Branding and communication support were provided for flagship social impact and sustainability programmes, including Solar Streetlights, Toilet on Wheels, and the Women Leadership Development Programme. These initiatives highlighted the organization's commitment to community development, environmental stewardship, and women empowerment.

• Supporting Growth of Emerging Business Verticals

Significant branding efforts were undertaken to strengthen the visibility of emerging business segments. The launch of Annapurna Gold Loan was supported through comprehensive branch branding, customer communication materials, and branding rollouts across pilot locations. Similarly, Green Finance initiatives were promoted through awareness campaigns, standees, leaflets, tabletop displays, banners, and digital communication assets, enhancing awareness of sustainable financing solutions.

• Enhancing Employee Experience Through Internal Branding

The organization continued to strengthen its employer brand by developing communication and branding frameworks for key Human Resource initiatives. Dedicated support was extended to programmes such as the Centre of Excellence, HR Review Meetings, employee onboarding experiences, joining kits, leadership and training programmes, employee engagement activities, festive celebrations, and organizational events. These efforts fostered a more connected and engaging workplace experience while reinforcing the organization's culture, values, and sense of belonging.

• Strengthening Operational Excellence Through Unified Branding

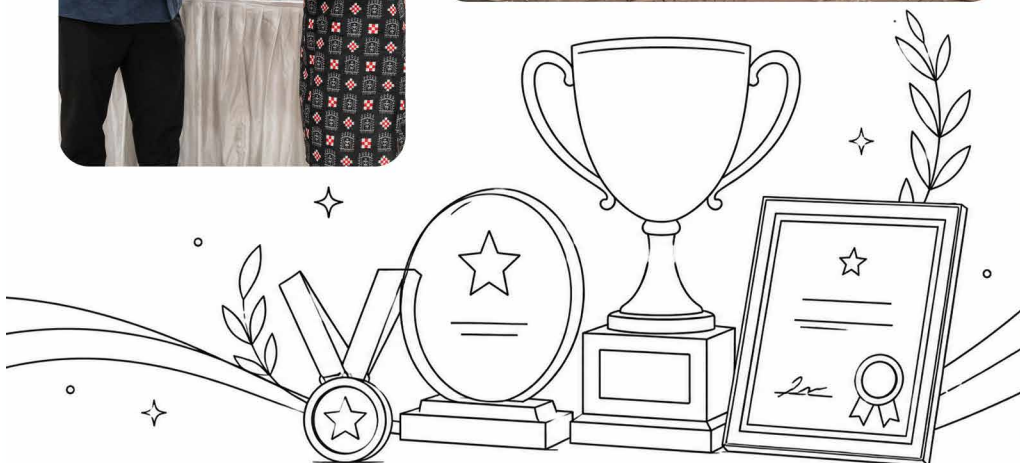
To ensure brand consistency across geographies, Annapurna Finance implemented standardized branding practices across operational functions. Branding support was extended to Pan-India Review Meetings, recruitment drives, branch-level campaigns, and employee outreach initiatives across 22 states. Continuous efforts were undertaken to streamline branding assets, improve visual consistency, and address implementation gaps, thereby strengthening brand consistency and operational effectiveness across its network.



• Creating Value Through Integrated Communication

By integrating branding, communication, and stakeholder engagement across business, social impact, technology, human resources, and operations, Annapurna Finance continued to build a cohesive and purpose-driven brand. These initiatives strengthened the organization's reputation as a trusted, innovative, and socially responsible financial institution.

As Annapurna Finance continues to expand its reach and influence, branding and communication will play an increasingly strategic role in shaping stakeholder perceptions and supporting organizational growth. By integrating innovation, technology, creativity, and purpose, Annapurna Finance continues to build a future-ready brand that inspires trust, drives meaningful impact, and advances inclusive and sustainable development.





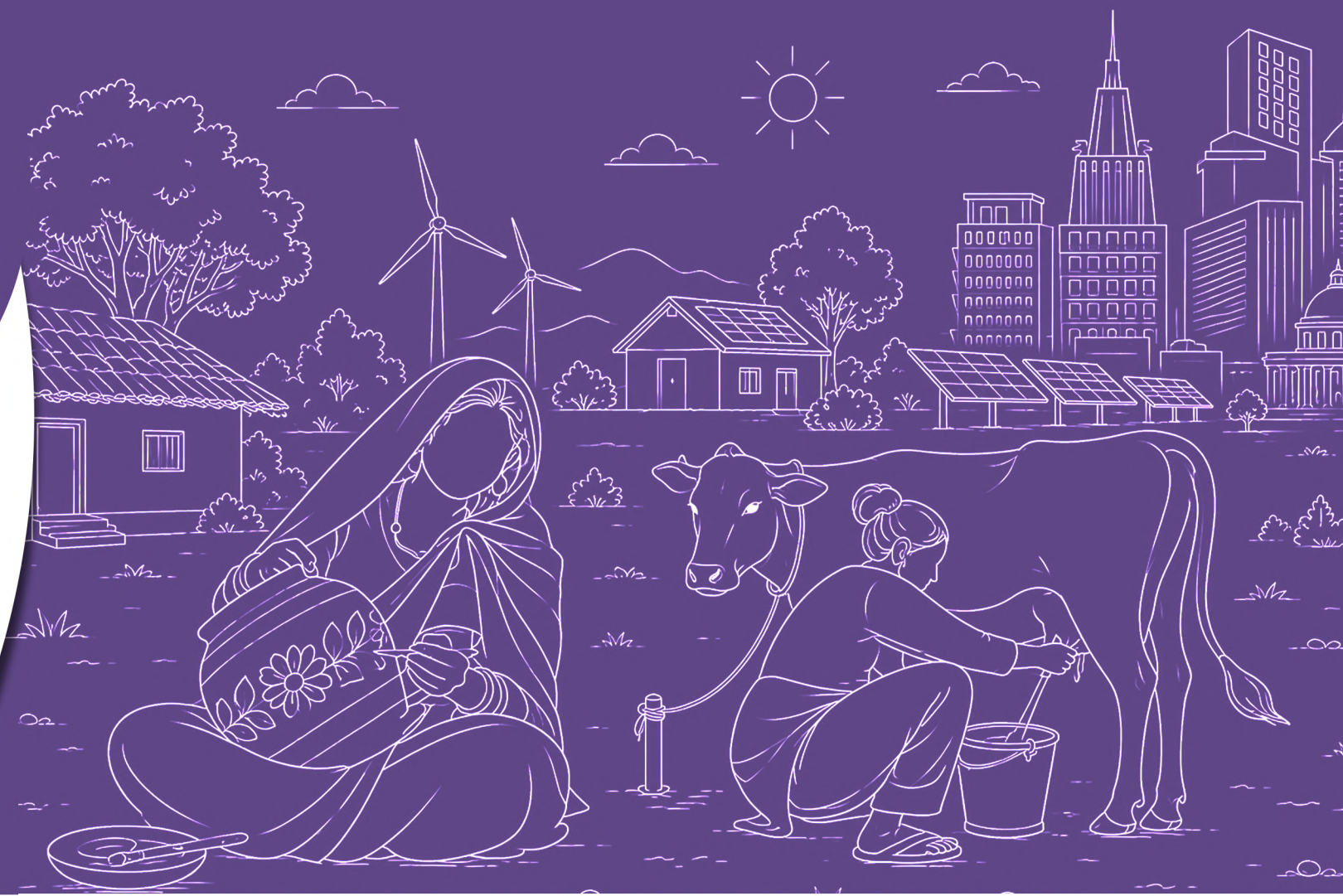
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THE ANNAPURNA JOURNEY

Driving Quality, Equality & Sustainable Growth

A. About This Report

B. Strategic Review





ABOUT THIS REPORT

SCOPE & REPORTING FRAMEWORK

This Annual Report presents a comprehensive overview of Annapurna Finance's financial, operational, strategic, and sustainability performance for the financial year 2025–26. It highlights the organization's progress in delivering inclusive financial services, strengthening governance, driving digital transformation, expanding customer outreach, and creating long-term value for its stakeholders.

The report has been prepared to provide transparent and balanced disclosures on the organization's business performance, strategic priorities, risk management practices, environmental and social initiatives, technology adoption, and future growth roadmap. It has been developed with reference to applicable regulatory requirements and recognized reporting practices to ensure consistency, transparency, and meaningful stakeholder communication.

KEY FOCUS AREAS

During FY 2025–26, Annapurna Finance remained focused on strengthening its diversified business model while advancing its mission of responsible and inclusive finance. The key areas of focus included:

- Portfolio diversification through expansion of secured lending businesses
- Strengthening financial inclusion across rural and underserved communities
- Enhancing customer experience through digital innovation and technology
- Improving operational efficiency through automation and data-driven processes

- Maintaining strong governance, risk management, and regulatory compliance
- Expanding sustainable finance and climate-responsive lending initiatives
- Investing in people, leadership development, and organizational capability
- Creating long-term value for customers, employees, investors, lenders, regulators, and communities

STRATEGIC PRIORITIES

Annapurna Finance's strategy is centered on building a resilient, technology-enabled, and customer-focused financial institution capable of delivering sustainable long-term growth. The organization's strategic priorities include:

- Diversifying the lending portfolio through affordable housing, MSME, Gold Loans, and other secured finance businesses.
- Scaling digital platforms and strengthening proprietary technology capabilities to enhance customer experience and operational excellence.
- Expanding market presence through disciplined, data-driven branch expansion and deeper customer penetration.
- Leveraging digital innovation, analytics, and artificial intelligence to improve decision-making and service delivery.
- Advancing sustainable finance through climate-responsive products and responsible business practices.
- Strengthening governance, risk management, and compliance while maintaining high asset quality.
- Building a future-ready organization by investing in people, leadership, innovation, and stakeholder trust.

VALUE CREATION AT ANNAPURNA FINANCE



FINANCIAL CAPITAL

Funds Raised ₹ 7,739 Cr
Tier-II Capital Raised ₹ 250 Cr
AUM ₹11,535 Cr
Operating Revenue ₹ 2,035 Cr

SERVICE CAPITAL

Total Branch 1757
Total District 464
Total States 22



INTELLECTUAL CAPITAL

Trusted Service Since last 15 years
MFI Ranking 5th Rank based on AUM
MFI Grading MIC1 from CRISIL
Social Rating sA+ from MicroFinanza

HUMAN CAPITAL

Total Employees 13,896
Field Officer 9,625
Women Employees 1,462



SOCIAL CAPITAL

Total Lenders 60+ Nos Including Banks, NBFC & MFI
Active Members 28.5 Lakhs
Active loans 29.6 Lakhs

KEY FINANCIAL HIGHLIGHTS (FY 2025-26)



2,035
Revenue from operation



7,166
Total Borrowings



36
Profit after Tax



11,535
Total AUM



9,878
Total Asset



8,933
Total Disbursement



28.13%
Capital Adequacy Ratio



18.53%
Tier-I Capital



9.60%
Tier-II Capital



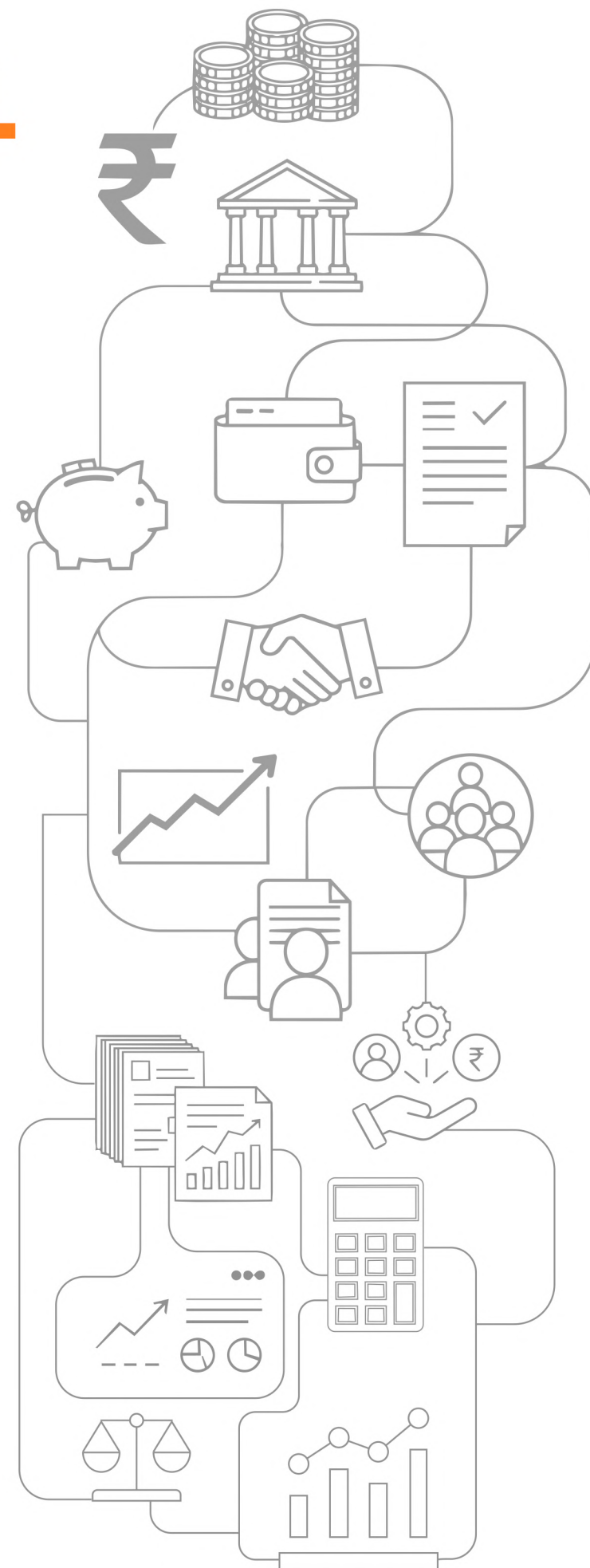
2.87%
GNPA



0.79%
NNPA



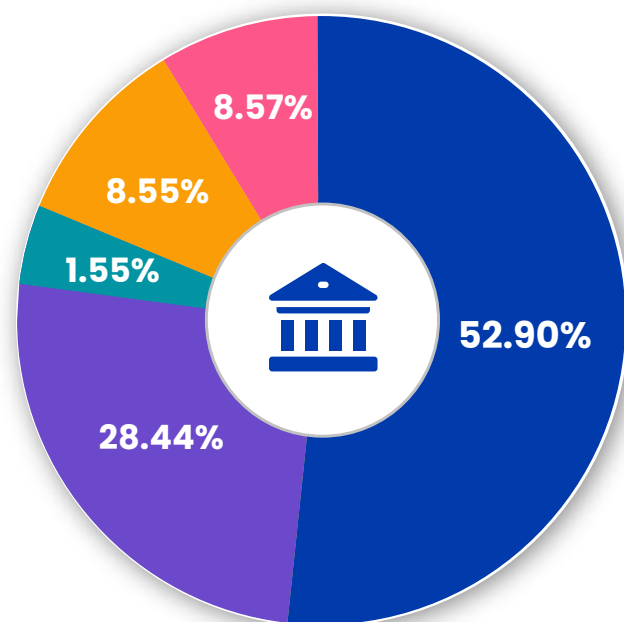
76.04%
PCR



FUNDS RAISED DURING FY 2026



TYPE OF INSTITUTION



PRIVATE BANKS
4,093.5 CR.



PUBLIC SECTOR BANKS
2,200.6 CR.



REFINANCE INSTITUTIONS
120.0 CR.



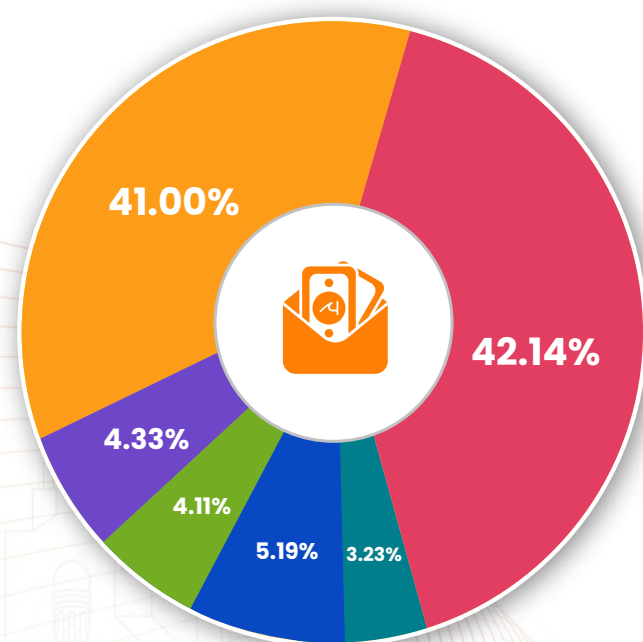
FOREIGN LENDERS
661.6 CR.



NBFCs
663.2 CR.



TYPE OF FACILITY



TERM LOAN
3,173.1 CR.



DIRECT ASSIGNMENT
3,261.1 CR.



SUB-DEBT
250.0 CR.



ECB
401.6 CR.



PTC
318.0 CR.



NCD
335.0 CR.

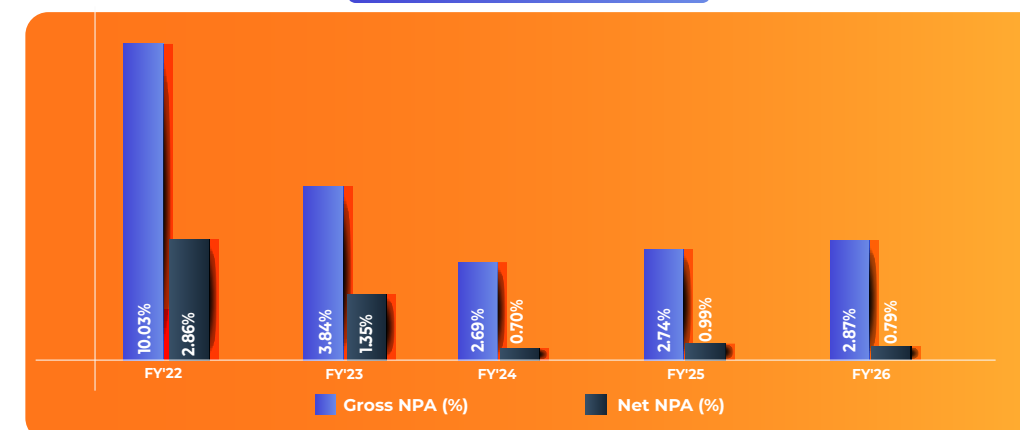
TOTAL PORTFOLIO & MANAGED PORTFOLIO (IN CR)



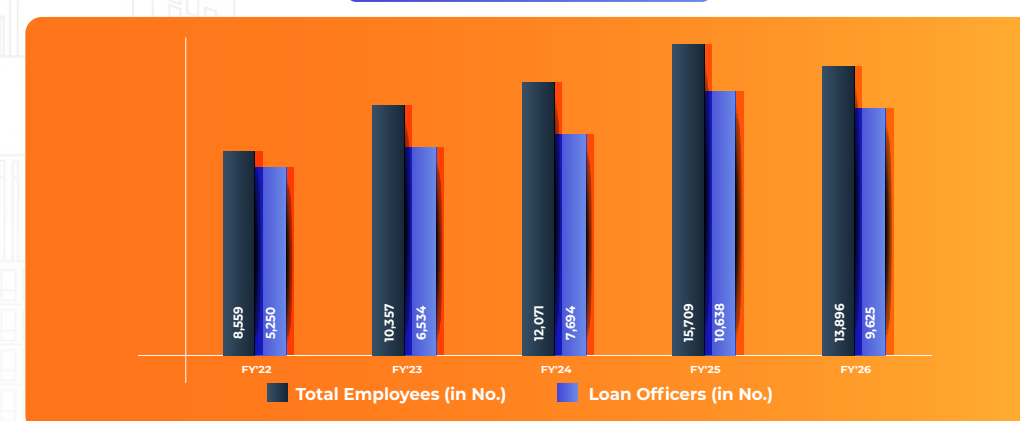
OPERATIONAL METRICS



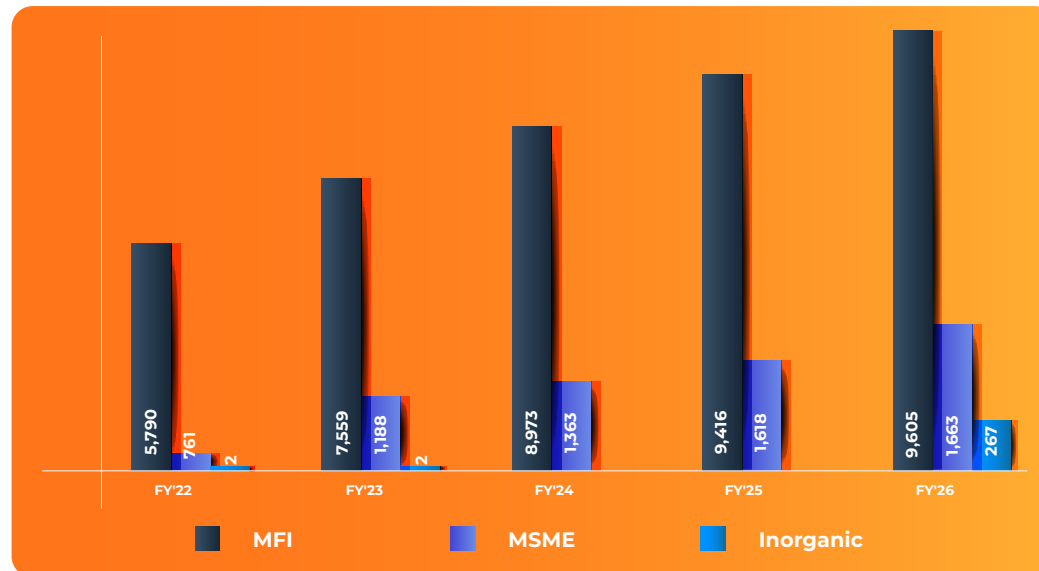
Gross NPA & Net NPA



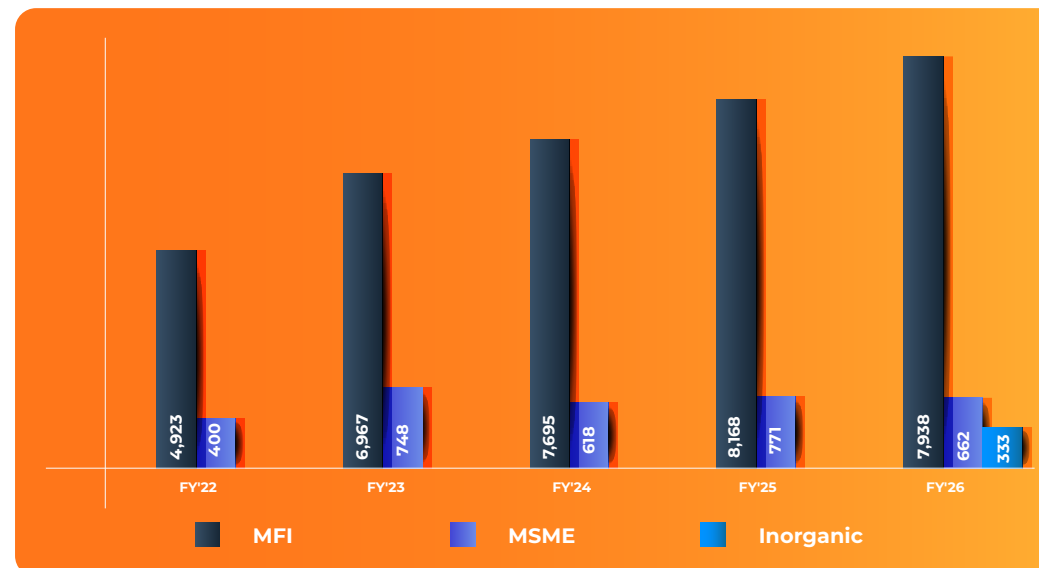
Total Employees & Loan Officers



Gross Loan Book Segment wise (IN CR)



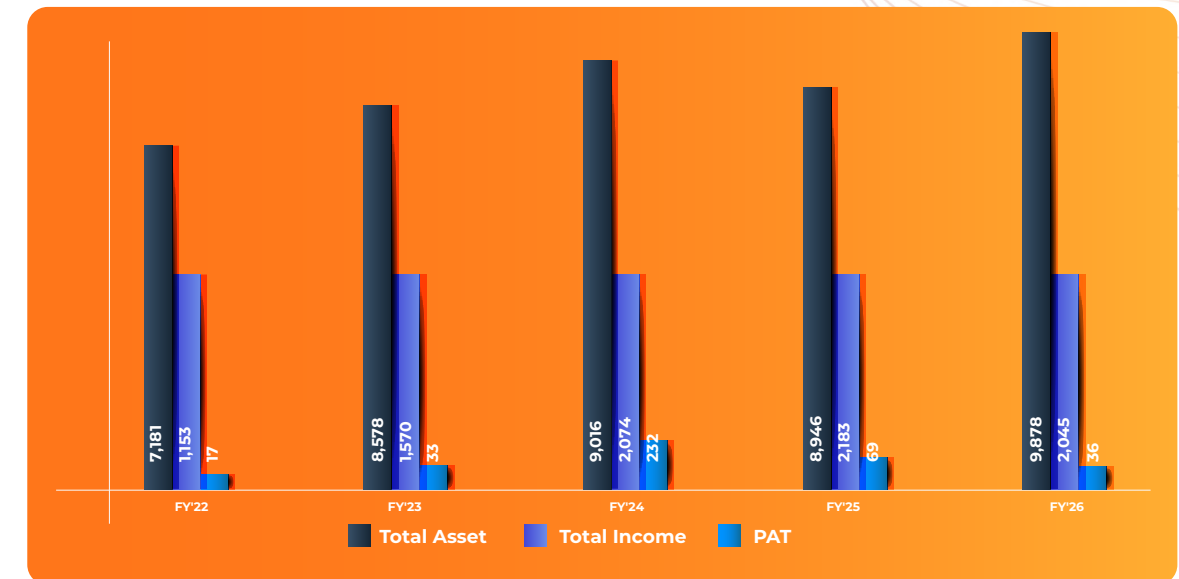
Gross Disbursement Segment wise (IN CR)



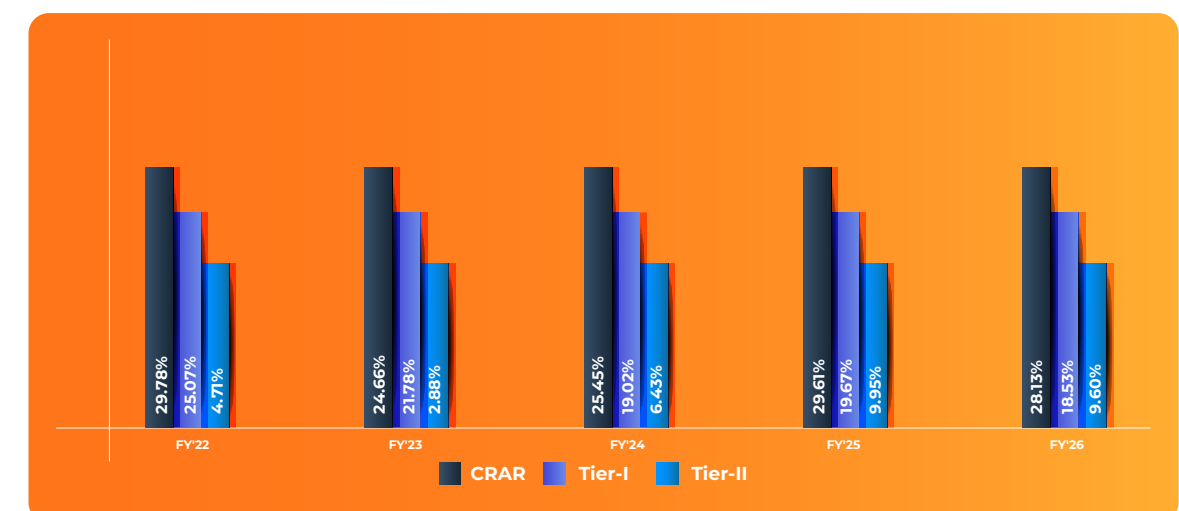
Borrowing Outstanding



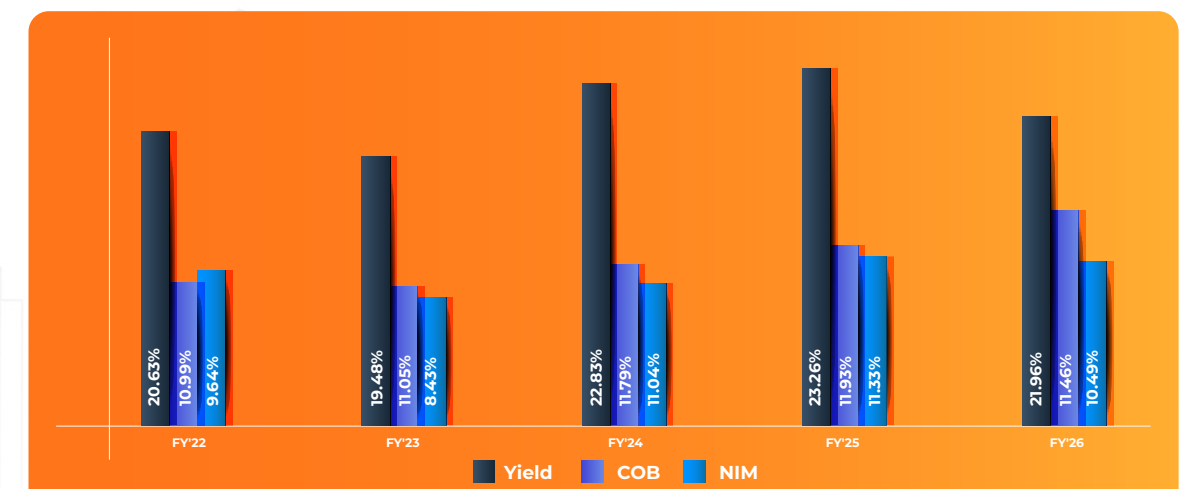
Total Asset, Income & PAT (IN CR)



Capital Adequacy Ratio (IN%)



YIELD, COB & NIM (IN %)



STRATEGIC REVIEW

BUSINESS STRATEGY & EXECUTION

FY 2025–26 marked another year of strategic progress for Annapurna Finance as the organization continued to strengthen its position as a diversified financial services institution while remaining firmly committed to its mission of financial inclusion. Guided by evolving customer needs and the revised regulatory framework for Microfinance Institutions (MFIs), the organization accelerated the expansion of secured lending businesses alongside its well-established microfinance portfolio, creating a more balanced, resilient, and future-ready business model.

Portfolio diversification remained a key strategic priority during the year. Annapurna Finance continued to strengthen its presence across affordable housing, MSME finance, gold loans, and other secured lending segments while maintaining disciplined growth in its core microfinance business. This balanced approach enables the organization to mitigate business concentration risks, improve resilience across economic cycles, and build a sustainable lending portfolio that can support long-term growth.

The organization also continued to invest in technology, digital capabilities, robust risk management practices, and operational excellence to support business expansion at scale. These investments are strengthening customer experience, improving operational efficiency, and creating a strong foundation for sustainable and responsible growth.

Affordable Housing remains one of Annapurna Finance's key long-term growth priorities. The organization aims to expand its housing finance portfolio from approximately ₹180 crore to ₹2,000 crore by 2032, supporting increased access to affordable housing finance for underserved households. Similarly, the Gold Loan business is being scaled through a phased expansion strategy, with plans to increase the network from four specialized branches to thirty branches during the coming year. These initiatives are aligned with evolving customer aspirations, emerging market opportunities, and the organization's vision of building a diversified financial services franchise.

By maintaining a balanced mix of unsecured and secured lending, Annapurna Finance continues to strengthen its business resilience, enhance market perception, and create sustainable long-term value for all stakeholders. The diversified product portfolio also enables the organization to serve customers across different stages of their financial journey, providing larger-ticket and collateral-backed financial solutions as their financing needs evolve over time.

Supported by disciplined execution, prudent capital allocation, and a strong customer-centric approach, Annapurna Finance remains focused on building a scalable, technology-enabled financial institution capable of delivering sustainable growth while expanding access to formal financial services across the country.

OPERATIONAL EXCELLENCE

Operational excellence remained central to Annapurna Finance's growth strategy during last FY. Backed by one of the largest branch networks in the sector, the organization continued to strengthen its technology-enabled phygital operating model, combining its extensive field presence with digital capabilities to deliver efficient customer service, enhance governance, and support scalable growth across rural, semi-urban, and emerging markets.

The organization further strengthened operational efficiency through paperless workflows, digital documentation, centralized monitoring, and analytics-driven portfolio management. During the year, 100% of loan disbursements were processed digitally, while more than 70% of loan collections were completed through digital channels, improving customer convenience, reducing turnaround time, minimizing operational risk, and enhancing transparency across lending operations.

A disciplined funding strategy remained a key pillar of operational resilience. By actively monitoring domestic and international capital markets, Annapurna Finance diversified its funding sources, including External Commercial Borrowings (ECBs), to strengthen liquidity, optimize borrowing costs, and support sustainable balance sheet growth.

Technology and data continued to strengthen operational decision-making. Pin-code level analytics, GIS-based market mapping, and portfolio intelligence were leveraged to support branch expansion, market selection, portfolio monitoring, and resource allocation. These capabilities enabled the organization to identify underserved markets, monitor concentration risks, optimize branch placement, and maintain portfolio quality while supporting disciplined expansion.

During the year, Annapurna Finance further strengthened its in-house digital capabilities through the implementation of integrated operational platforms that enhanced field productivity, recruitment governance, centralized monitoring, and data-driven decision-making. These initiatives improved visibility across business operations, standardized workflows, reduced manual interventions, and reinforced accountability across the organization.

Key Technology Enhancements

- Developed a GIS-enabled live monitoring platform for real-time tracking of field operations.
- Introduced smart route mapping and navigation support for customer visits.
- Enabled GPS-based geo-tagging of customer, branch, and appraisal visits.
- Strengthened operational reporting through analytics on travel, working hours, customer visits, and field activities.
- Established executive dashboards for end-to-end recruitment tracking and workforce planning.
- Implemented Turnaround Time (TAT) monitoring and candidate ageing analysis to improve recruitment efficiency.
- Enhanced centralized reporting with drill-down analytics for management oversight.

Operational Improvements

- Improved field productivity through optimized travel planning and digital activity tracking.
- Strengthened customer visit verification using geo-tagged records and automated location capture.
- Increased management visibility through centralized monitoring and historical activity analysis.
- Improved recruitment transparency with stage-wise candidate tracking and real-time pipeline monitoring.
- Reduced hiring delays through proactive identification of process bottlenecks.
- Enhanced coordination across field teams and management through unified monitoring platforms.
- Enabled faster, data-driven decision-making across operational functions.

Governance & Process Strengthening

- Replaced manual field movement and recruitment tracking with centralized digital systems.
- Standardized operational workflows through automated activity recording and performance monitoring.
- Introduced objective performance measurement using real-time operational metrics.
- Strengthened governance through exception monitoring, pending-case tracking, and role-based access controls.
- Enhanced compliance through standardized data management and centralized reporting mechanisms.

Business Impact

These technology-led initiatives significantly strengthened operational efficiency, governance, and transparency across the organization. By improving visibility, enhancing accountability, reducing manual effort, and enabling faster decision-making, Annapurna Finance continued to build a scalable and resilient operating model capable of supporting sustainable growth while delivering consistent customer service across its expanding network.

FINANCIAL & BUSINESS HIGHLIGHTS

During the year, Annapurna Finance continued to strengthen its foundation for sustainable growth through portfolio diversification, disciplined risk management, and prudent financial practices. Supported by a diversified funding profile and continued investments in technology and digital capabilities, the organization enhanced operational efficiency while maintaining a strong focus on customer service, governance, and long-term resilience. Disciplined underwriting, continuous portfolio monitoring, and prudent provisioning further strengthened asset quality, reinforcing the stability and resilience of the lending portfolio amid a dynamic operating environment.

Technology-led Business Performance

- Continued expansion of digital lending, paperless operations, and automated workflows improved operational productivity.
- Investments in proprietary digital platforms strengthened governance, transparency, and service delivery.
- Technology-enabled collections, digital documentation, and data-driven decision-making enhanced efficiency and customer convenience.

Business Outlook

Supported by a diversified portfolio, prudent capital management, and continued investments in technology, Annapurna Finance remains well positioned to deliver sustainable growth while creating long-term value for customers, lenders, investors, and other stakeholders.

MARKET PRESENCE & EXPANSION

Annapurna Finance continued to strengthen its market presence during last FY through one of the largest branch-based distribution networks in the microfinance sector. As on 31 March 2026, the organization operated 1,757 branches across 464 districts in 22 states, serving more than 29 lakh borrowers.

The organization has also added over 8.1 lakh new customers, reflecting the strength of its distribution

network, customer relationships, and execution capabilities. Expansion remained focused on deepening presence in established markets such as Odisha, Bihar, and Madhya Pradesh, while accelerating growth in high-potential states including Jharkhand and Uttar Pradesh. The organization also continued to strengthen its presence in emerging markets such as Andhra Pradesh, Telangana, and Karnataka.

A data-driven approach to market expansion, supported by pin-code level analytics, GIS-based mapping, and portfolio intelligence, enabled informed decisions on branch placement, resource allocation, and market selection. Combined with a strong physical network and technology-enabled operations, this approach continues to support sustainable growth while expanding access to financial services across underserved communities.

MARKET FOOTPRINT

Category	Focus Markets
Core Markets	Odisha, Bihar, Madhya Pradesh- legacy strongholds with deep rural penetration
Growth Markets	Jharkhand, Uttar Pradesh- high-growth states with large, underserved populations
Emerging Markets	Andhra Pradesh, Telangana, Karnataka- urban and semi-urban expansion

Annapurna Finance enters the next financial year from a position of strength, supported by a diversified business model, extensive branch network, experienced leadership team, and strong customer relationships. The organization remains focused on responsible growth while maintaining high standards of governance, risk management, and operational discipline.

Going forward, Annapurna Finance will continue to diversify its lending portfolio, strengthen secured lending businesses, and invest in technology and digital capabilities to improve customer experience and operational efficiency. Expansion of the Affordable Housing and Gold Loan businesses, together with continued investments in digital platforms and analytics, will support long-term growth and business resilience.

The organization remains committed to maintaining portfolio quality while expanding financial access. As on 31 March 2026, asset quality remained healthy with Gross NPA of 2.87%, Net NPA of 0.79%, and a Provision Coverage Ratio (PCR) of 76%, reflecting its prudent approach to credit risk management.

With a balanced portfolio, diversified funding profile, and technology-enabled operating model, Annapurna Finance is well positioned to create long-term value while advancing its mission of delivering inclusive and sustainable financial services across India.





ANNAPURNA
FINANCE
GROWING TOGETHER

ADVANCING SUSTAINABLE GROWTH

**Growing Together. Leading Change.
Building a Future for All.**

- A. Performance Review
- B. Value Creation & Risk Management
- C. People, Diversity & Inclusion
- D. Sustainability & ESG
- E. Social & Stakeholder Impact
- F. Digital Transformation & Technology Innovation



PERFORMANCE REVIEW

PRODUCT PORTFOLIO & OFFERINGS

At Annapurna Finance, every financial product is designed with a clear purpose to expand access to responsible finance, strengthen livelihoods, and create sustainable economic opportunities for underserved communities. Guided by a deep understanding of customers' evolving aspirations, the organization offers a diversified portfolio of lending solutions that support entrepreneurship, income generation, asset creation, financial resilience, and improved quality of life.

The product portfolio spans microfinance, MSME lending, affordable housing, emergency credit, consumer finance, and green finance, addressing the diverse financial needs of individuals, households, and enterprises across rural and semi-urban India. Built on the principles of responsible lending, customer-centricity, accessibility, and operational excellence, these offerings continue to evolve through digital innovation, data-driven credit assessment, and simplified customer journeys, ensuring an efficient and seamless borrowing experience.

Among these, the Micro, Small and Medium Enterprises (MSME) Vertical has emerged as a key pillar of Annapurna Finance's growth strategy. As one of the strongest contributors to India's economy, the MSME sector accounts for nearly 30% of the country's Gross Domestic Product, contributes around 45% of exports, and supports over 240 million livelihoods, making it a vital engine of entrepreneurship, employment generation, and inclusive economic development.

Recognising the sector's growing financing needs and its pivotal role in advancing financial inclusion, Annapurna Finance established its dedicated MSME Vertical in 2017. Over the past nine years, the business has expanded to 233 branches across 17 states, providing formal credit access to more than one lakh entrepreneurs and small business owners.

Today, the MSME portfolio offers a comprehensive range of secured and unsecured financing solutions of up to ₹50 lakh, with flexible repayment tenures of up to 20 years, catering to businesses engaged in manufacturing, trading, and service activities. The portfolio supports business expansion, working capital requirements, asset creation, infrastructure development, machinery procurement, inventory financing, and day-to-day operational needs, enabling enterprises to strengthen productivity, improve resilience, and achieve sustainable long-term growth.

The following sections present Annapurna Finance's diverse lending portfolio, highlighting the impact of

each product in creating opportunities for customers, strengthening communities, and advancing the organization's mission of inclusive and responsible finance.

Inclusive Lending Solutions: Building Entrepreneurial Potential

Joint Liability Group (JLG) Loan

The JLG Loan continues to serve as a cornerstone of financial inclusion by providing collateral-free credit to rural women through a group-based lending model founded on social collateral, collective accountability, and financial discipline. Supporting livelihood activities across agriculture, allied sectors, micro-enterprises, handicrafts, handloom, retail, and services, the product enables entrepreneurship, income diversification, and sustainable economic empowerment.

Impact:

The product continues to strengthen livelihood opportunities by promoting income diversification, financial awareness, collective responsibility, and stronger social capital among rural women borrowers.

Operational Focus:

The focus remains on digitizing customer onboarding and repayment processes, enhancing customer experience, and enabling borrowers to seamlessly transition to higher-value financial products as their enterprises grow.

Dairy Development Loan

The Dairy Development Loan provides comprehensive financial support across the dairy value chain, covering cattle purchases, infrastructure development, veterinary care, feed, and other operational requirements. The product enables dairy farmers to strengthen productivity while building sustainable rural livelihoods.

Impact:

The portfolio contributes to improved productivity, greater income stability, and sustainable growth within the dairy sector by providing farmers with timely access to essential financial resources.

Operational Focus:

The focus remains on providing comprehensive financing solutions across the dairy value chain, supporting cattle acquisition, infrastructure development, veterinary services, feed procurement, and operational requirements.

PMSVANidhi Loan

Designed for street vendors operating in urban and rural markets, the PM SVANidhi Loan provides essential working capital to help sustain daily business operations, strengthen livelihoods, and expand entrepreneurial opportunities.

Impact:

The product promotes economic inclusion and business resilience by enabling street vendors to sustain and expand their enterprises through access to formal working capital.

Operational Focus:

The focus remains on strengthening access to timely working capital, enabling vendors to manage daily operations efficiently and enhance business continuity.

Individual Business Loan (IBL)

Building on the success of its individual lending model, the Individual Business Loan (IBL) has expanded its reach to serve a broader segment of micro-entrepreneurs. The product supports business expansion, working capital requirements, asset creation, inventory enhancement, and livelihood diversification for both women and men entrepreneurs.

Impact:

The portfolio continues to improve access to formal credit, enabling enterprise growth, employment generation, and enhanced financial resilience across rural and semi-urban communities. It also supports business formalization through initiatives such as Udyam Registration, enabling entrepreneurs to access government benefits, formal financial services, and new growth opportunities.

Operational Focus:

The focus remains on expanding market outreach, strengthening digital lending processes, improving operational efficiency, and delivering a seamless customer experience for a growing base of micro-entrepreneurs.

MSME Business Loan

The MSME Business Loan portfolio offers both secured and unsecured financing solutions tailored to the evolving needs of micro and small enterprises. The product supports working capital requirements, business expansion, asset creation, inventory procurement, and enterprise growth across underserved markets.

Impact:

The portfolio continues to strengthen small businesses by improving access to formal finance, enabling business stability, employment generation, and sustainable economic development within local communities.

Operational Focus:

Key priorities include strengthening portfolio quality, enhancing customer experience, expanding market reach, and leveraging technology to deliver efficient and responsible lending solutions.

Responsive and Digitized Lending: Building Financial Resilience

Just-In-Time (JIT) Loan

The Just-In-Time (JIT) Loan is a pre-approved emergency credit solution that provides immediate financial assistance to existing customers facing urgent and unforeseen financial needs. Delivered through a digital, low-touch model, the product ensures rapid access to finance for medical emergencies, education expenses, urgent repairs, home improvements, temporary business disruptions, and other essential requirements.

Impact:

The loan has become a dependable financial safety net for thousands of borrowers, particularly women, enabling them to meet emergency expenses while reducing dependence on high-cost informal sources of credit.

Operational Focus:

The product continues to be integrated into Annapurna Finance's digital ecosystem to enhance customer targeting, accelerate loan disbursement, and strengthen customer experience during periods of financial stress.

Holistic Livelihood Solutions: Beyond Enterprise Financing

Housing Loan

The Housing Loan portfolio provides structured financing solutions for home construction, purchase, and renovation across both formal and informal income segments. The product supports families in creating safer, more secure, and improved living environments.

Impact:

The portfolio has enabled households to access larger-ticket formal housing finance, supporting asset creation, improved living standards, and long-term financial security.

Operational Focus:

The focus remains on expanding access to affordable housing finance, simplifying customer journeys, strengthening credit processes, and aligning with government housing initiatives to improve financial inclusion.



Samarth Loan

The Samarth Loan is an inclusive financial solution designed to extend credit to underserved and marginalized communities traditionally excluded from mainstream financial services. The product supports persons with disabilities, transgender persons, single mothers, widows, and individuals affected by leprosy through customized financing solutions.

Impact:

The product promotes social and financial inclusion by enabling underserved communities to strengthen livelihoods, improve their quality of life, and participate more actively in the formal economy.

Operational Focus:

The focus remains on expanding financial access for marginalized communities through inclusive, need-based, and customized financial solutions.

ENHANCING EVERYDAY LIVING: ENABLING HOUSEHOLD WELL-BEING

Consumer Durable Loan (CDL)

The Consumer Durable Loan (CDL) enables existing customers to finance essential household appliances and consumer durable goods, including refrigerators, washing machines, and televisions. The product supports improved household convenience, comfort, and quality of life through timely access to affordable financing.

Impact:

The portfolio has enabled customers to acquire essential household appliances, enhancing everyday living standards while improving household convenience and overall well-being.

Operational Focus:

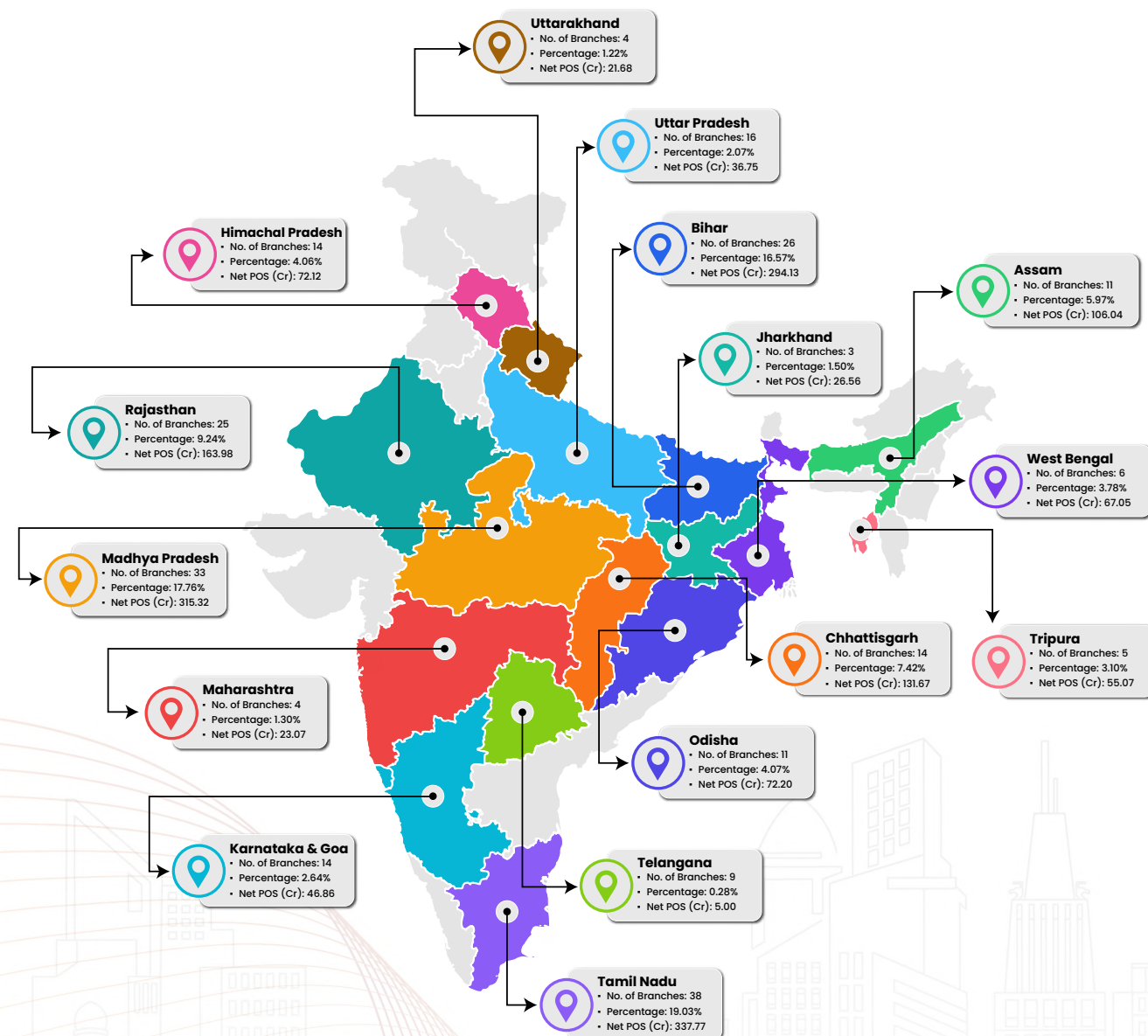
The focus remains on strengthening access to consumer durable financing, enabling timely purchase of essential household appliances, and enhancing the overall customer experience.

BUSINESS GROWTH & EXPANSION

Annapurna Finance continued to strengthen its presence as a leading provider of inclusive financial services, expanding access to responsible credit and empowering individuals, households, and entrepreneurs across underserved communities. Guided by a customer-centric approach and a growing operational footprint, the organization remained focused on enabling sustainable livelihoods, supporting enterprise development, and creating long-term socio-economic value.

The year witnessed steady business growth, with the organization expanding its customer base and strengthening its lending portfolio through a diversified range of financial solutions. As of March 31, 2026, Annapurna Finance's MSME portfolio stood at ₹1,805.40 crore, serving 111,451 customers, while maintaining a balanced portfolio composition with 65% secured lending products, reflecting its prudent approach to sustainable growth.

Portfolio Overview MSME



This progress was supported by a robust operational network of 1,757 branches across 22 states, backed by a dedicated workforce of 13,896 employees, including 9,625 loan officers. The scale of operations, combined with strong customer relationships and responsible lending practices, enabled the organization to deepen its outreach while maintaining operational excellence.

With a strong regional presence, streamlined credit processes, and a deep understanding of local market needs, Annapurna Finance continues to strengthen its position as a trusted financial partner, advancing financial inclusion while creating sustainable opportunities for communities across India.

YOY Growth

Portfolio-2024

No. of Branches	Gross POS	Secured Portfolio	Unsecured Portfolio	Disbursement
200	1436.87	70%	30%	598.35

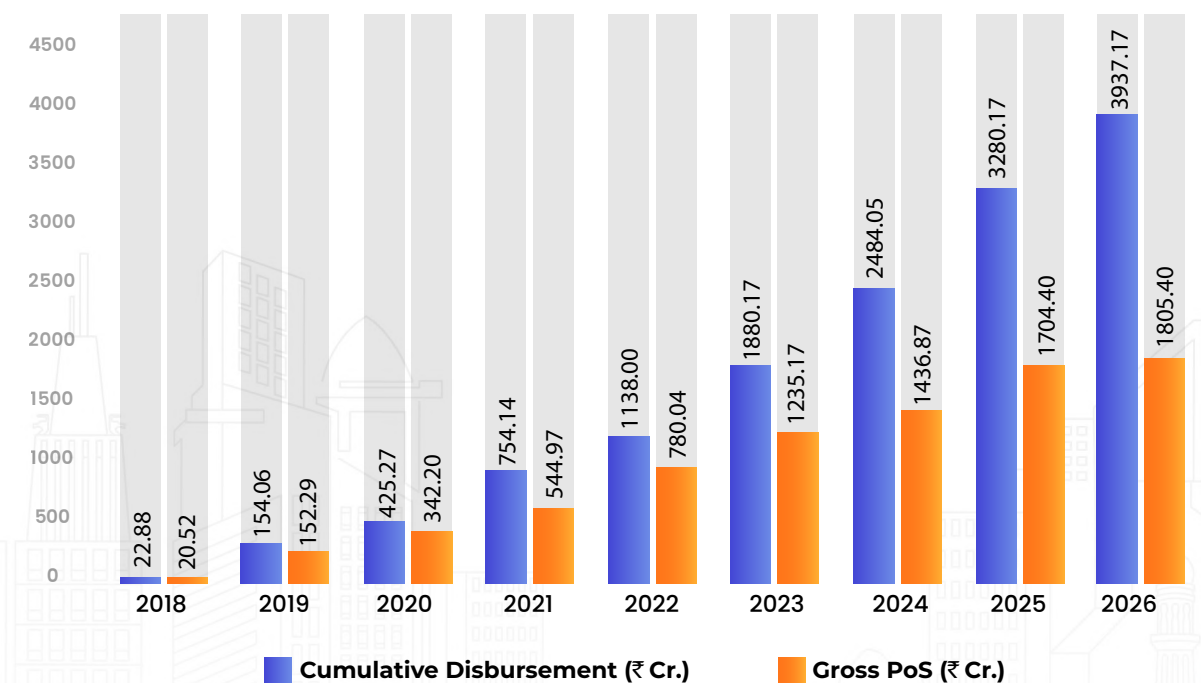
Portfolio-2025

No. of Branches	Gross POS	Secured Portfolio	Unsecured Portfolio	Disbursement
205	1704.40	64%	36%	769.94

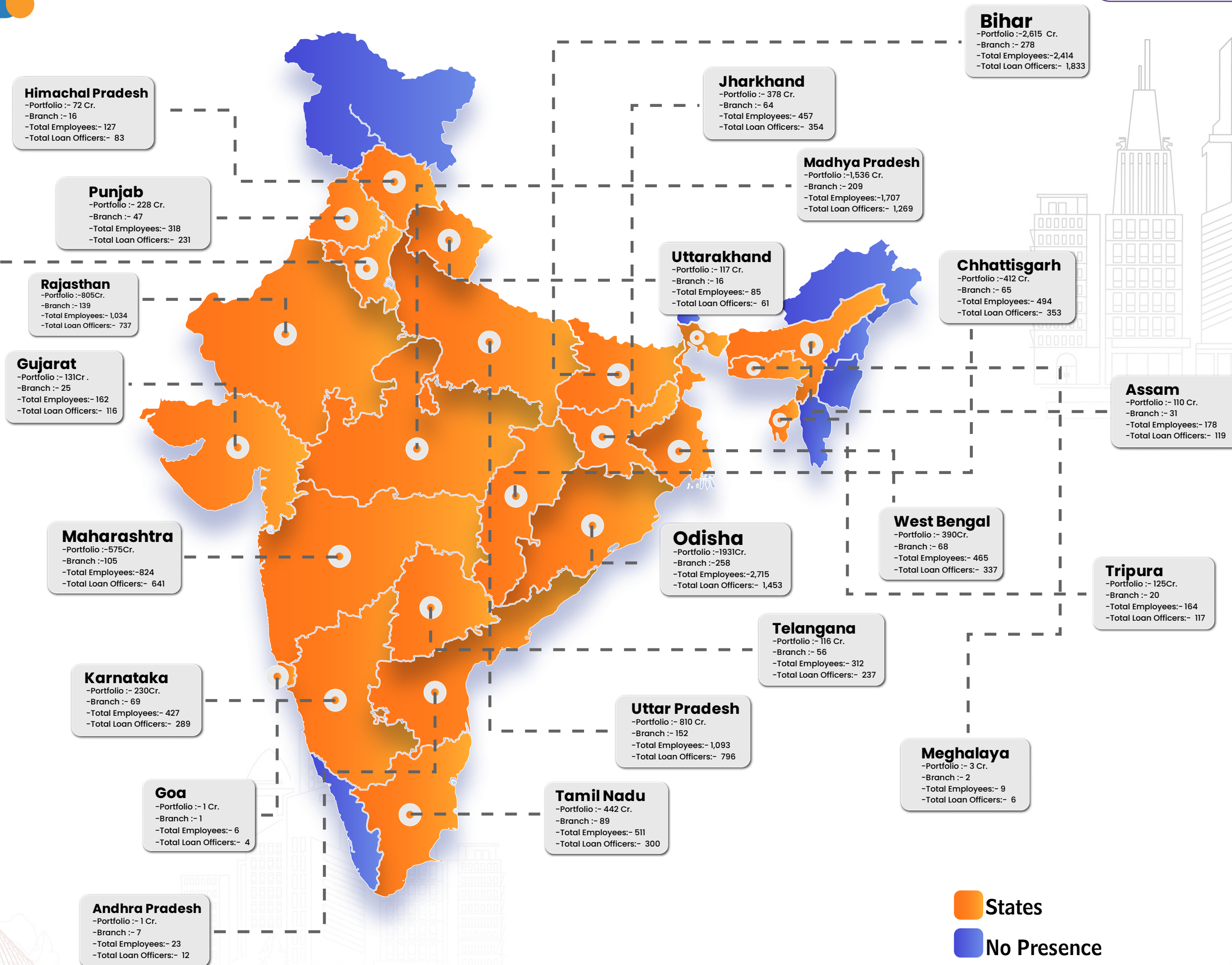
Portfolio-2026

No. of Branches	Gross POS	Secured Portfolio	Unsecured Portfolio	Disbursement
233	1805.40	65%	35%	598.07

Disbursement and POS Growth since Inception for MSME



OUR PRESENCE



MFI BRANCHES REGION WISE

North

- Portfolio :- 2272Cr.
- Branch :- 410
- Total Staff :- 3028
- Exposure (%) :- 19.70%

East

(excluding Odisha & Bihar)

- Portfolio :- 1418 Cr.
- Branch :- 250
- Total Staff :- 1767
- Exposure (%) :- 12.30%

Bihar

- Portfolio :- 2615 Cr.
- Branch :- 278
- Total Staff :- 2414
- Exposure (%) :- 22.67%

Central & Western

- Portfolio :- 2243 Cr.
- Branch :- 340
- Total Staff :- 2699
- Exposure (%) :- 19.44%

Odisha

- Portfolio :- 1931 Cr.
- Branch :- 258
- Total Staff :- 2715
- Exposure (%) :- 16.74%

Southern

- Portfolio :- 788 Cr.
- Branch :- 221
- Total Staff :- 1273
- Exposure (%) :- 6.83%

NOTE

Wholesale Book of ₹ 267 Cr. is also part of the total portfolio



VALUE CREATION & RISK MANAGEMENT

ENTERPRISE RISK MANAGEMENT Creating Sustainable Value Through Responsible Risk Management

At Annapurna Finance, effective risk management is fundamental to creating sustainable value for customers, investors, employees, and communities. The organization follows an integrated approach that combines prudent risk management with responsible lending, technological innovation, and sound governance. By anticipating emerging risks and strengthening operational resilience, Annapurna Finance continues to safeguard stakeholder interests while supporting sustainable business growth.

EMERGING RISKS & MITIGATION STRATEGY

Building a Resilient Risk Framework

Annapurna Finance has established a comprehensive Enterprise Risk Management (ERM) framework that enables the systematic identification, assessment, monitoring, and mitigation of risks across its business operations. The framework supports informed decision-making, strengthens operational resilience, and ensures that business growth remains aligned with the organization's risk appetite.

Risk management is embedded across the organization through clearly defined governance structures. The Board of Directors, supported by the Risk Management Committee and senior management, periodically reviews the Company's risk profile, portfolio performance, emerging risk landscape, and the effectiveness of mitigation strategies.

To strengthen risk oversight, Annapurna Finance has adopted a Board-approved Risk Appetite Framework, which defines acceptable levels of risk across key areas including capital adequacy, asset quality, liquidity, operational resilience, earnings, and regulatory compliance. Key risk indicators are monitored regularly, enabling timely interventions whenever predefined thresholds are approached.

Operational risk is managed through a technology-enabled ERM platform that facilitates enterprise-wide risk identification, control assessments, incident monitoring, action tracking, and management reporting. Continuous strengthening of internal controls, process improvements, automation, and governance practices has further enhanced the organization's operational resilience.

The organization also maintains a robust vendor risk management framework. Critical service providers undergo comprehensive due diligence before engagement, followed by periodic performance

reviews, compliance assessments, information security evaluations, and business continuity reviews to ensure continued operational reliability.

Strengthening Resilience Through Innovation

As the financial services landscape continues to evolve, Annapurna Finance remains focused on identifying emerging risks and implementing forward-looking mitigation strategies.

The organization has strengthened its Early Warning System (EWS) to proactively identify signs of stress across its lending portfolio. By continuously monitoring repayment behaviour, collection efficiency, delinquency trends, portfolio concentration, borrower cash flows, and collateral performance, the system enables early identification of potential risks. Automated alerts support timely intervention by business and risk teams, helping preserve portfolio quality and improve credit outcomes.

During the year, Annapurna Finance further enhanced its credit underwriting capabilities through an advanced Machine Learning-enabled Credit Decisioning Platform. The platform integrates customer information, repayment behaviour, bureau data, household cash-flow analysis, indebtedness assessment, and geographic risk indicators to support objective, consistent, and data-driven lending decisions.

Predictive analytical models further strengthen underwriting by assessing repayment behaviour, estimating the probability of default, and evaluating customer risk profiles. These capabilities enable the organization to make more informed lending decisions while improving portfolio quality and customer experience.

Looking ahead, Annapurna Finance will continue to strengthen its technology-driven risk management capabilities by expanding the use of advanced analytics, behavioural intelligence, and alternative data sources. Continued investments in model governance, automation, explainable artificial intelligence, and predictive risk monitoring will further enhance organizational resilience and support sustainable portfolio growth.

RESPONSIBLE MICROFINANCE PRACTICES

Enabling Inclusive and Responsible Lending

Responsible finance remains central to Annapurna Finance's business philosophy. The organization is committed to expanding financial inclusion while maintaining prudent lending practices that safeguard both customers and portfolio quality.

To support responsible credit expansion, Annapurna Finance continues to leverage the Credit Guarantee Fund for Micro Units (CGFMU), which provides partial credit risk coverage for eligible micro-enterprise loans. The guarantee mechanism enables the organization to extend collateral-free financing to underserved entrepreneurs while reducing credit risk and encouraging sustainable enterprise development.

Responsible lending practices are further strengthened through robust credit assessment, disciplined underwriting standards, continuous portfolio monitoring, and proactive customer engagement. The integration of technology-driven decision-making, early risk identification, and structured governance enables Annapurna Finance to balance financial inclusion with sound risk management.

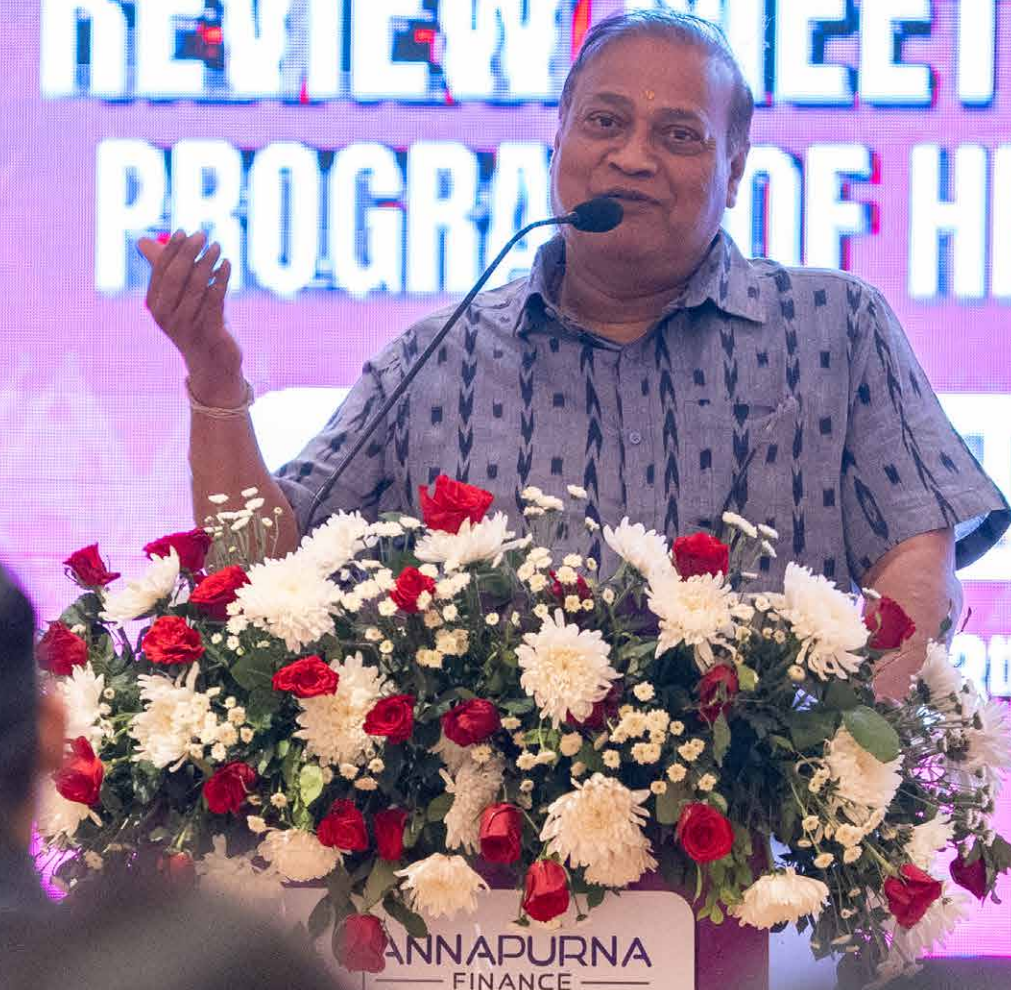
By embedding responsible finance principles into every stage of the lending lifecycle, Annapurna Finance continues to create sustainable value for customers while supporting entrepreneurship, livelihood generation, and inclusive economic development.

HOW

REVIEW MEETING & 1 PROGRAM OF HR PROFES

ING RESORT

2nd March 202



ANNAPURNA
FINANCE
GROWING TOGETHER

NE- 3.0

G & TRAINI

PEOPLE, DIVERSITY & INCLUSION

DIVERSITY, EQUITY & INCLUSION (DEI)

Creating Workplaces Where Every Voice and Every Individual is Valued

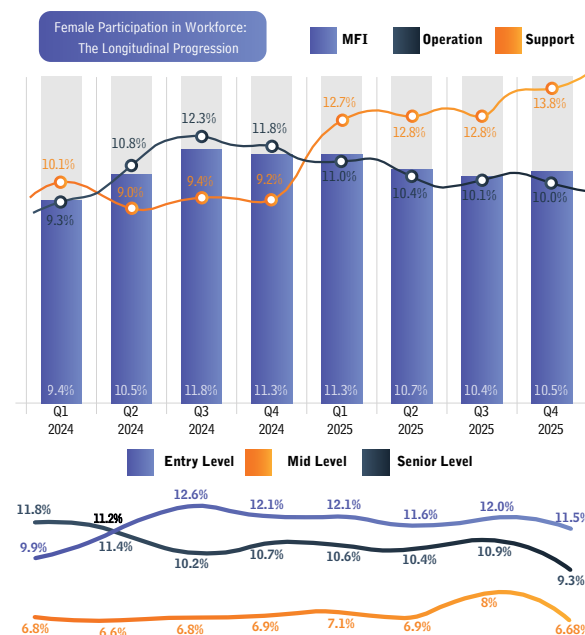
At Annapurna Finance, Diversity, Equity and Inclusion are not merely organizational priorities; they are fundamental to the institution's culture, values, and long-term vision. The organization firmly believes that a diverse workforce and an inclusive environment foster innovation, strengthen collaboration, and contribute to sustainable growth. By embracing individuals from varied backgrounds, experiences, and perspectives, Annapurna Finance continues to build a workplace where every employee is respected, valued, and empowered to achieve their full potential.

DEI JOURNEY OF ANAPPURNA FINANCE

2017	Conducted the first Gender Need Assessment Survey
2018	Initiation of female-only recruitment First publication of biannual newsletter 'The Achievers' to promote female resources
2019	Development of the first gender sensitization training module for all employees
2020 & 2021	Undertook a washroom renovation drive across branches to improve workplace inclusivity
2022	Formed the DEI (Diversity, Equity & Inclusion) Committee
	Revised the Gender Diversity Policy
2023	Launched the Gender Leadership Program
	Organized a panel discussion on "Enabling Inclusive Workplaces in MFI" at the Inclusive Finance India Summit
	Launched the Women Leadership Development Program
2024	Received the Ela Ben Memorial Award for Best Gender-Friendly MFI from Sa-Dhan
	Met the criteria for inclusion in the Bloomberg Gender-Equality Index.
	Adopted the Bloomberg Gender Reporting Framework and publicly disclosed diversity-related practices
2024	Launched the Healthy Gossip Program
	Featured in the Alliance for Global Inclusion Index Company
	Recognized as one of the ET Edge Best Organizations for Women

2025	Ranked 24th in DEI 100 – India's First DEI Index
	Achieved Great Place to Work Certification
	Recognized as one of the ET Edge Best Organizations for Women
2026	Launched the Annapurna Gobinda Healthy Baby Program
	Recognized as one of the ET Edge Best Organizations for Women

STRENGTHENING GENDER REPRESENTATION



Annapurna Finance continues to make steady progress in advancing gender diversity across its workforce. As of the reporting period, women represent 10.5 per cent of the total employee base, reflecting continued improvement in female participation across the organization.

Female representation remains particularly strong within the Support Vertical, where women account for 13.8 per cent of the workforce, compared to 10.0 per cent within the Operations Vertical. Encouraging growth has been observed across both segments, with the Support Vertical recording a more significant increase in female participation over the previous reporting period.

The most notable progress has been achieved at entry-level positions, where female representation has increased steadily, demonstrating the effectiveness of focused recruitment and inclusion initiatives. While this reflects the organization's success in attracting

women talent, Annapurna Finance recognizes the importance of further strengthening representation at middle-management and leadership levels. As a result, continued emphasis is being placed on leadership development, career progression, mentoring, and capacity-building programmes designed to create a robust pipeline of future women leaders.

Through targeted recruitment strategies, inclusive workplace practices, and structured development opportunities, Annapurna Finance remains committed to enhancing gender representation across all levels of the organization and fostering an environment where talent can thrive irrespective of gender.

WOMEN LEADERSHIP DEVELOPMENT PROGRAM (WLDP)

A key pillar of Annapurna Finance's diversity and inclusion agenda is the Women Leadership Development Program, a flagship initiative designed to strengthen the leadership capabilities of women employees within the field operations vertical. The programme addresses the gender gap in management positions by equipping aspiring women leaders with the skills, knowledge, and confidence required to advance their professional journeys.

Structured as a rigorous, multi-module capacity-building programme, the initiative combines learning, mentorship, practical exposure, and leadership development to prepare participants for greater responsibilities within the organization.

During the reporting year, the programme attracted significant interest from employees across the country. Out of 267 eligible women employees, 35 participants were selected through a competitive assessment process, with 23 participants actively continuing in the programme. The cohort represents eight states, Bihar, Chhattisgarh, Jharkhand, Madhya Pradesh, Odisha, Uttar Pradesh, Maharashtra, and West Bengal, demonstrating the programme's broad geographic reach and inclusive approach.

267	35	23
Eligible Female Employees	Selected via Entrance	Active till date
Across MFI Operation	Competitive filter	High retention rate

Importantly, a majority of participants originate from entry-level roles, reflecting the organization's commitment to creating leadership opportunities based on potential and aspiration rather than tenure alone.

The programme has delivered encouraging outcomes, with participants demonstrating strong engagement and learning performance across multiple modules and expert-led sessions. Beyond skill enhancement, the initiative is helping cultivate a new generation of women leaders capable of driving operational excellence, fostering inclusive leadership, and contributing meaningfully to the organization's future growth.

76%	88%	09
Average Assessment Score	Scoring above 60%	Expert Sessions Delivered
Across all modules	Performance benchmark	Avg. attendance: 21

UN SDG Alignment: SDG 5: Gender Equality | SDG 8: Decent Work & Economic Growth | SDG 10: Reduced Inequalities

ANAPPURNA GOBINDA HEALTHY BABY PROGRAM

The Annapurna Gobinda Healthy Baby Program is a pioneering initiative by Annapurna Finance and among the first of its kind in the microfinance sector. Designed to extend care beyond the workplace, the programme reflects the organization's commitment to employee well-being by supporting families through pregnancy, childbirth, and the early stages of parenthood.

Adopting a holistic approach to maternal and child health, the programme provides access to specialized medical consultations, health awareness and information support, and continuous monitoring through a dedicated in-house engagement team. Recognizing the importance of nutrition during this critical phase, Annapurna Finance also distributes celebratory nutrition packages to expecting and new mothers within the Annapurna family, including female employees and the spouses of male employees.

Since its inception, the programme has positively impacted 195 employees across 18 states, reinforcing Annapurna Finance's people-centric approach to employee welfare. A total of 74 beneficiaries have enrolled on the online doctor consultation platform, while 164 beneficiaries have received nutrition support packages. The programme also tracks maternal and newborn health outcomes, with an average newborn birth weight of 2.82 kilograms recorded across 99 reported cases, supported by proactive monitoring and intervention mechanisms for critical health situations.

Through this initiative, Annapurna Finance continues to strengthen its commitment to fostering a

supportive, inclusive, and caring workplace culture, while contributing to healthier families and stronger communities.

UN SDG Alignment: SDG 3: Good Health & Well-being | SDG 5: Gender Equality

Gender Leadership Program

The Gender Leadership Program complements Annapurna Finance's diversity and inclusion efforts by nurturing internal champions who promote awareness, respect, and equitable workplace practices. During the year, 18 Gender Leaders engaged more than 1,500 employees across eight states, creating meaningful conversations on inclusion and workplace sensitivity. With a 96 per cent satisfaction rate, the programme continues to strengthen a culture of understanding, belonging, and mutual respect.

5:1	96%	3:2:3
Male : Female	Satisfaction of Employees	FGD / Workshop / Classroom Training
In existing gender leaders	Post attending training from gender leaders	Mode of Awareness Creation (of 91 organized programs in this FY)

Healthy Gossip: Destigmatizing Women's Health

The Healthy Gossip Program reflects Annapurna Finance's commitment to employee well-being by encouraging open and informed conversations on women's health. Conducted through monthly virtual sessions with healthcare professionals, the initiative reached 164 employees across 15 states through 12 expert-led sessions. By fostering awareness and breaking social stigmas, the programme promotes a healthier, more supportive, and inclusive workplace culture.

164	15	12
Employees Reached	States Covered	Virtual Sessions
Gender Leadership Program	Nation-wide reach	One for each month

UN SDG Alignment: SDG 3: Good Health & Well-being | SDG 5: Gender Equality | SDG 10: Reduced Inequalities

EMPLOYEE WELL-BEING & ENGAGEMENT

Nurturing People, Strengthening Communities

At Annapurna Finance, employee well-being is viewed as a cornerstone of organizational success. Guided by a people-centric philosophy, the organization remains committed to fostering an environment where employees feel valued, supported, and empowered to thrive both personally and professionally. Through a comprehensive approach encompassing health, welfare, financial security, and engagement, Annapurna Finance continues to invest in initiatives that enhance quality of life, strengthen resilience, and cultivate a strong sense of belonging across the workforce.

Health and Well-being

The health and well-being of employees remained a key area of focus during the year. Annapurna Finance organized health camps across multiple states and operational locations, extending access to preventive healthcare services for employees and their families. Dedicated initiatives such as the Healthy Gossip programme encouraged greater awareness of women's health and well-being, fostering informed conversations and breaking long-standing social stigmas.

The organization also continued to promote holistic wellness through mental health and resilience programmes, which witnessed participation from approximately 70% of employees. Complemented by road safety awareness sessions, wellness campaigns, doctor-on-call facilities, and preventive healthcare interventions, these initiatives contributed to building a healthier, safer, and more resilient workforce.

Employee Welfare and Financial Security

Annapurna Finance continued to strengthen its employee support framework through a wide range of welfare and financial protection measures designed to provide security during both routine and unforeseen circumstances.

During the year, Medclaim coverage was extended to 1,190 employees and dependents, ensuring access to quality healthcare support for employees and their families. The organization also facilitated 98 ESIC benefit cases, including 25 maternity benefit cases, enabling employees to receive timely medical and financial assistance during significant life events.

The organization's commitment to employee welfare extended beyond statutory benefits. Financial assistance was provided in a case involving permanent

disability, offering critical support during a challenging period. In addition, funeral assistance was extended to the families of 17 employees, reaffirming Annapurna Finance's commitment to standing beside its employees and their loved ones during times of personal loss and hardship.

These initiatives reflect the organization's enduring belief that employee care extends beyond the workplace and encompasses every stage of an individual's life journey.

Annapurna Sathi Suraksha Scheme

The Annapurna Sathi Suraksha Scheme continued to serve as one of the organization's most meaningful welfare initiatives, providing sustained support to families affected by the loss of an employee.

During FY 2025–26, the scheme supported seven beneficiary families through a combination of pension assistance, educational support, healthcare benefits, and rehabilitation opportunities. Educational assistance was extended to two children, while pension support was provided to five families, helping ensure financial stability and continuity during difficult circumstances.

The scheme reflects Annapurna Finance's commitment to compassion, responsibility, and long-term support for employee families, reinforcing the organization's belief that care should endure beyond employment.

Employee Engagement and Cultural Celebrations

Employee engagement continued to play a vital role in strengthening organizational culture and fostering a sense of community across the institution. Throughout the year, Annapurna Finance organized a diverse range of celebrations and engagement initiatives, including Foundation Day, Women's Day, Annual Sports Meets, festive observances, cultural programmes, talent showcases, and team-building activities.

These platforms provided employees with meaningful opportunities to connect, collaborate, and celebrate shared achievements beyond their professional responsibilities. By encouraging participation, creativity, and camaraderie, Annapurna Finance continues to nurture a vibrant workplace culture built on mutual respect, inclusivity, and collective growth.

Through its sustained focus on employee well-being and engagement, Annapurna Finance remains committed to creating a workplace where people are empowered to succeed, inspired to contribute, and supported at every stage of their journey.

LEARNING & DEVELOPMENT

Building Capabilities for Sustainable Growth

At Annapurna Finance, learning and development serve as a foundation for individual growth, organizational excellence, and long-term sustainability. The organization remains committed to nurturing talent, strengthening professional capabilities, and preparing employees to meet the evolving demands of the financial services sector. Through a structured learning ecosystem, Annapurna Finance empowers employees at every stage of their professional journey, enabling them to enhance their skills, broaden their perspectives, and realize their full potential.

During FY 2025–26, Annapurna Finance conducted 935 training programmes, benefiting 14,417 participants across induction, functional, behavioural, compliance, and leadership development initiatives. These programmes played a vital role in strengthening employee capabilities and fostering a culture of continuous learning across the organization.

Centre of Excellence

As part of its commitment to building a future-ready workforce, Annapurna Finance established a Centre of Excellence (CoE) in collaboration with leading academic institutions and industry partners across India. The initiative has been designed to provide employees with access to specialized certifications, executive education programmes, and industry-focused learning opportunities that enhance both professional expertise and leadership capability.

The Centre of Excellence seeks to bridge the gap between academic knowledge and practical application by offering structured learning pathways in areas such as financial services, risk management, operations, compliance, customer experience, and leadership development.

During the year, the CoE successfully conducted four batches of a 21-day BFSI Certification Programme, benefiting 171 employees across functions and geographies. In addition, two batches of Management Development Programmes were organized, with 61 employees participating in focused learning interventions designed to strengthen managerial effectiveness and leadership readiness.

Through these partnerships and learning opportunities, the Centre of Excellence is fostering a culture of professional growth while strengthening organizational capability for the future.

MONTHLY FIRST VOLUME & AFFECTION RATE

20000

15000

10000

5000

0

Apr-19

May-19

Jun-19

Jul-19

Aug-19

Sep-19

Oct-19

Nov-19

Dec-19

Jan-20

Feb-20

Mar-20

COSTS BY TENURE BUCKET



Costs by Tenure Bucket

- 0-10 Years: 45.2%
- 11-20 Years: 35.1%
- 21-30 Years: 19.7%

RISK BAND DISTRIBUTION

Critical

650

100% of 650

8,500

100% of 8,500

COSTS BY ROLE

Team Officer

85.0%

Business Manager

9.0%

Business Development

5.0%

Business Support

1.0%

Business Partner

0.0%

PRODUCTIVITY GAP (A)

Actual - Mean Portfolio

Actual - Mean Portfolio

Gap = 10%

LEAD – Leadership Exploration and Development

The Leadership Exploration and Development (LEAD) programme continued to strengthen Annapurna Finance's leadership pipeline by preparing Assistant Branch Managers and Branch Managers for greater responsibilities.

During the year, 496 participants underwent structured learning journeys focused on leadership effectiveness, decision-making, team management, branch governance, and business ownership. The programme continues to enhance managerial capabilities while fostering leadership consistency across the organization.

Productivity Enhancement Training

Annapurna Finance continued to support employees through its Productivity Enhancement Training, a focused initiative designed to strengthen individual effectiveness and help employees achieve their full potential.

During FY 2025–26, the programme benefited 1,392 participants, providing targeted support through coaching, retraining, process reinforcement, and collaborative learning opportunities. The initiative contributed to improved confidence, performance, and role effectiveness across the workforce.

CARE – Customer Advocacy and Redressal Excellence

Delivering exceptional customer service remains central to Annapurna Finance's mission. The Customer Advocacy and Redressal Excellence (CARE) programme continued to strengthen employees' ability to provide empathetic, responsive, and customer-centric service.

During the year, 201 employees participated in the programme, gaining deeper insights into effective communication, active listening, grievance resolution, relationship management, and customer advocacy. Through practical exercises and interactive learning experiences, CARE reinforced the organization's commitment to service excellence and customer trust.

Women Leadership Development Program

The Women Leadership Development Program (WLDP) continued to create meaningful opportunities for aspiring women leaders within the organization. Designed to strengthen leadership capabilities and support career progression, the programme provides participants with exposure to learning, mentorship, and professional development opportunities.

During the reporting year, 30 women participants engaged in focused leadership development

interventions, enhancing their confidence, capabilities, and readiness for future leadership responsibilities.

National Apprenticeship Training Scheme

As part of its commitment to nurturing future talent, Annapurna Finance continued to actively participate in the National Apprenticeship Training Scheme (NATS). The programme provides young professionals with valuable workplace exposure and practical learning opportunities, helping bridge the transition from education to employment.

During FY 2025–26, 865 apprentices received hands-on learning experiences across multiple locations, contributing to skill development while strengthening the organization's future talent pipeline.

Chai, Coffee and Charcha

Recognizing that learning often extends beyond formal classrooms, Annapurna Finance continued to encourage peer learning and knowledge sharing through its Chai, Coffee and Charcha initiative.

The programme benefited more than 7,000 employees, providing an informal platform for exchanging experiences, discussing best practices, and sharing insights across functions and geographies. By encouraging open dialogue and collaborative learning, the initiative continues to strengthen a culture of curiosity, connection, and continuous improvement across the organization.

Through its diverse learning and development initiatives, Annapurna Finance remains committed to building a skilled, confident, and future-ready workforce capable of driving sustainable growth and delivering lasting impact.





PEOPLE & CULTURE

Empowering People, Inspiring Purpose

At Annapurna Finance, people are the driving force behind the organization's continued growth and impact. Guided by the philosophy of "Always, All Time, With the People," the organization has cultivated a culture founded on trust, transparency, collaboration, and continuous learning. This people-centric approach enables employees to contribute meaningfully to the mission of financial inclusion while fostering an environment where individuals feel valued, respected, and empowered to grow.

Workforce Growth and Talent Development

During FY 2025–26, Annapurna Finance continued its growth trajectory, strengthening its workforce to 13,896 employees across the country. Talent acquisition remained a strategic focus, supported by campus engagement initiatives, localized recruitment efforts, and targeted hiring across operational and support functions.

These initiatives enabled the organization to attract diverse talent, strengthen organizational capabilities, and build a workforce aligned with its values, purpose, and long-term vision.

A Culture of Trust, Transparency and Inclusion

Annapurna Finance continues to nurture a workplace culture where openness, accountability, and employee voice are actively encouraged. Through structured feedback mechanisms, leadership interactions, grievance redressal platforms, and regular communication channels, employees are provided with opportunities to share perspectives, seek guidance, and contribute to organizational progress.

This commitment to transparency strengthens trust across all levels of the organization and reinforces a culture where every individual feels heard, respected, and empowered.

Fostering Collaboration and Belonging

Collaboration remains a defining characteristic of Annapurna Finance's organizational culture. Cross-functional partnerships, employee engagement initiatives, cultural celebrations, learning forums, and knowledge-sharing platforms continue to strengthen relationships and create a strong sense of belonging among employees.

By encouraging teamwork, mutual support, and shared learning, the organization fosters an environment where employees work collectively towards a common purpose, creating meaningful social and economic impact for the communities it serves.

Great Place to Work® Recognition

The strength of Annapurna Finance's people-first culture received significant external recognition during the year through its Great Place to Work® Certification. The organization achieved an impressive 87 per cent Trust Index® score, reflecting high levels of employee confidence, engagement, and workplace satisfaction.

Further reinforcing its position as an employer of choice, Annapurna Finance was recognized among the Top 25 Organizations in the BFSI sector in the Great Place to Work® India 2026 Survey.

The assessment highlighted exceptional performance in the areas of Pride and Credibility, demonstrating employees' strong confidence in the organization's leadership, ethical practices, and long-term vision. Employees also expressed a deep sense of pride in being associated with Annapurna Finance and contributing to its mission of advancing financial inclusion and sustainable community development.

Strong scores in Respect and Fairness further reflected the organization's commitment to creating an inclusive, supportive, and growth-oriented workplace where employees feel valued, recognized, and empowered to perform at their highest potential.

These achievements reaffirm Annapurna Finance's commitment to building a culture that inspires trust, nurtures collaboration, and empowers employees to create lasting impact.

Key Highlights

- Workforce Strength: 13,896 Employees
- Great Place to Work® Trust Index Score: 87%
- Great Place to Work® Certification: FY 2025–26
- Recognized among the Top 25 Organizations in the BFSI Sector by Great Place to Work® India 2026

The Way Forward

As Annapurna Finance looks toward the future, its focus remains firmly anchored in strengthening a culture that places people at the centre of organizational success. The organization will continue investing in leadership development, employee well-being, diversity and inclusion, digital capabilities, and future-ready skills to support both individual and organizational growth.

By creating meaningful opportunities, fostering a culture of belonging, and empowering employees to realize their full potential, Annapurna Finance remains committed to building a workplace where people thrive, communities prosper, and purpose-driven impact continues to flourish.



SUSTAINABILITY & ESG

ENVIRONMENTAL, SOCIAL & GOVERNANCE (ESG)

Building a Resilient and Responsible Institution for the Future

At Annapurna Finance, Environmental, Social and Governance (ESG) principles are deeply embedded within the organization's strategy, operations, and long-term vision. As a purpose-driven institution, Annapurna Finance recognizes that sustainable growth must be accompanied by responsible environmental stewardship, meaningful social impact, and robust governance practices. Through strategic partnerships, responsible financing, and a strong commitment to accountability, the organization continues to strengthen its contribution towards a more inclusive, resilient, and sustainable future.

Strengthening ESG Through Strategic Partnerships

IFC Partnership: Advancing the Green Finance Agenda

As part of its commitment to integrating climate considerations into its business strategy, Annapurna Finance partnered with the International Finance Corporation (IFC) to undertake a comprehensive climate diagnostic and sustainability assessment. Conducted through a phased engagement from October 2024 to February 2026, the initiative focused on evaluating institutional readiness, strengthening organizational capacity, and developing a long-term Green Finance Strategy.

The engagement has provided a strategic roadmap for expanding climate-focused financial solutions, including the development of green housing and sustainable livelihood products, positioning Annapurna Finance to play a greater role in supporting the transition towards a low-carbon and climate-resilient economy.

UN SDG Alignment: SDG 7: Affordable & Clean Energy | SDG 13: Climate Action | SDG 11: Sustainable Cities

FMO Partnership: Enhancing Climate Resilience

Annapurna Finance also commenced a multi-phased collaboration with FMO to strengthen climate risk management and institutional resilience. The initiative aims to integrate climate-related considerations into organizational strategy, risk management frameworks, and product development processes.

Through detailed market assessments and stakeholder engagement, the partnership seeks to identify innovative solutions that enhance the climate resilience of underserved communities while broadening Annapurna Finance's portfolio of sustainable financial products.

Environmental Performance- Measuring the Impact from Loan Portfolio and Operation

Annapurna Finance adopts a dual approach to environmental sustainability by reducing the environmental footprint of its operations while simultaneously expanding access to green financing solutions for customers.

During FY 2025–26, the organization achieved an 8 per cent reduction in Scope 2 emissions and a 15 per cent reduction in paper consumption, reflecting ongoing efforts to improve operational efficiency and resource management. At the same time, the growing adoption of rooftop solar and electric vehicle financing significantly enhanced the environmental impact of the organization's green portfolio, resulting in a substantial increase in carbon offset potential.

47.6	4,377	1,623
Scope 1 Emissions	Scope 2 Emissions	Carbon Offset from Green Products
tCO2e	tCO2e	tCO2e

The expansion of green finance initiatives gained significant momentum during the year, with the number of customers availing electric vehicle financing increasing nearly tenfold compared to the previous year. As a result, Annapurna Finance exceeded its green portfolio target, with green assets accounting for 8.9 per cent of the non-microfinance portfolio, surpassing the organizational target by a considerable margin.

Beyond climate-focused financing, Annapurna Finance continued to address broader social and environmental challenges through financial solutions that improve access to safe water, sanitation, and healthier living conditions. During the year, the organization's SWASTH portfolio positively impacted more than one lakh customers, contributing to improved health, sanitation, and overall quality of life across underserved communities.

8.9%	1,440	1,03,296
Green Portfolio/ non-MFI Portfolio	Green Loan Clients	SWASTH Clients
Target: 5% of non-MFI – EXCEEDED at 172% of target	Active borrowers	Health-linked product

UN SDG Alignment: SDG 13: Climate Action | SDG 7: Affordable & Clean Energy

Social Performance-People & Governance in Focus

Creating sustainable social impact remains central to Annapurna Finance's mission. The organization continues to focus on strengthening customer well-being, employee development, responsible business practices, and community engagement while ensuring that growth translates into meaningful outcomes for stakeholders.

Key areas of focus include customer protection, grievance redressal, employee well-being, diversity and inclusion, data privacy, and information security. During the year, Annapurna Finance strengthened its social performance framework through enhanced customer service mechanisms, proactive employee engagement initiatives, and robust information security measures.

Notable achievements included securing comprehensive cyber security insurance coverage, training more than 90 per cent of employees on Anti-Bribery and Anti-Corruption (ABAC) principles, achieving a significant reduction in grievance resolution turnaround time, and maintaining high levels of customer satisfaction across both Microfinance and MSME portfolios.

These efforts reflect the organization's commitment to building trust, safeguarding stakeholder interests, and delivering responsible financial services with integrity and care.

Cyber Security Insurance
Secured from HDFC ERGO

ABAC Policy Training
90%+ staff trained

Grievance TAT Reduction
31% reduction achieved

Product Satisfaction
92% MFI | 95% MSME

Governance and Accountability

Strong governance forms the foundation of Annapurna Finance's sustainability journey. The organization continues to strengthen its governance framework through transparent decision-making, effective oversight, ethical business practices, and proactive risk management.

To institutionalize its sustainability commitments, Annapurna Finance has established a comprehensive ESG governance framework supported by dedicated policies, management systems, and strategic oversight mechanisms.

The organization has adopted an ESG Strategy that outlines its priorities, targets, and long-term roadmap for integrating sustainability considerations into business operations. This is supported by an Environmental and Social Management System (ESMS),

which enables the systematic identification, assessment, and management of environmental and social risks across the portfolio.

Annapurna Finance has also strengthened its governance architecture through policies focused on gender diversity, ethical conduct, anti-bribery and anti-corruption, and responsible business practices. Furthermore, the organization is actively advancing its Green Finance Strategy to expand financing solutions that promote climate resilience, resource efficiency, and sustainable livelihoods.

Together, these initiatives reinforce Annapurna Finance's commitment to accountability, transparency, and responsible growth while ensuring that ESG considerations remain integral to strategic decision-making and long-term value creation.

UN SDG Alignment: SDG 16: Peace, Justice & Strong Institutions | SDG 17: Partnerships for the Goals

As sustainability continues to shape the future of financial services, Annapurna Finance remains committed to strengthening its ESG journey through innovation, partnerships, and responsible finance. By integrating environmental stewardship, social responsibility, and strong governance into every aspect of its operations, the organization is building a resilient institution capable of creating lasting value for customers, employees, communities, and the environment.



SUSTAINABLE FINANCE INITIATIVES (GREEN PRODUCT)

Sustainability in Lending: Financing a Greener Future

Annapurna Finance continues to strengthen its commitment to sustainable finance by expanding lending solutions that promote clean energy, climate resilience, and improved quality of life. Through its Green Finance portfolio, the organization is enabling households, entrepreneurs, and businesses to adopt environmentally responsible technologies that reduce costs, enhance productivity, and contribute to India's transition towards a low-carbon economy.

The portfolio focuses on financing clean mobility, renewable energy, and essential water and sanitation infrastructure, creating long-term economic value while generating measurable environmental and social impact. By integrating sustainability into its lending strategy, Annapurna Finance is helping customers build resilient livelihoods while supporting national priorities on climate action, clean energy adoption, and sustainable development.

Electric Vehicle Loan (EV-3W)

Aligned with India's clean mobility agenda, the EV-3W Loan supports the adoption of electric three-wheelers for both passenger and cargo transportation. By providing affordable financing, the portfolio enables customers to reduce operating costs, improve earnings, and transition towards environmentally sustainable transportation.

Impact

- Financed more than 1,200 electric three-wheelers during the first year of operations.
- Disbursed ₹22.22 crore, supporting cleaner mobility and sustainable livelihoods.
- Lower operating costs have enhanced customer income while reducing dependence on fossil-fuel-based transportation.

Operational Focus

The portfolio will continue to expand through strategic partnerships, entry into high-potential markets, stronger underwriting practices, and technology-enabled customer journeys to improve portfolio quality and operational efficiency.

Rooftop Solar Loan (RTS)

The Rooftop Solar Loan promotes the adoption of renewable energy across residential, commercial, and industrial segments by financing on-grid, off-grid, and hybrid solar installations of up to 120 kW. The product enables customers to lower electricity costs, improve

energy security, and generate long-term financial savings while supporting India's clean energy transition. For many MSMEs, electricity accounts for a significant share of operating costs. By replacing conventional power with solar energy, businesses can improve cash flows, strengthen profitability, and enhance their repayment capacity. As solar systems typically operate for over 25 years, customers continue to benefit from reduced energy costs well beyond the loan repayment period.

Impact

- Supported 955 customers in installing rooftop solar systems.
- Enabled a cumulative installed capacity of 12.64 MW.
- Disbursed ₹45.36 crore during FY 2025–26.
- The portfolio is expected to generate over 19 million units of clean electricity annually, creating measurable environmental benefits while reducing long-term energy costs for customers.

Operational Focus

The organization will continue to scale the portfolio through strategic market expansion, robust project evaluation, and partnerships with trusted OEMs and EPC service providers to ensure quality implementation and sustainable growth.

SWASTH – Safe Water and Sanitation Loan

The SWASTH Loan enables rural and semi-urban households to finance essential water and sanitation infrastructure, including household toilets, water storage facilities, and piped water connections. By improving access to safe water and sanitation, the product promotes healthier living conditions, better hygiene practices, and improved community well-being.

Impact

- Expanded access to safe water and sanitation infrastructure across underserved communities.
- Improved public health outcomes while enhancing dignity, safety, and convenience, particularly for women.
- Strengthened household resilience through better access to essential infrastructure.

Operational Focus

The focus remains on expanding outreach, strengthening customer awareness, providing technical support for infrastructure development, and improving access to safe water and sanitation solutions across underserved communities.





SOCIAL & STAKEHOLDER IMPACT

SOCIAL PERFORMANCE MANAGEMENT

Evidence-based impact at the heart of every lending decision

At Annapurna Finance, Social Performance Management (SPM) is fundamental to the organization's mission of delivering responsible and inclusive finance. Beyond measuring outreach, the framework evaluates how financial services improve livelihoods, strengthen resilience, and create sustainable socio-economic outcomes for customers and communities.

By integrating customer feedback with evidence-based impact assessments, Annapurna Finance continually measures the effectiveness of its products and services across financial well-being, enterprise growth, customer experience, and social empowerment. These insights guide product innovation, service delivery, and strategic decision-making, ensuring that customer welfare remains central to the organization's growth journey.

Annual Socio-Economic Impact Assessment

To evaluate the long-term outcomes of its financial interventions, Annapurna Finance conducted its Annual Socio-Economic Impact Assessment across both the Microfinance (MFI) and MSME portfolios during FY 2025–26.

The assessment covered 2,238 respondents across 12 states under the MFI portfolio and 407 MSME customers across 9 states, providing comprehensive insights into the economic and social progress experienced by customers following their association with Annapurna Finance.

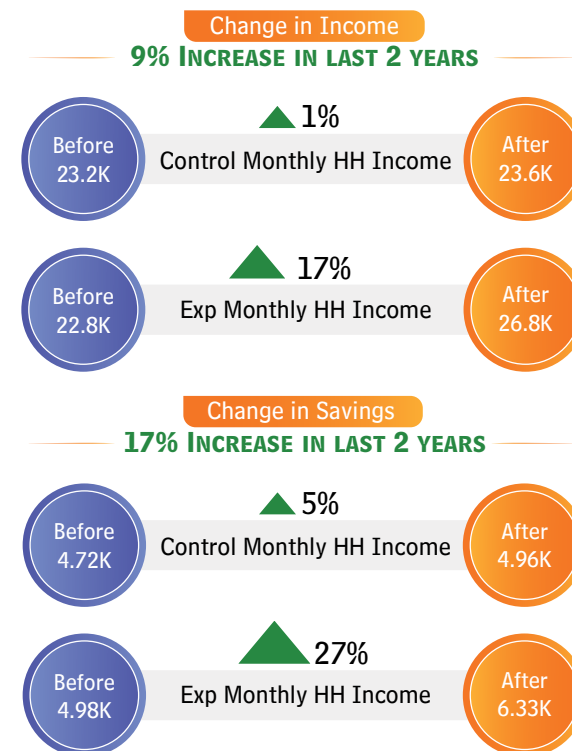
The study assessed a broad range of development indicators, including household income, savings behaviour, financial resilience, business performance, enterprise sustainability, living standards, and women's empowerment. By capturing both quantitative outcomes and customer experiences, the assessment provides meaningful evidence of the organization's contribution towards inclusive and sustainable development.

Creating Sustainable Economic Impact

The assessment demonstrates that continued access to responsible finance contributes significantly to improving household resilience and strengthening local economies.

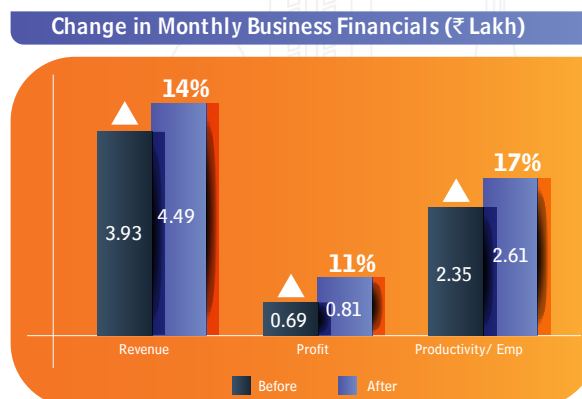
Within the Microfinance portfolio, customers associated with Annapurna Finance for more than two years recorded notable improvements in household income,

savings, financial management, and overall living standards compared to newly associated customers. The findings also reflected encouraging progress in women's financial confidence, decision-making ability, and economic participation, reinforcing the transformative role of inclusive finance in empowering households.



Socio-Economic Impact Assessment – MFI Customer Outcomes

Across the MSME portfolio, customers reported sustained growth in business revenue, profitability, and operational productivity following access to financial support. Enterprises also demonstrated stronger resilience in responding to market competition, managing operating costs, accessing working capital, and navigating supply chain challenges. These outcomes highlight Annapurna Finance's role in strengthening small businesses, generating livelihoods, and supporting local economic development.



Driving Continuous Improvement Through Evidence

The Social Performance Management framework enables Annapurna Finance to translate customer insights into meaningful action. The findings from impact assessments inform product design, strengthen customer engagement strategies, and enhance service delivery across business verticals.

By embedding evidence-based decision-making into its operations, Annapurna Finance continues to advance responsible finance practices while creating measurable social value for customers, enterprises, and communities. This ongoing commitment to understanding customer outcomes reinforces the organization's purpose of empowering lives,

strengthening livelihoods, and fostering inclusive and sustainable growth.

UN SDG Alignment: SDG 1: No Poverty | SDG 8: Decent Work & Economic Growth | SDG 10: Reduced Inequalities

Social Impact: Financial Access Translated to Meaningful Outcomes

The social impact segment reveals that customers with a longer association with Annapurna Finance experience more pronounced improvements across key indicators of well-being. The outcomes presented below strengthen the theory of change that sustained access to responsible financial services contributes to improved living standards, enhanced financial resilience, and greater confidence in pursuing future aspirations.

Segment	KPI	Control Group	Experiment Group
Access to basic amenities	Change in access to Pucca Housing in last 2 years	44.6% - 48.7% Change 8.8 pp	38.5% - 45.5% Change 18.1 pp
	Change in access to own toilet in last 2 years	76.6% - 78.7% Change 2.7 pp	78% - 82.1% Change 5.3pp
	Access to Healthcare (measuring % customers going for regular visits to Public/ private healthcare facility)	35%	39%
	% of customers with children attending private school	11.6% Improvement of 17% from 2 years ago	13.8% Improvement of 57% from 2 years ago
Financial Behavior Change	% of customers saving in formal institution	72%	76%
	% of customers with additional insurance beyond credit linked product	78%	82%
Digital Penetration	% of customers shifting to smartphone from 2 years before	04%	18%
	% of customers with current access to smartphone	52%	55%
	% of customers improving their smartphone usage from basic (only calling and messaging) to moderate (Accessing social media)	06%	18%
Women Empowerment Parameters	% of customers experienced change in decision making participation- HH purchase	04%	07%
	% of customers experienced change in decision making participation- child education	11%	13%
	% of customers experienced change in decision making participation- formal credit	18%	22%
	% of customers experienced change in decision making participation- investment	19%	26%
	% of customers experienced change in decision making participation- child education	11%	13%
	% of customers experienced change in Mobility	03%	12%

UN SDG Alignment: SDG 3: Good Health & Well-being | SDG 6: Clean Water & Sanitation | SDG 9: Industry & Infrastructure | SDG 10: Reduced Inequalities



Social Return on Investment (SROI)

The organization calculates SROI based on four core parameters:

- Housing Improvement
- Income Growth
- Children's Education
- Food Security

Using standards from Social Value International (2012), the current SROI ratio stands at:

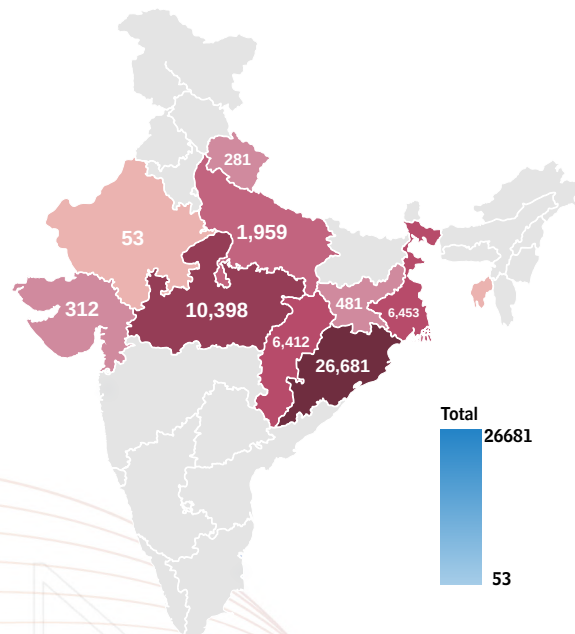
Social Return on Investment

0.63

For every ₹1 invested in customers with a longer tenure, Annapurna generates an estimated ₹0.63 of adjusted net social value.

Financial & Digital Literacy Training (FDLT)

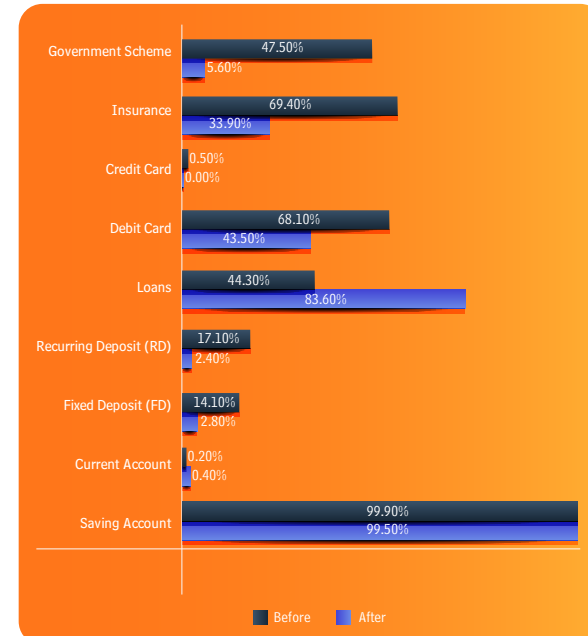
Annapurna Finance's Financial and Digital Literacy Training (FDLT) Programme has emerged as one of the largest client financial literacy initiatives in the microfinance sector, reaching 53,132 participants across 10 states, including 1,710 clients through collaborations with the Reserve Bank of India's Depositor Education and Awareness (RBI-DEA) Fund.



Impact of Financial and Digital Literacy Training (FDLT)

The three-module Financial and Digital Literacy Training (FDLT) Programme promotes responsible financial behaviour through awareness on household budgeting, savings and investments, government welfare schemes, and safe digital financial practices. The programme delivered measurable improvements across key behavioural indicators:

- 40% improvement in responsible financial attitudes, encouraging disciplined spending, saving, and long-term financial planning.
- 33% increase in the adoption of formal financial products and services, reflecting greater confidence in the formal financial ecosystem.



- 41% improvement in awareness of loan products, interest rates, repayment obligations, fees, and Equated Monthly Instalments (EMIs), enabling informed borrowing decisions.
- 12% increase in customers following safe digital transaction practices, strengthening protection against financial fraud.
- Ninefold increase in the number of customers maintaining a structured household budget, demonstrating a significant shift towards financial planning.
- 63% increase in the adoption of formal savings practices, promoting greater financial preparedness and security.
- 48% improvement in customers' confidence to manage financial shocks and unforeseen circumstances, enhancing household resilience.
- 47% increase in responsible borrowing behaviour, with customers evaluating lender credibility, loan terms, pricing, and repayment obligations before availing credit.

These outcomes reflect Annapurna Finance's continued commitment to strengthening financial capability, promoting responsible financial practices, and building long-term economic resilience among its customers.

UN SDG Alignment: SDG 1: No Poverty | SDG 4: Quality Education | SDG 8: Decent Work & Economic Growth

Annual Customer Satisfaction Survey

Understanding customer experiences remains central to Annapurna Finance's commitment to responsible and customer-centric financial services. During the year, the organization conducted a comprehensive Customer Satisfaction Survey to assess service quality, customer experience, product satisfaction, and opportunities for continuous improvement across its operations.

The survey covered 2,879 customers across 12 states, including 2,393 Microfinance (MFI) customers and 486 MSME customers, making it one of the organization's most extensive customer engagement initiatives.

By combining customer feedback with qualitative insights, the survey provided a holistic understanding of customer expectations, service experiences, and evolving financial needs. The findings continue to inform product enhancements, strengthen service delivery, and support evidence-based decision-making, reinforcing Annapurna Finance's commitment to delivering accessible, responsive, and inclusive financial solutions.

Process Level Satisfaction:

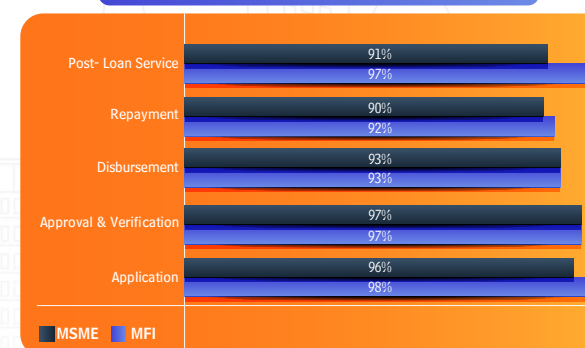
95%	94%
Satisfaction % for MFI respondents	Satisfaction % for MSME respondents

Process-Level Customer Satisfaction:

Process-level satisfaction evaluates customers' experiences across the entire lending journey from loan application and approval to disbursement, repayment, and post-disbursement support. The assessment provides valuable insights into service quality and identifies opportunities to further enhance the customer experience.

The survey findings indicate high levels of customer satisfaction across key service touchpoints for both the Microfinance (MFI) and MSME portfolios, reflecting Annapurna Finance's continued focus on delivering responsive, accessible, and customer-centric financial services.

VERTICAL WISE PROCESS SATISFACTION



Among MFI customers, satisfaction remained consistently strong throughout the customer journey. However, opportunities for improvement were identified in the loan repayment process, particularly in regions with lower levels of digital adoption. As repayment channels increasingly transition to digital platforms, the findings underscore the importance of strengthening digital financial literacy, enhancing customer awareness, and providing localized support to ensure a seamless repayment experience.

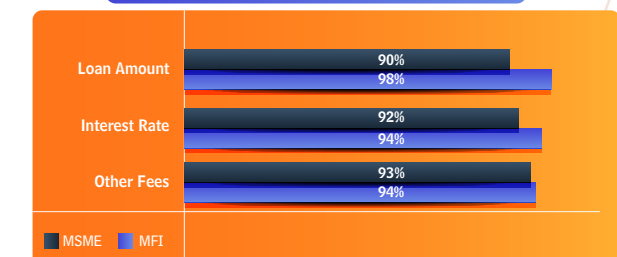
For MSME customers, the survey highlighted repayment services and post-disbursement support as key areas for enhancement. Customer feedback primarily related to online payment experiences, technical issues during digital transactions, and the loan foreclosure process. These insights are guiding ongoing efforts to simplify repayment mechanisms, strengthen customer support, and further improve service delivery across the MSME portfolio.

The findings reinforce Annapurna Finance's commitment to continuous improvement by leveraging customer feedback to refine processes, enhance operational efficiency, and deliver a consistently superior customer experience across every stage of the lending lifecycle.

Product Level Satisfaction:

92%	95%
Satisfaction % for MFI respondents	Satisfaction % for MSME respondents

VERTICAL WISE PRODUCT SATISFACTION



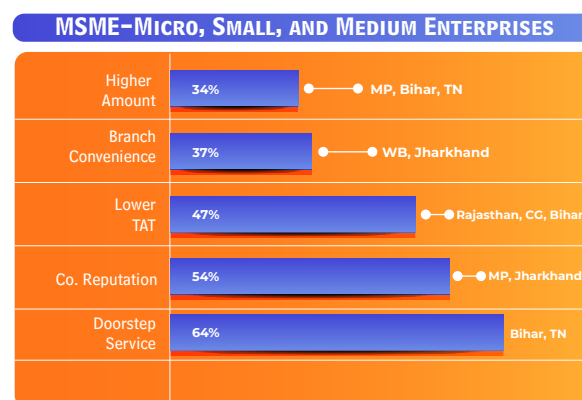
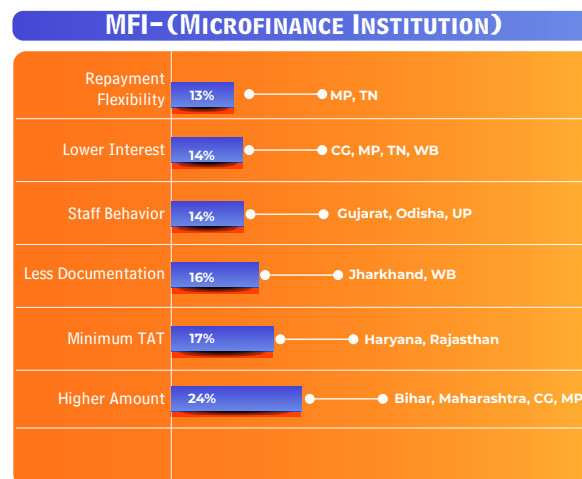
Product-level satisfaction remained above 90% across all customer segments in both the Microfinance (MFI) and MSME portfolios. For the MFI portfolio, a relatively high proportion of customers expressed neutral views on product features, resulting in an overall satisfaction score of 92%.

In contrast, MSME customers demonstrated greater sensitivity to product features, with their satisfaction and loyalty being more closely influenced by product pricing and value proposition.

Net Promoter Score

69	68%
MFI 71.5% promoters and 2.5% detractors	MSME 76% promoters and 8% detractors

Net Priority Ranking:



Net Priority Ranking Analysis

The Net Priority Ranking Analysis provides valuable insights into the factors that most influence customer satisfaction, loyalty, and long-term engagement. These findings enable Annapurna Finance to continuously align its products, processes, and service delivery with the evolving expectations of different customer segments.

Among Microfinance (MFI) customers, the analysis highlights a stronger preference for product and process-related attributes. Customers place significant importance on loan adequacy, timely disbursement, ease of access to credit, and simplified documentation, reflecting the need for efficient and accessible financial services.

In contrast, MSME customers place greater emphasis on relationship-driven service experiences. Responsiveness to customer needs, personalized support, and the organization's credibility and reputation emerged as the most influential drivers of customer satisfaction and loyalty.

These insights reinforce the importance of adopting a differentiated customer engagement strategy, enabling Annapurna Finance to deliver tailored experiences that address the distinct priorities of each customer segment while strengthening long-term relationships.

Customer Feedback Assessment

Customer feedback remains a vital component of Annapurna Finance's customer-centric approach, providing actionable insights that support continuous improvement across products, services, and delivery channels. During FY 2025-26, the organization's ongoing customer feedback mechanism captured 5,241 responses across 18 states, offering a comprehensive understanding of customer experiences and expectations across diverse geographies.

Beyond measuring satisfaction, the feedback assessment generated valuable insights into customer awareness, product preferences, service accessibility, and the adoption of digital channels. The findings also helped identify emerging customer needs and opportunities to enhance service delivery, strengthen customer engagement, and further improve the overall customer experience.

By systematically integrating customer feedback into business decisions, Annapurna Finance continues to strengthen its commitment to delivering responsive, inclusive, and customer-focused financial solutions that create lasting value for the communities it serves.

7%	89%	90%
Customers prefer individual loan, major reason being lower loan amount availability in a group	Process level satisfaction. The score shows more need on building digital readiness of customers for a digital economy	Product level satisfaction, interest rates recording the comparatively lowest satisfaction score at 87%
100%	91%	95%
Other Product awareness 47% know about 1 additional product 53% know about 2 or more additional products	Satisfaction among grievance redressal mechanism users	Trust Score for A-Pay app (Based on data from 281 users of A-Pay)

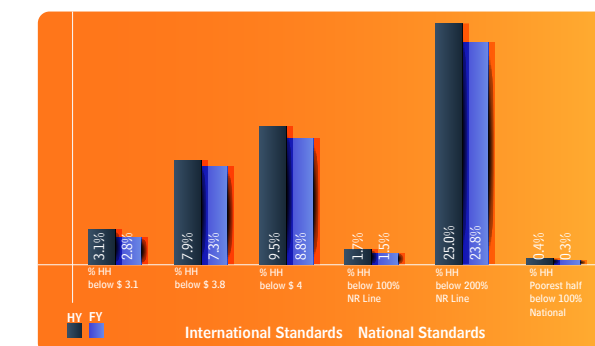
Poverty Profile of Annapurna Finance's Customers

Monitoring the socio-economic profile of its customers remains an integral part of Annapurna Finance's commitment to responsible and inclusive finance. As the country's poverty levels continue to improve, a similar positive trend is reflected across Annapurna Finance's customer base.

The Poverty Probability Index (PPI), a globally recognised poverty measurement tool developed by the Grameen Foundation, continues to serve as the organization's key framework for assessing customers' poverty status and tracking changes over time.

The latest assessment indicates a gradual decline in the proportion of customers living below various poverty thresholds compared to the previous half-yearly assessment. More importantly, the year-on-year improvement remains significant, reflecting the positive socio-economic progress of Annapurna Finance's customers and reinforcing the organization's contribution to enhancing livelihoods, strengthening household resilience, and advancing financial inclusion.

This continued improvement underscores the long-term impact of responsible financial services in supporting customers on their journey towards greater economic stability and well-being.



UN SDG Alignment: SDG 1: No Poverty | SDG 10: Reduced Inequalities

CORPORATE SOCIAL RESPONSIBILITY (CSR)

Creating Sustainable Impact, One Community at a Time

At Annapurna Finance, Corporate Social Responsibility extends beyond statutory compliance to creating meaningful and lasting social impact. Guided by the philosophy of inclusive and sustainable development, the organization's CSR initiatives focus on strengthening communities, improving access to essential services, and enhancing the quality of life for underserved populations.

During FY 2025–26, Annapurna Finance surpassed its statutory CSR commitment by achieving 126% of the mandated expenditure, investing ₹3.73 crore across six states. Through targeted interventions spanning 27 districts, including four Aspirational Districts, the organization's initiatives positively impacted more than four lakh lives, reinforcing its commitment to creating sustainable and inclusive development outcomes.

₹3.73 CR	5 LAKH+	9 SDGs
Total CSR Spend	Total Beneficiaries	Goals Addressed
126% of mandate	27 Districts, 6 States	Across 6 projects

Mobile Medical Unit (MMU) Taking Quality Healthcare to Underserved Communities

Improving access to quality healthcare remained a key priority for Annapurna Finance during FY 2025–26. Through its Mobile Medical Unit (MMU) initiative, the organization continued to deliver essential primary healthcare services directly to underserved rural communities, bridging critical healthcare gaps in remote locations.

During the year, the MMU conducted 56 medical camps across 10 Gram Panchayats in two districts, providing medical consultations and healthcare services to 5,088 beneficiaries, including 83 individuals who availed pathology services.

The initiative primarily benefited vulnerable populations, particularly women and elderly community members, by bringing quality healthcare closer to their doorsteps. In addition to improving access to medical consultations, the programme facilitated early diagnosis and timely treatment of common health conditions. General weakness (21%) and skin infections (15%) emerged as the most prevalent health concerns addressed through the camps.

By delivering accessible, preventive, and community-based healthcare services, the Mobile Medical Unit

continues to improve health outcomes, promote early intervention, and enhance the overall well-being of rural communities.

5088	10	67%	34%	4.6
Total beneficiary covered in FY No. of Camps: 56	Gram Panchayats from 2 districts in Odisha (Khordha, Nayagarh)	Female proportion of total Patients covered	Proportion of patients from above 60 years of age- group	Overall Satisfaction score (out of 5) Satisfaction improved in convenience and time saving compared to previous FY

The programme generated significant social and economic value by improving access to healthcare while reducing the financial burden associated with seeking medical treatment. Key benefits experienced by beneficiaries include:

- Enhanced healthcare accessibility through doorstep medical services in communities located, on average, 15.5 km from the nearest healthcare facility.
- Reduced transportation expenses, eliminating the need for beneficiaries to travel long distances for basic healthcare services.
- Lower out-of-pocket medical costs through the provision of free consultations and essential medicines.
- Cost savings on diagnostic and pathology services, enabling beneficiaries to access critical healthcare services without financial constraints.
- Greater time efficiency and reduced income loss, particularly for daily wage earners and elderly individuals, by minimizing travel and waiting time.

An assessment of the programme's economic impact indicates that every ₹1 invested generated approximately ₹1.90 in social and economic value, demonstrating a strong social return on investment while improving healthcare access, financial well-being, and the overall quality of life within the communities served.

UN SDG Alignment: SDG 3: Good Health & Well-being

Clean Energy: Powering Sustainable Communities

As part of its commitment to climate resilience and sustainable development, Annapurna Finance expanded its clean energy initiatives across Odisha, Rajasthan, Bihar, and Uttar Pradesh during last year, improving access to reliable, renewable energy solutions in underserved communities and high-footfall public spaces.

The initiative strengthened community infrastructure by promoting clean energy adoption while reducing dependence on conventional energy sources. Solar-powered installations enhanced the safety, accessibility, and functionality of public spaces, while energy-efficient solutions supported sustainable livelihoods and improved resilience in rural communities.

Beyond expanding access to renewable energy, the programme contributed to lowering carbon emissions, fostering climate-conscious development, and advancing the transition towards a cleaner, more sustainable future. Through these interventions, Annapurna Finance continues to integrate environmental stewardship with community development, creating long-term value for both people and the planet.

500+	4 (ODISHA, BIHAR, UP, RAJASTHAN)	3 LAKH+	240 tCO2e
Solar streetlights installed	States covered through 3 types of energy-efficient community infrastructure Solar streetlights (Odisha, Rajasthan, Bihar) Solar Cold Storage (UP) Solar Powered Water Pump (Odisha)	Beneficiaries covered	Annual Carbon Offset Potential

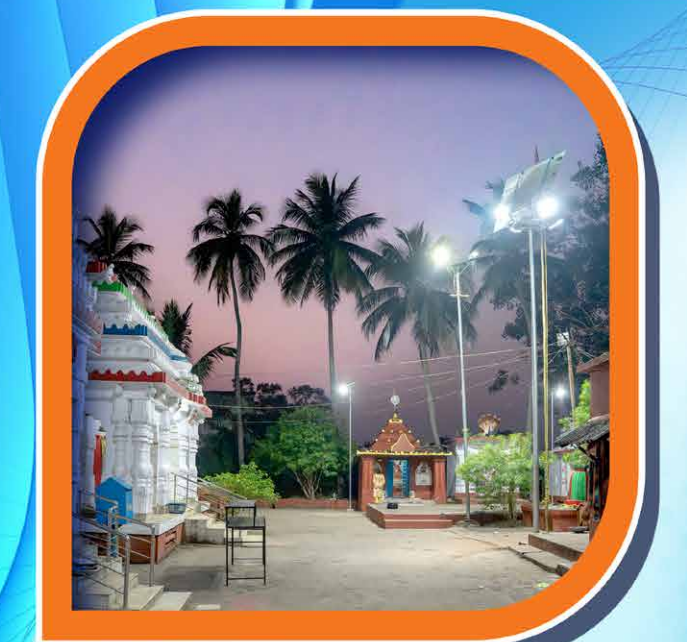
“Thank you Annapurna for illuminating our sacred pilgrimage site. This has reduced temple electricity bills by almost half, helped handle power outages and improved safety for devotees.”

Bikash Upadhyay, Temple Management Committee, Brahm Kund, Rajgir, Bihar

“The installation has tackled the problem of produce spoilage. As IRADA works with 500+ FPOs in Lucknow district, I see this as a scalable solution through our collaboration.”

Dayashankar Singh, Director, IRADA FPC Pvt. Ltd., Lucknow, UP

UN SDG Alignment: SDG 7: Affordable & Clean Energy | SDG 11: Sustainable Cities & Communities | SDG 13: Climate Action



Atulya Karigari: Empowering Artisans, Preserving Heritage

Atulya Karigari continued to strengthen sustainable livelihoods for traditional artisans by expanding market access, fostering product innovation, and creating opportunities for long-term economic empowerment. The initiative reached 7,101 artisans across six states, with women representing 51% of the beneficiary base, reinforcing Annapurna Finance's commitment to inclusive livelihood development.

During the year, the programme collaborated with artisans across 22 craft clusters nationwide, further extending its outreach to traditionally underserved artisan communities. Six new clusters were onboarded across West Bengal, Assam, Odisha, and Bihar, broadening opportunities for income generation, skill enhancement, and market connectivity. These included the Wood Craft Cluster in Durgapur and Jute Craft Cluster in Kolkata (West Bengal), the Silk Production Cluster in Assam, the Kotpad Cotton Cluster and Sabai Grass Cluster in Odisha, and the Bhagalpur Silk Cluster in Bihar.

By strengthening market linkages while preserving traditional craftsmanship, Atulya Karigari continues to promote the revival of indigenous art forms, enhance artisan incomes, and create sustainable livelihood opportunities for rural communities across India.

The programme's outreach and impact are presented below:

7000+	6	51%	440+
Total artisans covered in FY	States covered: Odisha, Rajasthan, UP, Bihar, West Bengal, Assam	Women constitute a significant share of the beneficiaries	Product display in website

Programme Impact Assessment

An impact assessment conducted across four artisan clusters in three states demonstrated the programme's positive contribution to strengthening artisan livelihoods, expanding market access, and improving economic resilience. Participating artisans reported higher sales and profitability, leading to improved household incomes and greater financial stability.

The assessment also highlighted Atulya Karigari's growing role in creating sustainable market opportunities while preserving traditional crafts. Additionally, the programme delivered a strong economic return, with every ₹1 invested generating approximately ₹1,291 in artisan sales, reaffirming its effectiveness in creating long-term social and economic value.

UN SDG Alignment: SDG 8: Decent Work & Economic Growth | SDG 10: Reduced Inequalities | SDG 12: Responsible Consumption



E² Scholarship: Empowering Aspirations Through Education

Annapurna Finance continued to strengthen educational opportunities for deserving students through its Excel the Excellence (E²) Scholarship Programme, supporting young talent from economically disadvantaged backgrounds in pursuing higher education and building pathways to meaningful careers.

During FY 2025–26, the programme benefited 52 students across 16 districts of Odisha, including three Aspirational Districts. Women accounted for 58% of the scholarship recipients, while 50% of the beneficiaries belonged to vulnerable communities, reflecting the programme's strong focus on equity and inclusion.

By reducing financial barriers to education and enabling access to academic and career opportunities, the E² Scholarship Programme continues to empower young learners, nurture future leaders, and contribute to building a more inclusive and equitable society.

UN SDG Alignment: SDG 4: Quality Education | SDG 10: Reduced Inequalities

Community Hygiene: Promoting Cleanliness, Dignity, and Public Well-being

Annapurna Finance continued its commitment to improving public hygiene by supporting the cleanliness and maintenance of Biraja Temple and Tarini Temple, two of Odisha's most revered pilgrimage destinations. Dedicated sanitation teams ensured clean, safe, and welcoming surroundings, enhancing the experience for thousands of devotees while promoting healthier public spaces.

Further strengthening its commitment to community sanitation, Annapurna Finance introduced the 'Toilet on Wheels' initiative. Designed to provide accessible and hygienic sanitation facilities in high-footfall public locations where permanent infrastructure is limited, the mobile solution promotes dignity, public health, and improved sanitation for communities and visitors alike.

Through these initiatives, Annapurna Finance continues to foster cleaner public spaces, enhance community well-being, and contribute to healthier, more inclusive environments.



"Before 'Toilet on Wheels', Puri faced severe sanitation challenges due to heavy tourist footfall. This initiative has significantly improved cleanliness, accessibility, and sustainable sanitation management across the city."

-Abhimanyu Behera, OAS(S), Executive Officer, Puri Municipality

UN SDG Alignment: SDG 6: Clean Water & Sanitation | SDG 11: Sustainable Cities & Communities

Advancing Inclusive Development

Responsible and inclusive growth remained central to Annapurna Finance's sustainability agenda during FY 2025–26, with continued progress across Environmental, Social & Governance (ESG), Diversity, Equity & Inclusion (DEI), Social Performance Management (SPM), and Corporate Social Responsibility (CSR). The organization's commitment to creating measurable social impact, strengthening customer well-being, and advancing financial inclusion was reflected in its recognition as one of the top three microfinance institutions in Asia in the 2025 60 Decibels MFI Index.

Key Highlights

- Top 3 ranked microfinance institution in Asia in the 2025 60 Decibels MFI Index.
- 43% of customers reported improved access to formal financial services.
- 88% improved business operations, 86% increased business income, and 83% reported higher household income.
- 93% experienced an improved quality of life, while 90% reported increased confidence.
- 85% improved household budgeting, 78% increased savings, and 81% experienced reduced financial stress.
- 92% understood product terms and conditions, while 83% found repayment schedules suitable, reflecting strong customer protection practices.

- 93% adopted digital repayment channels either fully or for most of their transactions.

3.73 CRORE	94	5 LAKH +	98%	86%
CSR Spend for the FY	Net Promoter Score for MFI operation (reported in both DB Survey and Customer Satisfaction Survey)	People benefitted from CSR program	Women in the customer base	Customers from Rural pockets

The Way Forward

As Annapurna Finance continues to strengthen its commitment to sustainable and inclusive development, the organization remains focused on scaling its impact through strategic initiatives across Environmental, Social, and Governance (ESG), Diversity, Equity & Inclusion (DEI), Social Performance Management (SPM), and Corporate Social Responsibility (CSR). Key priorities for FY 2026–27 include:

Environmental, Social & Governance (ESG)

- Publish the organization's first standalone Sustainability Report.
- Expand the reach of Electric Vehicle (EV) financing across additional states.
- Identify and operationalize new climate-responsive financial products tailored to the evolving needs of target communities.

Diversity, Equity & Inclusion (DEI)

- Successfully conclude the current Women Leadership Development Programme (WLDP) cohort and assess its impact.
- Expand the Annapurna Gobinda Healthy Baby Programme to additional states.
- Further strengthen gender diversity and inclusive leadership across the organization.

Social Performance Management (SPM)

- Publish social impact findings to promote industry-wide knowledge sharing and evidence-based learning.
- Introduce a household budgeting tool within the Annapurna Pay (A-Pay) platform to help Microfinance (MFI) customers strengthen financial planning and budgeting practices.

Corporate Social Responsibility (CSR)

- Expand Atulya Karigari to additional artisan clusters, creating new livelihood opportunities for traditional craft communities.
- Strengthen CSR interventions across more Aspirational Districts.
- Integrate the Theory of Change (ToC) framework into all new CSR projects to enhance impact measurement and programme effectiveness.

UN SUSTAINABLE DEVELOPMENT GOALS ALIGNMENT

Annapurna Finance's social impact initiatives contribute to 9 of the 17 United Nations Sustainable Development Goals (UN SDGs), reflecting the organization's commitment to advancing inclusive, sustainable, and community-driven development. The table below highlights the alignment between its key programmes and the respective SDGs they support.



01

No Poverty

MFI Impact: Income & Savings growth; FDLT program improving Financial decision making; PPI Tracking; SROI

03

Good Health & Well Being

Mobile Medical Unit; Healthy Baby Program; Healthy Gossip

04

Quality Education

E2 Scholarship; Financial & Digital Literacy Training (53,132 trained)

05

Gender Equality

WLDP; Gender Leadership Program; 98% women MFI clients

06

Clean Water & Sanitation

Community Hygiene; Toilet on Wheels; Solar Water System

07

Clean Energy

509 Solar Street Lights; Solar Cold Storage; Green Finance Strategy

08

Economic Growth

Atulya Karigari; MSME loans; FDLT entrepreneurship outcomes

10

Reduced Inequalities

Aspiration District coverage; Vulnerable community outreach; DEI programs

13

Climate Action

IFC & FMO partnerships; GHG tracking; 239 tCO2e annual offset from CSR

DIGITAL TRANSFORMATION & TECHNOLOGY INNOVATION

LENDING & AUTOMATION

Building a Smarter, Faster and More Secure Digital Ecosystem

Technology continues to be a key enabler of Annapurna Finance's growth, operational excellence, and customer-centric service delivery. During FY 2025–26, the organization accelerated its digital transformation journey by expanding automation across the lending lifecycle, strengthening data-driven decision-making, and enhancing cyber resilience in line with evolving business and regulatory requirements.

A significant milestone during the year was the development and deployment of several in-house digital solutions, reflecting Annapurna Finance's strategic focus on building self-reliant, scalable, and secure technology capabilities. The organization introduced A-Sign, its proprietary e-sign platform, enabling seamless, secure, and paperless document execution across business processes. It also developed in-house OCR and Voter Verification solutions to accelerate customer onboarding, improve data accuracy, and streamline field operations while reducing dependence on external technology providers.

Enhancing Efficiency Across the Lending Lifecycle

Annapurna Finance continued to strengthen its lending operations by improving processes across customer onboarding, credit assessment, documentation, disbursement, collections, and portfolio monitoring. Through streamlined workflows, standardized processes, and greater automation, the organization enhanced operational efficiency, improved turnaround times, strengthened governance, and delivered a more consistent experience for customers and employees.

Key Initiatives

Loan Origination & Loan Management Systems

The Loan Origination System (LOS) and Loan Management System (LMS) continued to support end-to-end lending operations. During the year, enhancements focused on improving collection processes, document management, operational reporting, and workflow efficiency.

Business Rule Engine (BRE)

A Business Rule Engine was integrated with the Loan Origination System to enable automated, policy-based credit assessment and real-time underwriting support. Following a successful pilot, the solution was deployed across the branch network with refinements aligned to the organization's evolving credit policies.

Technology-Enabled Customer Onboarding & Lending Operations

Annapurna Digital Record (ADR) – Intelligent Customer Onboarding

Annapurna Finance strengthened its customer onboarding capabilities through Annapurna Digital Record (ADR), its proprietary KYC Optical Character Recognition (OCR) platform, which is now operational across all branches. The solution automates the extraction and verification of customer information from Aadhaar and Voter ID documents, reducing manual intervention while improving onboarding speed, data accuracy, and process efficiency. During the year, Voter ID OCR demonstrated stable performance across the branch network, while continuous enhancements further improved OCR accuracy and strengthened the reliability of the organization's identity verification framework. Together with A-Sign, ADR forms the foundation of Annapurna Finance's integrated customer onboarding ecosystem, enabling faster, secure, and efficient onboarding across its nationwide branch network.

A-Sign – Digital Documentation

The in-house A-Sign platform was successfully deployed across all branches, enabling the secure and legally compliant execution of loan documents and customer consent forms. The platform improved documentation quality, reduced processing time, strengthened compliance, and enhanced overall operational efficiency across lending operations.

Collections & Payment Infrastructure

The Bharat Bill Payment System (BBPS) continued to support secure cashless loan collections across branches, while Axis Bank payment APIs enabled real-time beneficiary verification and secure loan disbursements. These enhancements strengthened payment governance, improved transaction reliability, and reduced operational risks.

Product & Process Enhancements

During the year, Annapurna Finance further strengthened its lending operations through enhancements to the Individual Business Loan (IBL 2.0), improved KYC workflows, standardized loan documentation, multilingual customer documents, and enhanced operational reporting. These initiatives streamlined processes, improved service delivery, and reinforced responsible, transparent, and customer-centric lending practices.

AI, DATA ANALYTICS & CYBER SECURITY Strengthening Intelligent Operations and Digital Trust

Annapurna Finance continued to strengthen its technology ecosystem by leveraging artificial intelligence, advanced analytics, automation, and robust cyber security practices to improve operational efficiency, support data-driven decision-making, strengthen regulatory compliance, and enhance customer trust.

The organization expanded the use of intelligent automation across lending and operational processes through OCR-based document processing, automated beneficiary validation, strengthened credit bureau integrations, and rule-based underwriting. These enhancements improved data accuracy, accelerated customer onboarding, reduced manual intervention, and enabled faster and more informed lending decisions. Automated reporting and operational dashboards further enhanced business visibility, enabling timely performance monitoring and informed decision-making across the organization.

Maintaining a secure and resilient technology environment remained a key priority throughout the year. Annapurna Finance further strengthened its cyber security framework through enhanced user authentication, stronger access governance, and technology controls aligned with regulatory requirements. Collectively, these initiatives reinforced information security, improved governance, enhanced regulatory compliance, and strengthened the organization's digital resilience, creating a secure, efficient, and future-ready technology environment.



ANNAPURNA
FINANCE
GROWING TOGETHER

DRIVING FUTURE GROWTH

Building Resilience. Accelerating Innovation.

A. Technology-Driven Solutions

B. Consumer Finance & Expansion





TECHNOLOGY-DRIVEN SOLUTIONS

BUSINESS STRATEGY & EXECUTION

Technology continued to be a key driver of Annapurna Finance's growth strategy, strengthening operational efficiency, expanding financial inclusion, and enhancing customer experience. To accelerate innovation and build future-ready digital capabilities, the organization established Annapurna Tech Universe Pvt. Ltd. (ATU) during FY 2025–26 as its dedicated technology subsidiary. Building on the digital foundation created through Annapurna Finance's Technology Innovation Hub, ATU is focused on developing proprietary technology platforms that support the Group's long-term digital transformation agenda.

During the year, ATU expanded its technology portfolio across five strategic solution areas, Digital Payments (A-Pay), Digital Identity & Trust Services (A-Sign), Document Intelligence (ADR), Merchant Enablement Solutions, and Digital Learning (ATU Pragyan). Together, these platforms support digital payments, customer onboarding, identity verification, document processing, merchant services, employee learning, and intelligent workflow automation, enabling greater operational efficiency across the organization.

A key strategic focus during the year was strengthening in-house technology capabilities. The successful deployment of A-Sign and ADR enabled secure digital documentation, paperless onboarding, and intelligent document processing, while A-Pay continued to evolve into a comprehensive digital financial services platform offering loan repayments, utility bill payments, insurance services, marketplace offerings, and other value-added digital solutions. The organization also advanced its AI journey through the development of Annapurna Gemini Assist, designed to enhance customer support, improve employee productivity, and enable data-driven decision-making.

Operational Excellence

The last FY has witnessed significant growth across Annapurna Finance's digital platforms. A-Pay onboarded more than 9.38 lakh UPI application downloads and 5.45 lakh application users, serving over 4.01 lakh unique customers during the year. The introduction of AutoPay, automated bill payment reminders, and digital loan repayment schedules further improved customer convenience while strengthening repayment discipline and reducing manual intervention.

Operational efficiencies were further enhanced through

the organization's proprietary technology platforms. ADR processed nearly 24.8 lakh documents, accelerating customer onboarding and document verification, while A-Sign facilitated more than 11.3 lakh digital signatures, enabling secure and paperless lending operations across the organization. Merchant enablement solutions, workflow automation, and digital learning initiatives under ATU Pragyan also contributed to improved service delivery, employee capability development, and technology adoption.

Financial & Business Highlights

The continued expansion of Annapurna Finance's digital ecosystem translated into strong business performance during FY 2025–26. A-Pay processed transactions exceeding ₹611 crore during the year, including approximately ₹610 crore through digital loan collections via Loan Card and BBPS channels. The platform recorded its highest monthly collection of ₹120.75 crore, reflecting increasing customer adoption, operational reliability, and scalability.

Beyond loan repayments, A-Pay expanded its digital ecosystem by supporting BBPS utility payments, prepaid mobile recharges, insurance services, and marketplace offerings, creating multiple customer engagement opportunities. The growing adoption of A-Pay, together with the increasing utilization of A-Sign and ADR, highlights the expanding contribution of Annapurna Finance's proprietary technology platforms to business growth and operational efficiency.

Market Presence & Expansion

Annapurna Finance continued to deepen its digital footprint by leveraging its branch network across 22 states and an extensive field workforce to drive technology adoption among underserved communities. A-Pay, available in 09 Indian vernacular languages, improved accessibility for customers across rural and semi-urban markets where language often remains a barrier to digital adoption.

The organization also strengthened collaborations with banks, fintech partners, technology providers, and service aggregators to expand digital payment capabilities, merchant services, and the BBPS ecosystem. These partnerships have enhanced the platform's service offerings while creating a scalable technology infrastructure to support future growth.

Business Growth & Expansion

Looking ahead, Annapurna Finance will continue to strengthen its technology ecosystem by expanding both customer-facing digital services and enterprise

technology solutions. The roadmap for A-Pay includes travel booking, digital gold, healthcare services, AgriTech solutions, enhanced marketplace capabilities, and additional financial services, enabling the platform to evolve into a comprehensive digital lifestyle and financial services ecosystem.

At the same time, A-Sign and ADR will be expanded for wider enterprise adoption, creating opportunities in digital onboarding, identity verification, document intelligence, workflow automation, and compliance management. The organization will also continue advancing Annapurna Gemini Assist to deliver AI-enabled customer support, personalised financial guidance, and intelligent business insights, further strengthening its technology-led growth strategy.

Enhancing Customer Experience

Customer experience remained central to the continued evolution of A-Pay during last Financial year. Designed to make digital financial services simple, secure, and accessible, the platform enables customers to manage loan accounts, make repayments, pay utility bills, access insurance services, and use other digital financial solutions through a single application.

The platform's growing acceptance is reflected in its 4.2-star Google Play Store rating, 95% customer trust score, 99% comfort score, and over 70% repeat user rate, demonstrating strong customer confidence and sustained engagement. During the year, enhancements such as simplified onboarding, real-time transaction alerts, transparent service journeys, and 24×7 access to digital financial services further improved customer convenience. Going forward, A-Pay will continue to enhance the customer experience through AI-enabled assistance, personalised financial insights, intelligent product recommendations, and expanded self-service capabilities, making digital financial services more accessible, convenient, and inclusive.

CUSTOMER ENGAGEMENT & DIGITAL EXPERIENCE

Annapurna Finance continued to strengthen its customer-facing digital ecosystem by expanding technology platforms that improve customer engagement, service delivery, digital lending, and operational monitoring.

The Customer Relationship Management (CRM) platform was further enhanced to provide an integrated view of customer interactions through lead management, grievance resolution, opportunity tracking, and service request management. Enhanced ticketing, SLA

monitoring, and integration with the Loan Origination System (LOS) and Loan Management System (LMS) improved service responsiveness and operational visibility. During the year, A-Pay was integrated with the CRM Helpdesk, enabling faster query resolution for digital customers. The platform was also extended to support Rooftop Solar Lead Management, allowing QR-based lead generation through EPC partners to strengthen customer acquisition. Going forward, the CRM platform will be expanded to support additional products and deliver more personalized customer engagement.

The Customer Engagement Platform (CEP) continued to enhance communication across MFI and MSME customers through SMS, RCS, WhatsApp, and IVR channels. The multilingual platform supports customer servicing, loan-related communication, grievance management, and regulatory notifications while improving accessibility across rural and semi-urban markets. Automation, intelligent workflows, and a WhatsApp chatbot have further strengthened self-service capabilities, enabling faster response times and improved customer experience.

During the year, Annapurna Finance also strengthened its AI-powered Voice Bot Platform, enabling multilingual customer interactions through Generative AI, Natural Language Processing (NLP), and Natural Language Understanding (NLU). Enhanced conversational intelligence, sentiment analysis, and real-time analytics have improved response accuracy, expanded customer outreach, and increased service efficiency. The organization will continue investing in conversational AI to deliver more personalized and intelligent customer interactions.

To strengthen monitoring of its renewable energy portfolio, Annapurna Finance initiated the implementation of a Rooftop Solar Monitoring & Evaluation Platform. The solution will provide real-time visibility into solar asset performance by monitoring energy generation, equipment health, and operational status. Automated alerts for asset underperformance, zero-generation events, and prolonged offline status will improve portfolio oversight, strengthen risk management, and support better performance benchmarking of EPC partners.

These initiatives reinforce Annapurna Finance's commitment to building a connected, intelligent, and customer-centric digital ecosystem that enhances service quality, operational efficiency, and financial inclusion.

CYBER INTELLIGENCE & SECURITY

Building a Secure, Resilient and Future-Ready Digital Ecosystem

As Annapurna Finance continues to accelerate its digital transformation journey, cybersecurity remains a strategic priority. During FY 2025–26, the organization significantly strengthened its cybersecurity governance, technology infrastructure, operational resilience, and regulatory compliance through multiple initiatives aligned with RBI guidelines, CERT-In advisories, ISO standards, and industry best practices. The focus remained on proactive risk management, cloud security, cyber resilience, threat detection, security automation, and employee awareness to safeguard critical digital assets, customer data, and business operations.

Cyber Governance & Infrastructure

The organization significantly enhanced its cyber defence capabilities through the phased implementation of a Security Operations Centre (SOC), integrating critical security feeds from firewalls, Endpoint Detection & Response (EDR), Deep Security, CloudWatch, SQL, and PostgreSQL environments. This has enabled centralized security monitoring, real-time threat detection, proactive alert management, and faster incident response across the technology ecosystem.

Cloud security was further strengthened through the implementation of a Cloud-Native Application Protection Platform (CNAPP) for the A-Pay platform, improving visibility, workload protection, and risk management across AWS environments. Internet-facing applications were also secured through the deployment and optimization of Web Application Firewall (WAF) solutions, providing enhanced protection against application-layer attacks, malicious traffic, and unauthorized access attempts.

To ensure business continuity, the organization successfully conducted a Disaster Recovery (DR) exercise, validating its preparedness to recover critical applications and maintain uninterrupted business operations during cyber incidents or operational disruptions.

Access Security & Regulatory Compliance

To strengthen application security and access governance, Multi-Factor Authentication (MFA) with Time-Based One-Time Password (TOTP) was implemented across web-based applications, significantly enhancing protection against unauthorized access. Complementing this, risk-based access controls were introduced within the Loan Origination System

(LOS), aligning user permissions with operational roles while maintaining complete auditability of system activities. The organization also strengthened its compliance framework through enhancements to its Anti-Money Laundering (AML) monitoring system, including improved transaction monitoring, stronger audit log controls, and enhanced AML reference tracking.

Throughout the year, Annapurna Finance continued proactive compliance with RBI and CERT-In cybersecurity advisories, further strengthening its regulatory preparedness and governance framework.

Security Testing & Risk Management

The organization continued conducting periodic Vulnerability Assessment and Penetration Testing (VAPT) across all critical business applications, APIs, infrastructure, and cloud environments to proactively identify and address security vulnerabilities.

Cyber risk management capabilities were further strengthened through modernization of endpoint security and centralized patch management, DNS security enhancement, and attack surface reduction initiatives aimed at minimizing external cyber exposure.

Security Testing & Risk Management

Recognizing the importance of secure software development, Annapurna Finance implemented GitHub-based CI/CD pipelines integrated with DevSecOps practices for key digital platforms, including A-Pay and A-Sign. These initiatives strengthened application security throughout the development lifecycle, improved deployment efficiency, and reduced operational risks.

Cyber Awareness & Culture

Building a cyber-aware workforce remained a key priority during the year. The organization conducted a comprehensive internal awareness programme focused on strengthening cyber hygiene and reducing human-related cyber risks.

Key initiatives included:

- Monthly observance of Cyber Jagrookta Diwas.
- Regular cybersecurity awareness sessions and knowledge quizzes.
- Phishing simulation exercises to strengthen employee preparedness against phishing and social engineering attacks.
- Publication of a monthly Cyber Digest highlighting emerging cyber threats, best practices, and security updates.

These initiatives have helped foster a stronger security-first culture across the organization.

Information Security Standards

As part of its long-term governance roadmap, Annapurna Finance initiated implementation and audit activities for ISO 27001 Information Security Management System (ISMS) and ISO 31000 Risk Management Framework, reinforcing its commitment to internationally recognized information security and enterprise risk management practices.

Strategic Focus Ahead

Going forward, Annapurna Finance will continue strengthening its cybersecurity capabilities by focusing on:

- Expanding Security Operations Centre (SOC) capabilities and database activity monitoring.
- Enhancing cloud security, endpoint protection, and DevSecOps practices.

- Completing advanced firewall optimization and cloud security initiatives.
- Strengthening AI governance through the establishment of an AI Asset Register and associated risk management framework.
- Further embedding Secure Software Development Lifecycle (SSDLC) practices.
- Completing ISO 27001, ISO 31000, and PCI DSS compliance initiatives.
- Expanding cybersecurity awareness programmes and employee capability-building initiatives.

These initiatives reflect Annapurna Finance's continued commitment to building a secure, resilient, and future-ready digital ecosystem that protects stakeholder interests, supports regulatory compliance, and enables trusted digital financial services at scale.



CONSUMER FINANCE & EXPANSION

CONSUMER FINANCE STRATEGY

Annapurna Finance continues to strengthen its consumer finance portfolio by expanding beyond traditional microfinance into secured and need-based lending solutions. The organization's strategy is focused on addressing the evolving financial needs of customers through a balanced portfolio of unsecured and secured products, while promoting responsible lending and long-term financial inclusion.

Key priorities include:

- Expanding secured lending to strengthen portfolio diversification.
- Enhancing access to affordable and purpose-driven financial products.
- Supporting customers through different stages of their financial journey.
- Leveraging technology to deliver faster, simpler, and more accessible lending solutions.

NEW PRODUCT INNOVATIONS

To address emerging customer needs and create new growth opportunities, Annapurna Finance plans to introduce a range of innovative financial products during the coming year.

Gold Loan

- Launch of a secure and transparent Gold Loan product, beginning with a pilot in Odisha.
- Designed to provide quick access to formal credit for livelihood, business, household, and emergency needs.
- Supports portfolio diversification while reducing customers' dependence on informal borrowing.

HIL-PMAY

- Affordable housing finance solution aligned with the Pradhan Mantri Awas Yojana (PMAY).
- Supports home construction, repairs, and extensions for underserved rural households.
- Strengthens the organization's affordable housing portfolio while contributing to improved living standards.

Green Box

- Integrated green financing platform supporting:
 - Decentralized Renewable Energy (DRE)
 - Climate-Smart Agriculture (CSA)
 - Climate Resilience Adaptation (CRA)
 - Energy Efficiency (EE)
- Promotes sustainable livelihoods, climate resilience, and responsible financing.

FUTURE MARKET OPPORTUNITIES

Annapurna Finance remains focused on expanding its consumer finance portfolio by introducing innovative products, strengthening digital lending capabilities, and addressing emerging customer needs across rural and semi-urban markets.

Key priorities for the coming year include:

- Scaling the Affordable Housing portfolio as a long-term growth business.
- Expanding the Gold Loan business through a phased branch rollout.
- Strengthening green finance through the Green Box platform.
- Introducing DigiLocker-based digital onboarding to simplify and accelerate customer onboarding.
- Implementing geo-tagged field verification to strengthen governance and improve customer verification.
- Enhancing digital lending journeys through faster, paperless, and technology-enabled customer experiences.
- Leveraging data, automation, and digital platforms to improve accessibility, operational efficiency, and responsible lending.





ANNAPURNA
FINANCE
GROWING TOGETHER

CORPORATE GOVERNANCE & STATUTORY INFORMATION

Integrity. Accountability. Compliance.

A. Directors' Report

- Management Discussion & Analysis
- Auditor's Report
- Report on Corporate Governance
- Financial Statements



DIRECTORS' REPORT

DEAR MEMBERS, Annapurna Finance Private Limited

On behalf of the Board of Directors, I am pleased to present the Directors' Report of Annapurna Finance Private Limited ("The Company" or "Annapurna Finance") for the Financial Year ending March 31, 2026, outlining the performance and achievements of the Company over the past fiscal year. This report provides a comprehensive overview of the Indian microfinance industry, financial results, operational highlights, strategic initiatives, and our commitment to sustainable growth.

India today stands at the intersection of three powerful structural transformations-the formalisation of its economy, rapid digital adoption and the continued expansion of financial inclusion. These trends are fundamentally reshaping how households, entrepreneurs and businesses access financial services, creating unprecedented opportunities for institutions capable of combining scale, technology and responsible governance.

Against this backdrop, Annapurna Finance has continued to strengthen its position as one of India's leading rural financial institutions. While our origins lie in microfinance, our ambitions extend significantly beyond a single product or business segment.

Today, Annapurna is evolving into a technology-enabled, diversified rural financial services institution, leveraging innovation, digital capabilities and responsible finance to build an integrated financial ecosystem that serves the changing needs of rural households, women entrepreneurs, micro-enterprises and emerging businesses across India.

This transformation represents far more than business diversification. It reflects our conviction that the future of inclusive finance will belong to institutions capable of combining deep customer relationships with technology, strong governance and prudent risk management.

A Year of Resilience

The financial year 2025-26 presented one of the most challenging operating environments witnessed by the Indian microfinance sector in recent years. Industry-wide portfolio contraction, elevated credit costs, borrower overleveraging, climatic disruptions and increasing regulatory expectations created significant headwinds.

Despite these challenges, Annapurna remained resilient. The Company maintained profitability, preserved strong capital adequacy and liquidity, expanded its geographic footprint and continued investing for long-term growth. Disciplined underwriting, prudent risk management

and a customer-centric operating model enabled the Company to navigate a demanding environment while protecting the interests of customers, lenders and shareholders.

Our confidence stems not merely from this year's performance, but from the strength of the institution we continue to build.

From Microfinance Institution to Diversified Financial Platform

Over the past decade, Annapurna has built one of India's largest rural lending platforms. Today, we are entering the next phase of our journey.

Our long-term strategy is centred on creating a diversified rural financial services platform serving customers throughout their financial lifecycle. Alongside our core microfinance franchise, we continue strengthening our presence across MSME Finance, Affordable Housing Finance, Gold Loans, Green Finance, Digital Payments and Technology Services.

This diversification enhances customer value, reduces concentration risk, improves earnings resilience and creates multiple engines of sustainable long-term growth.

Technology as a Strategic Advantage

Technology is no longer an operational support function; it is becoming the central pillar of Annapurna's future competitiveness.

During the year, the Company accelerated investments in digital infrastructure, artificial intelligence, automation, analytics and customer-facing platforms. Annapurna Pay continues to evolve beyond digital collections into a broader customer engagement platform, while AI-enabled credit analytics, fraud monitoring and workflow automation are improving decision-making, productivity and customer experience.

Technology is expected to become one of the Company's strongest long-term competitive advantages.

Responsible Growth with Sustainable Impact

Growth has never been Annapurna's only objective. Since inception, the Company has believed that long-term financial performance and social impact are mutually reinforcing.

Responsible lending, customer protection, financial literacy, ethical governance and sustainability remain central to our strategy. Alongside financing rooftop solar installations and electric mobility, the Company continues reducing its environmental footprint through digitalisation, paperless operations and operational efficiency while integrating ESG principles into decision-making.

continues reducing its environmental footprint through digitalisation, paperless operations and operational efficiency while integrating ESG principles into decision-making.

Looking Ahead

India's long-term growth story remains compelling. Rapid digital adoption, expanding financial formalisation and increasing entrepreneurship provide a strong foundation for sustainable growth.

The Board will continue to focus on diversification, technology, AI-enabled operations, secured lending, governance excellence and sustainable finance.

Our aspiration is clear:

'To build India's most trusted technology-enabled, diversified rural financial services institution-leveraging innovation, digital capabilities and responsible finance to create sustainable prosperity for rural households, entrepreneurs and communities.'

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

The Management Discussion and Analysis highlighting the details of Industry structure and developments, Opportunities and Threats, product-wise performance, Outlook, Risks and concerns, Internal control systems, and their adequacy, Discussion on financial performance with respect to operational performance, Material developments in Human Resources, including the number of people employed, key financial ratios are detailed below.

Industry Outlook

The Indian microfinance industry continues to play a vital role in advancing financial inclusion, particularly for low-income households and underserved communities. However, the past year has posed significant challenges for the sector, which primarily serves the bottom of the pyramid with small, livelihood-focused loans. The sector witnessed a continued decline in FY 2024-25 & FY 2025-26, with the overall loan portfolio contracting by 13.5% & 13.3% year-on-year respectively (as per MFIN report). As of March 2026, the total portfolio stood at ₹ 3.25 lakh crore, with asset quality remaining a persistent concern. One of the key factors contributing to this deterioration has been borrower overleveraging, often driven by multiple simultaneous lending relationships. In response, the industry led by Company such as MFIN has introduced corrective measures, including a cap on the number of lending relationships per borrower limiting it to three, no loan to be disbursed where indebtedness is more than ₹ 2 lakhs and no loan to borrowers with outstanding dues exceeding ₹ 3000 and DPD greater than 60 days on their existing loans effective from April 2025. These efforts aim to improve credit discipline and restore portfolio stability.

At the Global level, the microfinance sector in FY 2025-26

demonstrated robust growth, driven by technological advancements and a commitment to financial inclusion. However, emerging challenges such as credit risk, operational costs, and regulatory environment also remain a focus of attention for the lenders. Addressing these issues will be crucial for sustaining the sector's growth trajectory and ensuring its positive impact on underserved populations worldwide.

Against the backdrop of a steady global growth amidst multiple headwinds, the Indian economy remained resilient during 2025-26, supported by robust macroeconomic fundamentals, domestic demands, proactive policy measures and sustained government capital expenditure. Although real gross domestic product growth moderated to 7.4 per cent in 2025-26, India remained the fastest growing major economy. Economic activity was supported by an improvement in consumption demand and net exports on the expenditure side, and the buoyant services sector and recovery in agricultural production on the supply side.

The nation is strategically prioritizing sustained economic growth coupled with the fortification of sustainable financial infrastructure. These objectives are intrinsically linked. Aligned with this national agenda, we implemented robust internal controls to mitigate unforeseen risks and ensure operational resilience with the help of adequate risk management processes.

Despite the nationwide contraction in the microfinance portfolio this year, we have achieved significant milestones in customer acquisition, product delivery, and portfolio expansion. We have also maintained healthy asset quality and controlled NPA levels, outperforming many of our peers. Our focused efforts on reducing loan impairments and strengthening repayment monitoring have resulted in increased interest income and positive profit after tax at a time when several listed microfinance institutions reported losses. These outcomes reflect the coordinated commitment and execution by our executive team, management, and field staff. With this strong financial foundation, we are well-positioned to broaden our service offerings and reach a wider client base.

Growth Drivers and Ket Risks:

The operating environment during the fiscal year was characterized by both opportunities and challenges related to the maintenance of asset quality, especially the inherent vulnerabilities of the target market and the nature of the asset class. The impacts, along with the challenges of intense competition and changes in the lending environment due to the Reserve Bank's rationalization of the business model for all microfinance lenders, are significant:

Growth Drivers: Key opportunities for the Company include:

- With a large portion of the population in rural and semi-urban areas still outside the formal financial system, and with the government's continued thrust on inclusive growth, there is significant scope for customer acquisition and deeper market penetration.
- Adoption of digital technologies in credit underwriting, disbursement, and collections can enhance efficiency, reduce operational costs, and improve customer experience.
- Collaborations with banks for co-lending, along with partnerships with business correspondents, offer scalable channels to expand outreach and reduce customer acquisition costs.
- With reduction of the Qualifying assets requirement by RBI for MFIs, product diversification and expansion into secured lending can be done reducing concentration risk and improving profitability.

Key Risks:

While the outlook remains positive, the sector also faces several challenges that could impact operations:

- Changes in adverse weather events such as floods and droughts may disrupt borrower livelihoods, leading to a rise in delinquencies.
- Although the regulatory framework is currently supportive, the Reserve Bank of India's enhanced requirements relating to Fair Lending practices, disclosures, grievance redressal, customer protection guidelines and responsible lending may lead to increased operational obligations.
- Overexposure to specific geographies or borrower segments could increase the risk of localized defaults, especially in times of crisis.
- The quality of field credit officer is a continuing key challenge for the industry to credit with the vulnerable group of borrowers.

Segment – wise performance:

The Microfinance Loan segment continues to be the core driver of Annapurna Finance's operations, contributing significantly to the Company's overall business performance and social impact during the F.Y. 2025–26.

As of March 31, 2026, the microfinance loan portfolio stood at Rs 9,605 Crore, accounting for approximately 83% of the Company's total Assets Under Management. While it has been actively pursuing diversification into other verticals such as MSME, gold loan financing and housing finance, microfinance remains the dominant business segment. During the year the loan disbursement reduced by 4% majorly due to the implementation of MFIN Guardrails, restricting the

maximum lender count to 3 and the total indebtedness (including proposed loan) to Rs 2 Lakhs. In addition, the company has taken measures to improve the quality of loan portfolio by increasing the threshold for Credit Score restricting loans to borrowers with less than 700 scoring which lead to increase in rejection cases. The Company expanded its reach by opening 139 new branches during the year, aggregating to 1,757 across 22 states, reinforcing its commitment to last mile delivery. The active borrower base was 28.5 lakh, reflecting a Year-on-Year decrease of 2.9%.

However, the Gross NPA in the microfinance segment increased to 2.9% as of March 31, 2026 (from 2.7% in March 2025), largely due to borrower stress in specific geographies, political or social disruptions, natural calamities and industry-wide stress scenarios. To mitigate credit risk, Annapurna Finance has focused on strengthening its field-level monitoring mechanisms, leveraged technology-based credit scoring models, and enhanced its borrower education and financial literacy programs. The Company continued to focus on operational optimization by increasing the proportion of cashless disbursements and collections (presently about 70 % in MFI), expanding the use of digital field applications to streamline borrower onboarding and monitoring, and investing in capacity building of field staff to ensure consistency in service delivery.

In response to regulatory guidance, it has implemented a 0.5% increase in lending rates across its microfinance portfolio and capped it at 24.49% for Microfinance loans effective from 16th Feb 2026. The increase is primarily driven by the sustained rise in elevated credit cost and heightened portfolio risk and a need to realign pricing with prevailing sector dynamics. However, despite the increase the lending rate remains below the Base Lending Rate and hence borrowers interest and affordability has been maintained.

Outlook

We anticipate stable credit quality in the upcoming financial year, supported by disciplined underwriting practices, robust collection mechanisms, and increased reliance on data-driven risk monitoring tools. While external factors such as weather-related disruptions, political uncertainties, and regional economic slowdowns may pose challenges, our early-warning systems and contingency frameworks are designed to mitigate such risks effectively.

On the growth front, we expect sustained demand for microfinance products, particularly across underserved rural and semi-urban markets. Annapurna Finance has plans to expand its loan portfolio prudently, targeting a growth rate of approximately 14% in the next fiscal

year, with a continued focus on maintaining asset quality. Overall, we remain committed to our mission of delivering inclusive financial services while maintaining strong risk governance and sustainable business practices.

Risk and Concern

As one of India's leading NBFC–MFIs, the Company, remains steadfast in its mission to empower underserved communities across rural, tribal, and semi-urban regions. However, the evolving financial ecosystem and dynamic regulatory landscape continue to pose emerging challenges.

Credit risk remains a core concern, primarily due to inherent nature of unsecured lending to low-income borrowers. The sector has witnessed stress in certain regions, driven by factors such as localized over-indebtedness, crop failures and lingering post-pandemic cash flow disruptions. Despite the Company's adherence to prudent credit policies and robust borrower screening mechanisms, the Gross Non-Performing Assets increased to 2.9% as of March 2026, compared to 2.7% in March 2025, largely due to borrower stress in specific geographies, political or social disruptions, natural calamities and industry-wide stress scenarios.

In addition, Annapurna Finance's asset concentration remains significant, with approximately 53% of its portfolio concentrated in three states, Bihar, Odisha and Madhya Pradesh, with Bihar alone accounting for 23% of the total Assets Under Management. This geographic concentration heightens the Company's vulnerability to region-specific risk. Nonetheless, it continues to exercise vigilance through strategic geographic diversification, the adoption of group lending methodologies, and strengthened post-disbursement monitoring practices to manage and mitigate these risks effectively.

Given the high cost of servicing micro-loans characterized by small ticket sizes, high operational intensity, and outreach in remote areas even marginal reductions in interest rates can significantly compress margins. Annapurna Finance is therefore taking a calibrated approach to cost optimization, product diversification, and operational efficiency to safeguard financial sustainability while continuing to serve our social mandate. It maintains an internal cap on the lending rate for microfinance loans to ensure that borrowers are not charged excessively high interest rates. During the year, this cap rate increased by 0.5% effective from 16th Feb 2026.

Technology-Driven Customer Services

The Company has prioritized the digitization of customer services, focusing on fully digital mechanisms for both loan onboarding and recovery processes. This initiative aims to enhance transparency, improve service accessibility, and streamline customer interactions.

To promote a cashless and secure repayment experience, Annapurna Finance has developed and launched its own mobile application "Annapurna Pay", enabling customers to make loan repayments anytime, anywhere, through a secure digital platform. Originally developed to facilitate digital loan repayments, the platform has evolved into a comprehensive digital interface offering services such as Unified Payments Interface (UPI) transactions and Bharat Bill Payment System (BBPS) integrations. Annapurna Pay currently supports three regional languages, with planned expansion to additional languages to improve accessibility.

Financial and Operational Position

The financial year 2025–26 witnessed a complex macroeconomic landscape. Amidst these dynamics, Annapurna Finance has maintained operational resilience and demonstrated stable performance across critical financial indicators.

- **Income and Profitability:** - It has recorded a total income of ₹ 2,04,547 lakhs in FY26, marking a year-on-year decline of 6.3% over ₹ 2,18,326 lakhs in FY25. This performance was supported by consistent execution across business segments. Profit after Tax stood at ₹ 3,575 lakhs, compared to ₹ 6,924 lakhs in the previous year. The decline was primarily driven by an increase in Fees and Commission expenses and other expenses undertaken to support Company capability building.
- **Balance Sheet and Capital Position:-** As on March 31, 2026, Annapurna Finance's total assets stood at ₹ 9,87,833 lakhs, while total equity increased to ₹ 1,70,112 lakhs, reflecting a continued strengthening of the balance sheet. The Capital Adequacy Ratio remained well above regulatory requirements at 28.13%, signifying robust capital buffers and prudent risk management.
- **Loan Book and Valuation Changes:** The Company's loan book remained steady at ₹ 7,76,339 lakhs, indicating sustained asset levels.

- **Liquidity Coverage Ratio (LCR):** Annapurna Finance has maintained its LCR position with 149.49% as on 31st March 2026. This was beyond the minimum regulatory requirement of 100%, reflecting a strong liquidity position driven by an adequate stock of High-Quality Liquid Assets (HQLA) and prudent liquidity management.
- **Asset Quality and Recovery Measures:** In a focused effort to enhance asset quality, the Company transferred ₹ 14,304 lakhs of non-performing assets to Asset Reconstruction Companies during the year. This strategic action is expected to support improve recoveries.
- **Covenant Compliance:** Certain financial covenants linked to performance were not met with respect to ₹ 29,663 lakhs of outstanding debt. However, it is important to note that timely servicing of all debt obligations has been maintained, and Annapurna Finance has received waivers from the respective lenders. As such no remedial actions have been sought by lenders, underscoring the Company's continued credibility with its financiers.

Operational Parameters: The operational performance of Annapurna Finance for the financial year ended March 31, 2026 is summarized below:

Particulars	FY 25-26	FY 24-25	Growth (YOY) %
No. of Borrowers	28,45,179	29,28,844	(2.86%)
No. of Districts	464	439	5.69%
No. of Branches	1,757	1,636	7.40%
Disbursement (₹ crore)	8,933.01	8,938.86	(0.07%)
Gross Loan Portfolio (₹ crore)	11,535.00	11,034.12	4.54%
Off-Book (₹ crore)	3,544.97	3,434.82	3.21%
Total Employees	13,896	15,709	(11.54%)
Loan Officers	9,625	10,638	(9.52%)
GLP/Active Borrowers	40,542	37,674	7.61%

The Company achieved a gross loan portfolio of ₹ 11,535.00 Cr as of March 31, 2026, reflecting growth from ₹ 11,034.12 Cr as of March 31, 2025, demonstrating its continued business performance and steady portfolio expansion. The growth in gross loan portfolio during the year was 4.54%. The above portfolio growth was driven by the Company's continued geographical expansion, with operations spanning 1,757 branches across 22 states and 464 districts in India. During the year, under review, 139 new branches were opened.

Funding Position:

In terms of fundraising, Annapurna Finance has mobilised funds amounting to ₹ 7,738.87 crores in the Financial Year 2025-26, out of which ₹ 3,173 crores were raised through term loans, ₹ 3,261 crores in the form of Direct Assignments, ₹ 402 crores through ECB, ₹ 335 crores in the form of NCDs, ₹ 250 Crores in the form of Sub debt and ₹ 318 crores through PTC. The Company has added FMO - Dutch Entrepreneurial Development Bank as our new lender in FY 25-26.

Green Financing Initiatives:

In alignment with national priorities under India's climate action framework and global sustainability targets such as the United Nations Sustainable Development Goals, Annapurna Finance has placed strategic emphasis on the development and expansion of green financing products. These initiatives are aimed at facilitating the transition to a low-carbon economy while contributing to the reduction of the environmental footprint in the communities we serve. During FY 2025-26, the Company's green loan portfolio was primarily driven by two key offerings - Rooftop Solar Financing and Electric Three-Wheeler Financing - which witnessed encouraging traction among our clients:

- **Rooftop Solar Financing:** Recognizing the increasing demand for clean and reliable energy solutions, the Company expanded its financing support for rooftop solar installations, primarily in the residential segment, along with select small commercial use cases. This initiative is aligned with our long-term sustainability vision and supports the government's commitment to increasing the share of renewable energy in the national grid. To this end, the Company has set a forward-looking target of funding a cumulative capacity of 30 MW of rooftop solar installations by 2027.

- **Electric Three-Wheeler Financing:** Electric Three-Wheeler (E-3W) financing involves providing small-ticket loans for the purchase of electric vehicles used for passenger and cargo transport. The product primarily targets micro-entrepreneurs and small commercial operators, enabling access to income-generating assets with predictable cash flow. During FY 2025-26, the portfolio achieved disbursements of ₹20.5 Cr, with a planned scale-up to ₹105 Cr in FY 2026-27, reflecting strong growth potential in this segment. The business is supported by favourable unit economics driven by lower operating costs compared to conventional vehicles, increasing adoption of electric mobility, and continued policy support.

Human Resources and Industrial Relations:

Annapurna Finance continues to recognize human capital as a key driver of sustainable growth and organizational excellence. Throughout the financial year 2025-26, focused investments were made in employee training, leadership development, performance management, and staff welfare initiatives to foster a high-performance and inclusive work culture. It has sustained its efforts towards developing a continuous listening culture with a view to involve employees, harness their ideas and feedback, and achieve the Company's purposes and goals. As on March 31, 2026, Annapurna Finance has a workforce strength of approximately 13,896 employees across various locations and functions. The talent development agenda aligned with the Company's long-term strategic goals, with an emphasis on upskilling, digital capability building, and employee engagement.

Disclosure on Accounting Treatment:

The standalone financial results for the year ended March 31, 2026, have been prepared in accordance with Indian Accounting Standards as notified under Section 133 of the Companies Act, 2013. No deviation from the prescribed accounting standards has been made in the preparation of the financial statements.

TRANSFER TO RESERVES:

The Board of Directors has transferred an amount not less than 20% of the profit after tax i.e. ₹ 7.15 Crore to the statutory reserve maintained under Section 45-IC of the Reserve Bank of India Act, 1934.

DIVIDEND:

The Board of Directors aims to grow the business of the Company, maintain a healthy Net Worth & Capital Adequacy Ratio, and enhance the Rate of Return on Investments of the shareholders. With a view to financing the long-term growth plans of Annapurna Finance that require substantial resources, the Board of Directors proposed to retain profits in the business itself, and no dividend is being declared on equity shares for the year under review.

SHARE CAPITAL (AS ON MARCH 31, 2026):

As on 31st March 2026, the authorized share capital of the Company stood at ₹139.00 crore, comprising 11,39,00,000 Equity Shares of ₹10 each, and 2,51,00,000 Preference Shares of ₹10 each. Annapurna Finance has only class of equity shares, namely Equity Shares with a face value of ₹10 each. The issued, subscribed, and paid-up share capital of it as of 31st March 2026 is as follows:

Issued, Subscribed & Allotted		Nominal Value per share (₹)	Paid-up Value (₹)
No. of Equity Shares	10,57,09,090*	10.00	1,01,61,23,852
No. of Preference Shares	30,00,000	10.00	3,00,00,000
Total	10,87,09,090	10.00	1,04,61,23,852

*Of the above, 41,34,012 Equity Shares are partly paid-up, i.e. ₹ 0.09024 paid-up per share

a. Equity Share Issuance: During the financial year 2025-26, the Company issued and allotted 37,600 Equity Shares of ₹10 each, under stock options which were exercised by employees under its ESOP Scheme. The Annapurna Employees Welfare Trust was established on 12th November 2020 to encourage eligible employees to participate in the Company's ownership and long-term growth.

b. Equity Share Transfers: During the financial year 2025-26, there were no transfers of equity shares by any of the existing shareholders.

BOARD OF DIRECTORS:

As of 31st March 2026, the Board of Directors comprises 12 (twelve) members, including 3 (three) Independent Directors, 7 (seven) Nominee Directors, 2 (two) Executive Directors. The Board also includes 1 (one) Woman Director. The composition of the Board is in compliance with the requirements of the Companies Act, the SEBI Listing Regulations, and the applicable RBI guidelines. The Directors bring with them extensive knowledge, diverse experience, and the requisite skills across various functional areas relevant to its operations. Their collective expertise has contributed significantly and continues to contribute to the Company's strategic and policy decisions. Further details regarding the Board, its committees, the Directors' areas of expertise, and related information can be found in the Report on Corporate Governance, which forms part of this Integrated Annual Report.

a. Changes in Directors and Key Managerial Personnel during Financial Year 2025-26: Details of change in Board Composition during the year are as follows -

Sl.	Director Name	DIN	Designation	Date of change	Nature of Change
1	Mr. Ajay Bhaskar Limaye	02762738	Nominee Director	May 23, 2025	Cessation
2	Mr. Satish Chavva	03615175	Nominee Director	May 23, 2025	Appointment
3	Mr. Naval Jawaharlal Totla	02408585	Nominee Director	November 12, 2025	Cessation
4	Mr. Anant Manas Khatri	11386896	Nominee Director	November 12, 2025	Appointment
5	Ms. Radhika Jayant Shroff	09210584	Nominee Director	February 19, 2026	Cessation
6	Ms. Isabel Shi Ying Tay	11599352	Additional Director (Nominee)	March 19, 2026	Appointment

As of the date of this Report, the following individuals are designated as the Key Managerial Personnel of the Company:

- **Mr. Gobinda Chandra Pattanaik** – Managing Director
- **Mr. Dibyajyoti Pattanaik** – Director
- **Mr. Satyajit Das** – Chief Financial Officer
- **Dr. Sanjay Pattanaik** – Chief Operating Officer
- **Mr. Subrata Pradhan** – Chief Compliance Officer and Company Secretary

b. Declaration by Independent Director(s) and statement on Compliance of Code of Conduct:

The Company has received declarations from all its Independent Directors confirming that they meet the criteria of independence as prescribed under Section 149(7) of the Companies Act, 2013 and Regulation 16(1) (b) of SEBI Listing Regulations and that they have complied with the code of conduct for independent directors as prescribed under Schedule IV of the Companies Act, 2013.

Further, pursuant to Regulation 25(8) of the SEBI Listing Regulations, the Independent Directors of Annapurna Finance have also confirmed that they are not aware of any circumstance or situation, which exist or may be reasonably anticipated, to impair or impact their ability to discharge their duties with an objective of independent judgment and without any external influence. In the opinion of the Board, all the Independent Directors meet the criteria with regards to integrity, expertise and experience, including proficiency as required under applicable laws. The Board has also received from its Directors a statement that they have complied with the Code of Conduct for Directors and Senior Management of the Company.

c. Nomination and Remuneration Policy for Directors, KMPs and Senior Management:

According to the provisions of Section 178 of the Act, Regulation 19(4) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended, and applicable RBI guidelines, a Nomination and Remuneration Policy for Directors, KMPs and Senior Management, Functional Heads and other employees of Annapurna Finance, which is available on the official website at <https://annapurnafinance.in/resources/code-and-policies/nomination-and-remuneration-policy>. The Policy provides for Board diversity criteria and qualifications for appointment of Directors, KMPs and SMPs, remuneration paid / payable to them, etc. Additional details on Board diversity are available in the Report on Corporate Governance, which forms part of this Integrated Annual Report.

d. Evaluation of Board, its Committees and Individual directors:

The Company has conducted Board Evaluation for FY25. The evaluation of all individual Directors, Committees, Chairman of the Board, and the Board as a whole, was conducted based on the criteria and framework as prescribed under the law in this regard. A brief on the annual board evaluation process undertaken in compliance with the provisions of the Act and of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, is given in the Report on Corporate Governance, forming part of this Integrated Annual Report.

e. Committees of the Board:

The Board believes that the Board Committees are pillars of good corporate governance. The operations of the Company are managed under the direction of the Board within the framework set by the Companies Act, 2013, as amended (the "Act") and the rules made thereunder, the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time (the "Listing Regulations") and the Articles of Association of Annapurna Finance. The Board is also governed by Internal codes/ procedures prescribed within the Company from time to time. The Board has established the following Committees to assist the Board in discharging its responsibilities:

- Audit Committee
- Risk Management Committee
- IT Strategy Committee
- CSR & Social Performance Management Committee
- Nomination and Remuneration Committee
- Stakeholders Relationship Committee
- Customer Relationship Committee
- Product Committee
- Annual Business Plan Committee
- Asset Liability Management Committee
- Executive Committee

The Board may constitute new committees or dissolve any existing committee as it deems necessary for the discharge of its responsibilities. Role of Committees of Board along with Directors' attendance details, composition, terms of reference and such other relevant details for the year under review are elaborated in the Report on Corporate Governance for the FY 2025-26.

f. Meetings of the Board of Directors:

The Board of Director meets at regular intervals to discuss and decide on business policy and strategy apart from other Board business. However, in case of a special and urgent business need, the Board's approval is taken by passing resolutions through circulation, as permitted by law, which are confirmed in the subsequent Board meetings. During FY 2025-26, the Board of Directors of the Company met 4 (Four) times (i.e. on 26th May 2025, 13th August 2025, 12th November 2025 and 12th February 2026). A necessary quorum was present for all the meetings. Further, the maximum interval between any two meetings did not exceed 120 days, as prescribed by the Act. The details of the meetings are given in the Report on Corporate Governance.

AUDITORS AND AUDITORS' REPORT

a) Statutory Auditors and Audit Report: Pursuant to RBI Guidelines for Appointment of Statutory Auditors dated April 27, 2021, ('RBI Guidelines') and provisions of Section 139 read with Section 141 of the Companies Act, 2013, M/s Walker Chandiok & Co LLP, Chartered Accountants (FRN 001076N/N500013) has been appointed as the Statutory Auditors of the Company at the AGM held on 8th August 2024 for the consecutive period of three years. The Statutory Auditor's Report and the Annual Financial Statements for FY'26 as approved by the Board on 20th May, 2026, does not contain any qualification, reservation, adverse remark or disclaimer and the same is available on the Company official's website, at <https://dg5kbfrmz7w0s.cloudfront.net/resources/reports-and-newsletter/audit-reports-and-return/statutory-audit-reports-on-financial-statement/AFPL-FS-31%20March%202026.pdf>

b) Secretarial Audit Report: Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and amended Regulation 24A of the SEBI Listing Regulations, the Board on its meeting held on 23rd May 2025 has appointment M/s. Gopinath Nayak & Associates, Practicing Company Secretaries(Firm Registration No. P2004OR047900), as Secretarial Auditor of the Company for the term of 5(five) consecutive financial years till the conclusion of the 44th Annual General Meeting of the Company. The Secretarial Audit Reports in the prescribed Form MR-3 for the financial year ended 31st March 2026, which forms an integral part of this Report is available on the official website at <https://annapurnafinance.in/resources/report-and-newsletter/audit-report-and-return>. Further, there are no qualifications, reservations, adverse remarks or disclaimers made by the Secretarial Auditors in their Report.

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

DETAILS IN RESPECT OF FRAUDS, IF ANY, REPORTED BY AUDITORS:

Incidents of fraudulent activities are considered as a critical lapse in the effectiveness of the existing control measures. Fraud Activities have a direct impact on the operational risk of an organization. Pursuant to Section 143(12) of the Companies Act, 2013 the Statutory Auditor of the Company has reported 64 (sixty four) instances of fraud involving embezzlement of cash by employees, amounting to Rs. 186.36 lakhs. However, Rs. 4.5 lakhs have recovered during the period (out of which Rs.

2.7 lakh relates to previous year cases), while provision has been made for the remaining amount of Rs. 182 Lakhs.

CHANGE IN THE NATURE OF BUSINESS, IF ANY:

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

CREDIT RATINGS: The company has long-term ratings, NCD ratings and Bond ratings from CRISIL, ICRA, and CARE. The details of ratings as of 31st March 2026 are as follows:

Rating	Long term Rating (Bank Loan)
CRISIL A- / (Stable)	Rs. 2,100.00 crore
CARE A- / (Stable)	Rs. 2,011.99 crore
[ICRA] A- (Stable)	Rs. 1,600.00 crore

Rating	Debt Instrument Rating (NCDs including Sub-debt) - Outstanding Amount
CRISIL A- (Stable)	Rs. 455.00 Crores
CARE A- (Stable)	Rs. 236.65 Crores
ICRA A- (Stable)	Rs. 580.50 Crores

Further, the Comprehensive Microfinance Grading by CRISIL for the Company as of March 31, 2026, is 'M1C1'. CRISIL's Comprehensive Microfinance Capacity signifies the highest capacity of the MFI to manage its operations in a sustainable manner and Excellent performance on Code of Conduct dimensions. The grading is assigned on an eight-point scale with respect to Microfinance Capacity Assessment Grading, with 'M1' being the highest grading, and 'M8', the lowest and on a five-point scale with respect to Code of Conduct Assessment, with 'C1' being excellent performance, and 'C5', the weakest.

SIGNIFICANT & MATERIAL ORDERS PASSED BY THE REGULATORS:

During the financial year FY 2025-26, no significant or material orders were passed by any regulator, court, tribunal, statutory authority or quasi-judicial body that could impact the going concern status of the Company or its future operations. The Directors confirm that the Company has complied with the applicable statutory and regulatory requirements and that no significant or material orders passed by any regulator, court, tribunal, statutory authority, or quasi-judicial body were in effect as at the date of this Report that could adversely affect the business or the going concern status of the Company.

INTERNAL AUDIT

The Company has established a Risk Internal Audit system to provide independent assurance to the Board of Directors, the Audit Committee, and the Senior

Management on the adequacy and effectiveness of its internal controls, governance framework, risk management practices and operational processes. In compliance with the applicable Reserve Bank of India (RBI) guidelines on Risk Based Internal Audit (RBIA), the Company has adopted a Risk Based Internal Audit Policy. An annual risk-based internal audit plan, approved by the Audit Committee, is implemented to evaluate the effectiveness of internal controls, operational processes, accounting systems, and compliance with applicable laws, regulations, and internal policies. The observations and recommendations arising from the internal audit are reviewed by the management, placed before the audit committee and appropriate corrective actions are undertaken by the respective departments. Significant audit observations, together with the status of corrective actions, are placed before the Audit Committee on a quarterly basis, thereby providing continuous assurance to the Audit Committee and the Board on the effectiveness of the Company's internal control systems, governance framework, and risk management processes.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:

The Company has established a comprehensive internal control framework across all departments and functions, commensurate with the size, scale, and complexity of its operations, to ensure the reliability of financial reporting, compliance with applicable laws and regulations, safeguarding of assets, and the efficient and effective conduct of its business. To strengthen operational controls, the Company has implemented the maker-checker mechanism across its key functions to ensure appropriate segregation of duties and effective execution of processes. Clearly defined roles and responsibilities have been assigned to employees across all functions to promote accountability and operational efficiency. The internal control framework comprises a well-defined organizational structure, documented policies and standard operating procedures, a delegated authority matrix, and an independent Assurance Function comprising the Risk, Compliance, and Internal Audit functions. The Company has also implemented robust credit appraisal, risk monitoring, and technology-enabled control mechanisms to facilitate the timely identification and mitigation of operational and portfolio risks. The internal control systems are reviewed periodically and strengthened, wherever necessary, to address evolving business requirements, regulatory changes, and emerging risks. The Internal Audit function conducts regular reviews of business processes, branch operations, and compliance, and significant audit observations, together with the status of corrective actions, are placed before the Audit

Committee of the Board for its review and oversight. Based on such reviews, the Board is of the opinion that the Company's internal financial controls and overall internal control systems are adequate, effective, and operating satisfactorily.

RISK MANAGEMENT POLICY:

Pursuant to the SEBI Listing Regulations and applicable RBI guidelines, the Board of Directors has adopted a Risk Management Policy that outlines the Company's approach to identifying, assessing, mitigating, and monitoring risks that may pose a threat to its existence or hinder day-to-day operations. The policy is aligned with global best practices and emphasizes proactive risk governance, including the adoption of Enterprise Risk Management software aligned with the COSO 2017 framework. The Risk Management Unit oversees the implementation of this framework through structured risk identification, RCSA reviews, KRI dashboards, and portfolio analytics. The Company's risk governance includes oversight by the Board Risk Management Committee and the Management Risk Committee. The details of the risk management framework are put in place by Annapurna Finance along with a brief on risk function, processes followed, monitoring & reporting framework forming part of Management Discussion and Analysis.

CORPORATE SOCIAL RESPONSIBILITY:

The Company remains committed to creating sustainable social impact through its Corporate Social Responsibility ("CSR") initiatives, which are aligned with the requirements of the Companies Act, 2013 and the Company's CSR Policy. During the financial year 2025-26, the Company undertook various CSR programs focused on education, healthcare, livelihood enhancement, clean energy, and community hygiene.

Demonstrating its commitment to responsible corporate citizenship, the Company incurred CSR expenditure amounting to INR 3.73 crore against minimum CSR spending requirement of INR 2.97 crore (i.e. 126% of CSR obligation as per sec 135 of the Companies Act, 2013). The CSR activity has benefited more than 4 lakh individuals in 27 districts across 6 states of India.

Through the Mobile Medical Unit, 5088 patients (of which 67% were women patients) were served in ten Gram Panchayats of two districts of Odisha. Under clean energy initiative, 309 solar streetlights installed at different locations in the state of Odisha, Bihar and Rajasthan that improved public convenient in terms of safety, security, public mobility etc. More than 100 farmer families are directly benefited from the installation of solar cold storage in the village Itaunja (Lucknow, UP). The solar-powered water supply system implemented in the Koraput district of Odisha also received widespread public acclaim. Under Atulya Karigari initiatives,

more than 7,000 artisans (both handloom & handicraft) all over India are given livelihood support by facilitating product development, capacity building, and market access which resulted increase of their average earnings by 140%. Further, Toilet on Wheels handed over to Puri municipality, Odisha has significantly improved cleanliness, accessibility, and sustainable sanitation management across this religious & tourist place of Odisha.

The Company believes that CSR extends beyond statutory compliance and continues to undertake impactful initiatives that address evolving societal needs. Through strategic partnerships and effective implementation, the Company strives to deliver measurable social outcomes while fostering sustainable and equitable growth. The Company will continue to strengthen its CSR initiatives with a focus on enhancing community well-being and generating lasting positive impact. The details of the CSR projects undertaken in the FY 2025-26 and the CSR Policy is available on the Company's website at <https://annapurnafinance.in/resources/code-and-policies/csr-policy>.

CSR Activities: <https://annapurnafinance.in/resources/report-and-newsletter/csr-and-di-report>

WHISTLEBLOWER POLICY OR VIGIL MECHANISM FOR DIRECTORS AND EMPLOYEES:

The Company has in place a Board-approved Whistleblower Policy (the vigil mechanism) in accordance with the provisions of Section 177 of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014, providing Directors and employees with a secure, confidential and impartial mechanism to report genuine concerns relating to unethical behaviour, actual or suspected fraud, financial or accounting irregularities, violations of the Company's Code of Conduct, applicable laws, regulations or internal policies, or any other misconduct, without fear of retaliation or victimisation. The Audit Committee oversees the effective implementation of the Vigil Mechanism and appropriate safeguards have been established to ensure protection of whistleblowers and fair investigation of all reported concerns. In exceptional cases, Directors and employees have direct access to the Chairperson of the Audit Committee. The Board further confirms that during the financial year under review, no complaint registered and no person was denied access to the Chairperson of the Audit Committee. The Whistleblower Policy is available on the Company's website

LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186:

The provisions of Section 186 related to giving a loan, providing security, or guarantee in connection with

the loan in the ordinary course of business are not applicable to the Company. Further, during the financial year, the company invested an amount of Rs 5 crore in the equity shares of its subsidiary, Annapurna Tech Universe Private Limited.

RELATED PARTY TRANSACTION:

All related party transactions entered into during the financial year were in the ordinary course of business and on an arm's length basis and were in compliance with the provisions of Section 188 of the Companies Act, 2013, read with the applicable Rules made thereunder, and the Company's Policy on Related Party Transactions. During the year under review, the Company did not enter into any material related party transactions that could have a potential conflict with the interests of the Company. The related party transactions undertaken during the year comprised (i) payment of remuneration to the Executive Directors, (ii) sitting fee to independent directors for attending Board and Committee meetings, which were approved by the Board of Directors and the Nomination and Remuneration Committee, wherever applicable, and was in accordance with the provisions of the Companies Act, 2013 and the Company's Remuneration Policy. Further the company has incorporated a wholly owned subsidiary (100% shareholding) "Annapurna Tech Universe Private Limited", with paid-up capital Rs. 5.00 crore. The Policy on Related Party Transaction is available at the link <https://annapurnafinance.in/resources/code-and-policies/related-party-transaction-policy>.

MATERIAL CHANGES & COMMITMENTS AFFECTING FINANCIAL POSITION BETWEEN THE END OF THE FINANCIAL YEAR AND THE DATE OF THIS REPORT:

There are no material changes - like settlement of tax liabilities, major loan pre-closures, changes in the market or regulatory conditions, institution of cases by or against the Company, sale or purchase of capital assets or destruction of any assets, changes in the business, assets, condition (financial or otherwise) or results of operations has taken as a whole which is likely to have an impact on the business of Annapurna Finance, that have occurred after the close of the financial year to which the Balance Sheet relates and the date of this Report.

CORPORATE GOVERNANCE REPORT: In accordance with the Listing Regulations, a dedicated section titled 'Report on Corporate Governance' has been included in this Integrated Annual Report. All Board members and Senior Management personnel have affirmed their compliance with the applicable Code of Conduct for the financial year 2025-26. A declaration to this effect, signed by the Chief Financial Officer, is included within the Report on Corporate Governance. Additionally, a Compliance Certificate, certifying the accuracy of the financial statements and other matters as prescribed

under the Listing Regulations, has been submitted to the Board and forms part of the Report on Corporate Governance. Furthermore, a certificate from the Company's Secretarial Auditors confirming compliance with the conditions of Corporate Governance is also included in the Report on Corporate Governance.

DISCLOSURE UNDER THE POLICY ON SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013 ("POSH ACT"):

Annapurna Finance has been employing women employees in various cadres with varied responsibilities. It has in place a Policy on Prevention, Prohibition, and Redressal of Sexual Harassment of Women at the Workplace and an Internal Complaint Committee in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and Rules made thereunder, for reporting and conducting an inquiry into the complaints made by victims on harassment at the workplace. The number of complaints received during the financial year 2025-26 along with their status of redressal as of the financial year ended March 31, 2026, is as follows:

No. of complaints pending redressal as of April 1, 2025	0
No. of complaints filed during the financial year 2025-26	0
No. of complaints disposed of during the financial year 2025-26	0
No. of cases pending for more than ninety days.	0
No. of complaints pending redressal as of March 31, 2026	0

MATERNITY BENEFIT ACT (AS PER COMPANY POLICY):

The Company adheres to the provisions of the Maternity Benefit Act and extends maternity benefits to all female employees. New joiners must disclose their pregnancy status to the HR department during the recruitment and selection process. To be eligible, the employee must have completed a minimum of 80 working days of service. Eligible female employees are entitled to:

- 26 weeks of maternity leave for expectant mothers
- 12 weeks of leave for child adoption (for children below 3 months)
- 12 weeks of leave for commissioning mothers (through surrogacy)
- 6 weeks of leave in case of miscarriage or medical termination of pregnancy
- 2 weeks of leave post tubectomy operation

- Up to 1 month of unpaid leave for illness arising out of pregnancy-related conditions, subject to HOD approval and valid medical proof

During maternity leave, gross salary (excluding incentives) shall be paid. Leaves beyond 26 weeks will be adjusted against earned leave or treated as leave without pay. Employees covered under ESIC can avail maternity benefits as per ESIC rules, subject to a minimum of 9 months of contribution. Women returning from maternity leave are allowed two nursing breaks per day until the child turns 15 months. The Company has provided the following Maternity Benefits:

- Pre-maternity: Provision of a Maternity Kit
- Post-maternity: Structured onboarding support to reintegrate the employee into her role
- Maternity Bonus (Rs 3500) for all employees availing maternity leave
- 34 female employees availed maternity benefits in FY 2025-26

ANNUAL RETURN: The annual return of the Company for the said financial year 2025-26, which is an integral part of this report, is available on the website of the Company at <https://annapurnafinance.in/resources/report-and-newsletter/annual-report>.

ENVIRONMENT, SOCIAL AND GOVERNANCE REVIEW:

As a development finance company, the Company is committed to upholding the highest standards of corporate governance and embedding strong environmental, social, and governance (ESG) principles across its operations. The Company consistently adopts responsible lending practices, transparent governance, robust customer protection measures, and sustainable business strategies aligned with the Sustainable Development Goals (SDGs). From its inception, it has kept the social commitment at the center of its operation. The vision of supporting the financially excluded segments through need-based products and services has emerged from this strong social commitment of the Company. From the governance side, the Company adheres to applicable national and international standards, ensuring transparency, accountability, ethical conduct, and fair business practices across all levels of its operations. For environmental commitment, it has always been keen on developing dedicated products that have a direct impact on safeguarding the environment and make a steady contribution to the achievement of climate action and promotion of clean energy. The Company has recognized both the opportunities and risks associated with environmental, social, and governance (ESG) factors and is actively

strengthening its ESG framework to enhance overall performance. The Company has already integrated social and environmental risk management into its lending operations through its Environmental and Social Management System (ESMS) Policy. Building on this foundation, Annapurna Finance has developed a comprehensive ESG strategy focused on strengthening ESG governance, enhancing the monitoring and measurement of key ESG indicators, and embedding a results-driven approach to support the Company's net-zero ambitions. The strategy aligns the efforts of multiple functions by assigning clear program ownership, improving the assessment and management of climate-related risks and their impact on the portfolio, and enhancing organizational resilience to climate shocks and extreme weather events, lay down a pathway for bringing in the green product line to improve the sustainable practices by the customers.

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

a. Information Relating to Conservation of Energy, Technology Absorption: The Company, being a NBFC-MFI, does not operate in/deal with resource intensive products or services, hence the energy consumption level is very low. Wherever possible, energy conservation measures have been implemented. The management is now actively considering reduction of energy consumption in offices by using energy efficient ACs, replacing leased/ owned vehicles, installation of solar energy base power supply and back up and giving financial assistance to employees for electric vehicle (EV) procurement. To add further, more than 5% of non-MFI portfolios of the Company are green portfolios (EV loan & solar rooftop loan) and the management thriving to increase this percentage.

b. Foreign Exchange Earnings and Outgo: During the financial year 2026 under review, apart from the repayment on overseas borrowings, there were no foreign exchange earnings and outgo.

PUBLIC DEPOSITS:

During the period under review, the Company has not received or accepted any deposit from the public and has retained its status as non-deposit-taking NBFC.

Further, the Board of Directors has passed a resolution for non-acceptance of deposits in accordance with the applicable provisions of the erstwhile Master Direction –Non-Banking Financial Companies Acceptance of Public Deposits (as amended from time to time), within thirty days from the commencement of the subsequent financial year and for each financial year thereafter.

The financial statements do not include any amounts that qualify as deposits under Chapter V of the Companies Act, 2013. Accordingly, the disclosure requirements under Section 35(1) of the RBI Master Direction – Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 2016, as well as paragraph 58 of the updated RBI Master Direction – Non-Banking Financial Companies (Acceptance of Public Deposits) Directions, 2025 (updated as on April 15, 2026), are not applicable to the Company.

REGULATORY UPDATES:

The Board of Directors of the Company reviews and takes note of regulatory updates, amendments, and developments under various applicable Acts, Regulations, and Directions at its quarterly Board Meetings. Brief on Regulatory Guidelines released during FY 2025-2026 is annexed with the Directors Report as Annexure A.

SUBSIDIARY/JOINT VENTURES/ ASSOCIATE COMPANIES:

During the year ended March 31, 2026, the Company incorporated a new wholly owned subsidiary, Annapurna Tech Universe Private Limited, to undertake and operate its digital payments business as a Third-Party Application Provider (TPAP) on 15th January 2026.

Further, as on 31st March 2026 following are the wholly owned Subsidiaries of Annapurna Finance private limited

- i. Annapurna SME Finance Private Limited (CIN: U65990OR2020PTC035123)-Dormant
- ii. Annapurna Tech Universe Private Limited (CIN: U46512OD2026PTC052157)-Active

COMPLIANCE WITH SECRETARIAL STANDARD:

Annapurna Finance has complied with the applicable Secretarial Standards (as amended from time to time) on meetings of the Board of Directors, issued by The Institute of Company Secretaries of India (ICSI) and approved by the Central Government under section 118(10) of the Companies Act, 2013.

DIRECTORS' AND OFFICERS' LIABILITY INSURANCE:

The Company has in place a Directors' and Officers' Liability Insurance Policy (D&O Insurance) to provide appropriate financial protection to its present and former Directors and Officers against liabilities arising in the course of discharge of their official duties, subject to the terms, conditions, exclusions and limits specified under the policy. The Company also indemnifies its Directors and Officers, to the extent permitted under applicable laws and the Articles of Association of the Company. As on the date

of this Report, the D&O Insurance Policy provides coverage with an aggregate liability limit of ₹50 crore.

DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to the provisions of Section 134(5) of the Companies Act, 2013, the Directors confirm that the annual financial statements of the Company for the financial year ended March 31, 2026 have been prepared in accordance with the applicable provisions of the Companies Act, 2013, the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other applicable statutory requirements. The accounting policies have been applied consistently, except where the adoption of a new or amended accounting standard required a change in the accounting policy. Accordingly, the Directors, to the best of their knowledge and belief, confirm that:

- a. In preparation of the annual financial statements for the financial year ended March 31, 2026, the applicable Indian Accounting Standards (Ind AS) have been followed and there are no material departures therefrom;
- b. Appropriate accounting policies have been selected and applied consistently and judgments and estimates that are reasonable and prudent have been made so as to give a true and fair view of the state of affairs of the Company as of March 31, 2026 and of its profit and cash flows for the financial year ended on that date;
- c. Proper care has been taken for maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d. The annual financial statements have been prepared on a going concern basis;
- e. The Company has laid down internal financial controls to be followed by the Company and such internal financial controls are adequate and operating effectively; and
- f. The Company has devised proper systems to ensure compliance with the provisions of all applicable laws and such systems are adequate and operating effectively.

ACKNOWLEDGEMENTS:

The Board of Directors places on record its sincere appreciation and gratitude to all the Company's stakeholders for their continued trust, confidence and unwavering support. The Board extends its heartfelt thanks to the Company's customers, lenders, investors, business associates, auditors, service providers, legal advisors, consultants and all regulatory and government authorities for their valuable partnership, guidance and cooperation throughout the year. The Board also expresses its deep appreciation to the Company's employees at all levels for their dedication, professionalism and relentless commitment, which have been instrumental in the Company's continued growth and success. The Board acknowledges the significant contribution of the management team in driving the Company's strategic objectives while upholding the highest standards of governance and ethical business practices. The Board looks forward to the continued cooperation and support of all its stakeholders as the Company remains committed to creating sustainable value and achieving long-term growth.

**For and on behalf of the Board of Directors
Annapurna Finance Pvt. Ltd.**

Sd/-
Gobinda Chandra Pattanaik
Managing Director (DIN: 02716330)



ANNEXURE-A:

BRIEF ON REGULATORY GUIDE
LINES RELEASED DURING THE F.Y. 2025-2026:

- RBI prescribed NBFCs to maintain at least 60% of their total assets (net of intangible assets) as qualifying assets on an ongoing basis to promote responsible lending practices, protect low-income households and prevent borrower over-indebtedness. The company has already fully complied with these requirements.
- RBI has issued a directive to all NBFCs to be responsible for verifying the identity and/ or address of the customer while uploading or updating the customer's KYC records in the CKYCR. The company has fully complied with these requirements.
- RBI issued Circular with the restriction on the end-use of borrowed funds. In addition the ECB framework has been updated with increase in the borrowing limit up to USD 1 billion for outstanding ECB or upto 300% of net worth for total outstanding borrowing and it has implemented a MAMP of 3 years for all as compared to earlier bifurcations.
- RBI has mandated Categorisation of Complaints into "Fully Resolved, Partially Resolved and Wholly Rejected" in it's Complaint Management System before escalation to the IO with the requirement of Board to determine the number of IO/Dy. IO to be appointed on an annual basis. The said requirements are fully complied with by the Company.
- RBI has broaden the provisions relating to Co-lending arrangements by NBFCs with major relaxation being REs now have the permission to enter into lending arrangement with other REs for extension of credit to the borrowers.
- RBI has provided clarification on the components for computation of Owned Funds. The term Free Reserves now includes Quarterly Profits subject to Quarterly Audit/ Limited Review of Financials by Statutory Auditors and such profits to be reduced by average dividend paid in the last three years. The company has fully complied with these requirements. In addition, Losses in the current year shall be fully deducted from the Owned Funds.

REPORT ON CORPORATE GOVERNANCE (2025-26)

1. CORPORATE GOVERNANCE PHILOSOPHY:

Annapurna Finance Private Limited ("The Company" or "Annapurna Finance") remains committed to maintaining the highest standards of corporate governance, ethical business practices, and regulatory compliance. The Company believes that strong governance is fundamental to sustainable growth, long-term value creation, and fostering stakeholder confidence. It consistently adheres to the provisions of the Companies Act, applicable regulations issued by the Reserve Bank of India, the Securities and Exchange Board of India, and other statutory authorities.

The Company's governance framework is guided by the principles of transparency, accountability, integrity, fairness, and responsible business conduct. These principles are embedded across its operations and decision-making processes, enabling the Company to effectively serve its customers, employees, investors, lenders, and the communities in which it operates. Through a robust governance framework and a proactive approach to regulatory compliance, the Company continues to strengthen its commitment to governance excellence and sustainable business practices.

In India, the corporate governance framework applicable to the Company, being a debt-listed Non-Banking Financial Company – Microfinance Institution (NBFC-MFI), is governed by the provisions of the Companies Act, 2013 ("the Act"), the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR Regulations"), the Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2025, the Reserve Bank of India (Non-Banking Financial Company – Microfinance Institution) Directions, 2025, and other applicable circulars, directions, guidelines, and notifications issued by the Reserve Bank of India, SEBI, and other regulatory authorities from time to time (collectively referred to as the "Applicable Regulatory Framework").

2. BOARD STRENGTH & REPRESENTATION:

2.1. Composition and Category:

The Board of Directors of the Company comprises a well-balanced and diverse mix of Executive and Non-Executive Directors, in compliance with the provisions of the Companies Act, 2013 (the "Act") and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "Listing Regulations"), both as amended from time to time. This composition ensures an optimal blend of knowledge, professional expertise, and industry experience, enabling the Board to provide effective leadership and strategic guidance in the management of its affairs.

As of 31st March 2026, the Board consists of 12 Directors, including:

- 3 (three) Independent Directors
- 7 (seven) Nominee Directors
- 2 (two) Executive Directors

The Board also includes 1 (one) Woman (Non Executive) Director. Notably, 83.33% of the Board members are Non-Executive Directors, reflecting the Company's commitment to maintaining a strong and independent governance structure. Details relating to the composition of the Board as of 31st March 2026 such as the number of directorships held, committee memberships and chairpersonship, attendance at Board meetings and the Annual General Meeting and shareholding information are provided in the table below:

Sl. No.	Name of Director	Director since	Capacity (i.e. Executive/ Non- Executive/ Chairman/ Promoter nominee/ Independent) #	DIN	Number of Board Meetings		No. of other Director ships (including this and other private and public companies)	Attendance in AGM held on 13th August, 2025	No. of shares held in and convertible instruments held in the Company
					Held	Attended			
1	Mr. Gobinda Chandra Pattanaik	13-08-2009	Chairperson/ Executive	02716330	4	4	2	Yes	80,00,546
2	Mr. Dibyajyoti Pattanaik	14-09-2009	Executive	02764187	4	4	3	Yes	17,19,805
3	Mr. Ashok Ranjan Samal	17-10-2016	Independent, Non Executive	00918164	4	4	2	Yes	0
4	Mr. Govinda Rajulu Chintala	25-09-2023	Independent, Non Executive	03622371	4	4	6	Yes	0
5	Mr. Prateek Shrivastava	12-06-2024	Independent, Non Executive	10642432	4	2	1	No	0
6	Mr. Sunit Vasant Joshi	19-05-2020	Nominee, Non Executive	02962154	4	4	1	Yes	0
7	Mr. Mecherimadam Ramakrishnan Venkiteswaran	25-09-2020	Nominee, Non Executive	08286433	4	4	2	Yes	0
8	Ms. Radhika Jayant Shroff*	25-06-2021	Nominee, Non Executive	09210584	4	1	2	Yes	0
9	Mr. Abhishek Agrawal	23-12-2021	Nominee, Non Executive	06760344	4	4	1	Yes	0
10	Mr. Ajay Bhaskar Limaye*	25-09-2023	Nominee, Non Executive	02762738	0	0	1	N.A.	0
11	Mr. Naval Jawaharlal Totla*	07-05-2024	Nominee, Non Executive	02408585	2	2	1	Yes	0
12	Mr. Pramod Kumar Vijayvargia	02-01-2025	Nominee, Non Executive	03128554	4	1	2	Yes	0
13	Mr. Satish Chavva	23-05-2025	Nominee, Non Executive	03615175	4	4	2	Yes	0
14	Mr. Anant Manas Khatri	12-11-2025	Nominee, Non Executive	11386896	2	1	1	N.A	0
15	Ms. Isabel Shi Ying Tay	19-03-2026	Nominee, Non Executive	11599352	0	0	1	N.A	0

During the financial year 2025-26, the following changes took place in the composition of the Board of Directors:

- Mr. Ajay Bhaskar Limaye ceased to be a Director with effect from May 23, 2025.
- Mr. Naval Jawaharlal Totla ceased to be a Director with effect from November 12, 2025.
- Ms. Radhika Jayant Shroff ceased to be a Director with effect from February 19, 2026.

Additional Note: None of the Directors held directorships in any listed companies during the reporting period

2.2. Details of change in the composition of the Board during the current financial year:

The Company has complied with all the necessary provisions of the Companies Act, 2013 and rules made thereunder by reporting the changes in Board composition to the Registrar of Companies within the prescribed time period. The Changes in Board composition during the year were as follows-

Sl.	Name of Director	Capacity (i.e., Executive/ Non-Executive/ Chairman/ Promoter nominee/ Independent)	Nature of change (Cessation, appointment)	Effective date
1	Mr. Ajay Bhaskar Limaye	Nominee, Non-Executive	Cessation	23-05-2025
2	Mr. Satish Chavva	Nominee, Non-Executive	Appointment	23-05-2025
3	Mr. Naval Jawaharlal Totla	Nominee, Non-Executive	Cessation	12-11-2025
4	Mr. Anant Manas Khatri	Nominee, Non-Executive	Appointment	12-11-2025
5	Mrs. Radhika Jayant Shroff	Nominee, Non-Executive	Cessation	19-02-2026
6	Ms. Isabel Shi Ying Tay	Nominee, Non-Executive	Appointment	19-03-2026

In pursuance of Para C(2), Schedule V to the Listing Regulations, the Board has the identified core skills/expertise/competencies that are desirable for Annapurna Finance to function effectively in the context of the business of the Company. These core skills/expertise/competencies are actually available with the Board in the following manner (Y/N):

Sl.	Directors	National and International Business knowledge	Corporate Strategy and Planning	Understanding of Accounting and Financial Statements	Compliance, and Regulatory Affairs	Risk, Assurance and Internal Controls	Marketing & Branding	Environmental/ Climate Governance/ Sustainability	Diversified Leadership
1	Mr. Gobinda Chandra Pattanaik	Y	Y	Y	Y	Y	Y	Y	Y
2	Mr. Dibyajyoti Pattanaik	Y	Y	Y	Y	Y	Y	Y	Y
3	Mr. Ashok Ranjan Samal	Y	Y	Y	Y	Y	Y	Y	Y
4	Mr. Govinda Rajulu Chintala	Y	Y	Y	Y	Y	Y	Y	Y
5	Mr. Prateek Shrivastava	Y	Y	Y	Y	Y	Y	Y	Y
6	Mr. Pramod Kumar Vijayvargia	Y	Y	Y	Y	Y	Y	Y	Y
7	Mr. Sunit Vasant Joshi	Y	Y	Y	Y	Y	Y	Y	Y
8	Mr. Mecherimadam Ramakrishnan Venkiteswaran	Y	Y	Y	Y	Y	Y	Y	Y
9	Mr. Abhishek Agrawal	Y	Y	Y	Y	Y	Y	Y	Y
10	Mr. Satish Chavva	Y	Y	Y	Y	Y	Y	Y	Y
11	Mr. Anant Manas Khatri	Y	Y	Y	Y	Y	Y	Y	Y
12	Ms. Isabel Shi Ying Tay	Y	Y	Y	Y	Y	Y	Y	Y

As of March 31, 2026, the composition of the Board & its committees conforms with the applicable provisions of the Act, Regulation 17 of SEBI Regulations & applicable RBI Master Directions / Guidelines on the Corporate Governance requirements relating to the constitution of various committees of the Board, as stipulated from time to time.

2.3. Disclosure of relationship between directors inter-se:

None of the Directors of the Company are related to each other.

2.4. Information Placed before the Board:

The Board has complete access to all the information of the Company, inter alia complete agenda for meetings along with all relevant annexures, reports of various committee meetings, operational report, financial report, risk report, internal audit report, CSR report, Product performance details and the information to be placed before the Board of Directors as required under the Listing Regulations. The important decisions taken at the Board and the Committee Meetings are

communicated to the concerned Departments/ Divisions of the Company to take necessary actions as required. The required information is sent to the Board and Committee members in advance in the form of Agenda papers, which cover detailed reports and presentations for taking part in discussion and decision-making.

2.5. Evaluation of the Board:

In line with the Corporate Governance Guidelines of the Annapurna Finance, the Annual Performance Evaluation is conducted for all Board Members. The Board evaluation framework has been designed in accordance with the Act, the Listing Regulations, and the Guidance Note on Board Evaluation issued by SEBI in January 2017. The Board of Directors acknowledges the requirements of an effective Board Evaluation process and accordingly conducts the Performance Evaluation every year in respect of Individual Directors, the Board of Directors as a whole and Committees of the Board of Directors. The performance evaluation of Independent Directors is done by the entire Board of Directors, excluding the Director being evaluated. The performance evaluation of the Non-Independent Directors is carried out by the Independent Directors who also review the performance of the Board as a whole, which subscribes to the objective of evaluation of the performance of Board and management. During the year, the Board carried out the annual performance evaluation of the Directors individually as well as evaluation of the working of the Board and of the Committees of the Board, by way of individual and collective feedback from Directors through discussions and oral assessment with qualitative parameters and feedback based on ratings.

The Board's functioning was evaluated on various aspects, inter alia degree of fulfilment of key responsibilities, Board structure, composition, establishment and delineation of responsibilities to various Committees, the effectiveness of Board processes, information and functioning. The outcome of such Performance Evaluation exercise was discussed during the year at a separate meeting of the Independent Directors held on 15th May 2026. The Directors expressed their satisfaction with the overall functioning and implementation of their suggestions.

Independent Directors and Familiarization Program: The Company has received the requisite declarations from all Independent Directors pursuant to Section 149(7) of the Companies Act, 2013 ("the Act") and Regulation 25(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"). These declarations confirm that the Independent Directors meet the prescribed criteria for independence and that there has been no change in their independent status. Additionally, they have confirmed that they are not aware of any circumstances or situations that exist or may be reasonably anticipated which could affect or impair their ability to discharge their duties as Independent Directors.

All Independent Directors have also affirmed compliance with the Code of Conduct for Independent Directors as outlined in Schedule IV of the Act. To support effective functioning, the Company has established an orientation and familiarization program for its Independent Directors. This includes:

- A comprehensive briefing on their roles, responsibilities, duties, and obligations as Board members;
- An overview of the Company's business model, strategy, and operations;
- Insights into key areas such as corporate governance, the Code of Business Conduct, risk management, internal controls, compliance programs, and internal audit practices.

As part of the induction and ongoing education program, Function Heads make periodic presentations at Board meetings to apprise Directors of business performance, strategic initiatives, financial updates, regulatory developments, and other key matters impacting the Company.

In accordance with Schedule IV of the Act and the Listing Regulations, the Independent Directors held a separate meeting on 15th May 2026, without the presence of Non-Independent Directors and members of management. The purpose of the meeting was to review the performance of Non-Independent Directors and the Board as a whole, as well as to evaluate the quality, quantity, and timeliness of information flow between management and the Board. The Board of Directors confirms that, in its opinion, all Independent Directors fulfill the conditions for independence as specified under the applicable laws and are independent of the Company's management. Further, they meet the criteria of expertise, experience, integrity, and proficiency as prescribed under Rule 8 of the Companies (Accounts) Rules, 2014, as amended.

Familiarization Program Disclosure: Details of the familiarization programs conducted during the year are available on the Company's website at: <https://annapurnafinance.in/resources/investor-relations/intimations-and-disclosure>

3. BOARD PROCEDURE AND CONDUCT:

The Board of Directors holds the primary responsibility for setting and reviewing the strategic direction of the Company, formulating management policies, and evaluating their effectiveness. In addition to guiding long-term objectives, the Board oversees the performance of senior management, ensures compliance with applicable laws and regulations, monitors regulatory reporting obligations, and evaluates risks associated with Annapurna Finance's operations.

Directors are entrusted with ensuring that the Company complies with all statutory and regulatory requirements. To facilitate informed decision-making, the agenda for each Board meeting, along with detailed background information on each agenda item, is circulated well in advance to all members. Decisions taken during Board meetings are based on thorough discussion, and key inputs or approvals provided by Directors are duly recorded in the minutes. Follow-up actions are tracked and reported through an Action Taken Report presented in subsequent Board meetings.

As part of Annapurna Finance's commitment to environmental sustainability, all meeting agendas and related materials are circulated electronically. This digital initiative has significantly reduced paper usage and aligns with the Company's broader green practices.

At each Board meeting, the Managing Director presents an overview of the Company's operational and financial performance. The Board regularly reviews, among other matters:

- The Company's strategic direction
- Annual business plans and capital expenditure budgets
- Quarterly, half-yearly, and annual financial results
- Compliance reports on applicable laws and regulations
- Updates on Environment, Health, and Safety performance
- People and process-related matters
- Minutes of meetings of Board Committees
- Portfolio performance & NPA Position
- Quarterly fraud, robbery and grievances status report
- Quarterly status report by Internal Ombudsman on customer's complaints
- Quarterly Review of Board Policies and SOP/Frameworks
- ECL & write-off proposal
- Review of Interest Rate Noting
- Quarterly Investment summary, including monthly reports
- Quarterly details on foreign exchange exposures
- Quarterly Corporate Governance report and BSE Reporting
- Review of Recent Regulatory Updates
- Review and Discussion of Committees recommendations

The Board is also kept informed of significant developments and other material information to ensure effective oversight and timely decision-making.

4. COMMITTEES OF THE BOARD:

The Board Committees are set up under the formal approval of the Board to carry out clearly defined roles which are considered to be performed by members of the Board, as part of good governance practices. During the year, all recommendations of the Committees of the Board have been accepted by the Board.

The Board has constituted the following Committees: -

1. Audit Committee
2. Risk Management Committee
3. IT Strategy Committee
4. Corporate Social Responsibility & Social Performance Management Committee
5. Nomination and Remuneration Committee
6. Stakeholders Relationship Committee
7. Customer Relationship Committee
8. Product Committee
9. Annual Business Plan Committee
10. Asset Liability Management Committee
11. Executive Committee

4.1. Audit Committee:

The Audit Committee assists the Board with its responsibility of overseeing the quality and integrity of the accounting, auditing, financial performance, and reporting practices of the Company and its compliance with the legal and regulatory requirements. The role of the Audit Committee, inter alia, includes overseeing the accounting and financial reporting processes of it, the audits of the Annapurna Finance's financial statements, the qualifications, appointment, remuneration, independence, and performance of the statutory auditors, the reports & observations of internal auditors, the secretarial audit report, the report information security audit report and reviewing the risk management framework/policies. The Committee met four times during the year. The Composition of the Committee is mentioned below:

Sl. No.	Name of Director	Member of Committee since	Capacity (i.e., Executive/ Non-Executive/ Chairman/ Promoter nominee/ Independent)	Number of Meetings		No. of shares held in the Company
				Held/ Entitled	Attende	
1	Mr. Ashok Ranjan Samal	30-11-2016	Independent Director	4	4	0
2	Mr. Govinda Rajulu Chintala	08-11-2023	Independent Director	4	4	0
3	Mr. Prateek Shrivastava	21-05-2024	Independent Director	4	2	0
4	Mr. Abhishek Agrawal	21-05-2024	Nominee Director	4	4	0



4.2. Corporate Social Responsibility & Social Performance Management Committee:

Pursuant to the applicable provisions of the Act, the CSR & SPM Committee is required to recommend the amount of expenditure to be incurred for undertaking CSR activities by the Company in terms of the Corporate Social Responsibility Policy. The CSR & SPM Committee is constituted especially to manage the social activities in backward areas. The CSR & SPM Committees are responsible for the implementation and monitoring of the activities undertaken towards achieving the Annapurna Finance's CSR goals. The Committee met two times during the year. The Composition of the Committee is mentioned below:

Sl. No.	Name of Director	Member of Committee since	Capacity (i.e., Executive/ Non-Executive/ Chairman/ Promoter nominee/ Independent)	Number of Meetings		No. of shares held in the Company
				Held/ Entitled	Attende	
1	Mr. Dibyajyoti Pattanaik	25-11-2013	Executive Director	2	2	17,19,805
2	Mr. Ashok Ranjan Samal	30-11-2016	Independent Director	2	2	0
3	Mr. Prateek Shrivastava	21-05-2024	Independent Director	2	2	0

4.3. Nomination & Remuneration Committee:

The role of the Nomination & Remuneration Committee covers all the areas mentioned under relevant provisions of the Act and the Listing Regulations, including the following:

- Recommending/reviewing remuneration of the Managing Directors and Whole-time Directors based on their performance and defined assessment criteria.
- Approving the appointment, if any, of a relative of a Director for holding office of profit in the Company as per the provisions of the Act and Rules issued there under.
- Carrying out any other function as is mandated by the Board from time to time and/or enforced by any statutory notification, amendment, or modification as may be applicable.

The Committee met three times during the year. The Composition of the Committee is mentioned below:

Sl. No.	Name of Director	Member of Committee since	Capacity (i.e., Executive/ Non-Executive/ Chairman/ Promoter nominee/ Independent)	Number of Meetings		No. of shares held in the Company
				Held/ Entitled	Attende	
1	Mr. Ashok Ranjan Samal	30-11-2016	Independent Director	3	3	0
2	Mr. Abhishek Agrawal	25-09-2023	Nominee Director	3	3	0
3	Mr. Prateek Shrivastava	21-05-2024	Independent Director	3	3	0
4	Mr. Govinda Rajulu Chintala	21-05-2024	Independent Director	3	3	0

4.4. Risk Management Committee:

The role of the Risk Management Committee includes reviewing the Company's risk management policies, ensuring appropriate methodology, processes, and systems are in place to monitor and evaluate risks, and reviewing risk management effectiveness and follow-up of remedial actions. The committee regularly reviews reports providing details of the risk exposure, risk mitigation plan, and risk management efforts of Annapurna Finance. The Committee met four times during the year. The Composition of the Committee is mentioned below:

Sl. No.	Name of Director	Member of Committee since	Capacity (i.e., Executive/ Non-Executive/ Chairman/ Promoter nominee/ Independent)	Number of Meetings		No. of shares held in the Company
				Held/ Entitled	Attende	
1	Mr. Sunit Vasant Joshi	09-07-2020	Nominee Director			0
2	Mr. Ashok Ranjan Samal	24-09-2021	Independent Director	4	4	0
3	Ms. Radhika Jayant Shroff*	24-09-2021	Nominee Director	4	1	0
4	Mr. Naval Jawaharlal Totla*	21-05-2024	Nominee Director	3	3	0
5	Mr. Anant Manas Khatri	12-11-2025	Nominee Director	1	0	0
6	Ms. Isabel Shi Ying Tay	19-03-2026	Nominee Director	0	0	0

Note: Ms. Radhika Jayant Shroff ceased on March 19, 2026 and Mr. Naval Jawaharlal Totla ceased on Nov 12, 2025 to be the member of the Committee.

4.5. IT Strategy Committee:

In terms of the RBI Guidelines, Annapurna Finance has constituted an IT Strategy Committee to advise the Board on IT initiatives and to ensure that IT strategy is aligned with business strategy and ensure that the management has an effective strategic planning process in place. The Committee met four times during the year. The Composition of the Committee is mentioned below:

Sl. No.	Name of Director	Member of Committee since	Capacity (i.e., Executive/ Non-Executive/ Chairman/ Promoter nominee/ Independent)	Number of Meetings		No. of shares held in the Company
				Held/ Entitled	Attende	
1	Mr. Ashok Ranjan Samal	14-12-2017	Independent Director,	4	4	0
2	Mr. Dibyajyoti Pattanaik	14-12-2017	Director	4	4	17,19,805
3	Mr. Prateek Shrivastava	21-05-2024	Independent Director, Chairman	4	4	0
4	Mr. Abhishek Agrawal	06-02-2025	Nominee Director	4	4	0
5	Mr. Shankarshan Panda	24-09-2018	CIO- Chief Information Officer	4	4	0
6	Mr. Dillipa Kumar Khuntia	24-09-2018	CTO- Chief Technology Officer	4	4	0

4.6. Product Committee:

The primary role of the Product Committee is to prepare and support the decisions to be made by the Board of Directors as a whole on product management and to study and prepare strategic plans including monitoring and guiding for product diversification to improve the performance of the Company and ensuring long term value creation. The committee evaluates the performance of each loan product and also reviews the proposal for new loan products. The Committee met two times during the year. The Composition of the Committee is mentioned below:

Sl. No.	Name of Director	Member of Committee since	Capacity (i.e., Executive/ Non-Executive/ Chairman/ Promoter nominee/ Independent)	Number of Meetings		No. of shares held in the Company
				Held/ Entitled	Attende	
1	Mr. Dibyajyoti Pattanaik	15-02-2017	Director	2	2	17,19,805
2	Mr. M R Venkiteswaran	25-09-2020	Nominee Director	2	2	0
3	Mr. Ashok Ranjan Samal	15-02-2017	Independent Director	2	2	0
4	Mr Ajay Bhaskar Limaye*	21-05-2024	Nominee Director	0	0	0
5	Mr. Satish Chavva	23-05-2025	Nominee Director	2	2	0

Note: Mr. Ajay Bhaskar Limaye ceased on 23-05-2025 ceased on Nov 12, 2025 to be the member of the Committee.

4.7. Asset Liability Management (ALM) Committee:

As per RBI Guidelines, the ALM Committee ensures effective risk management in its various portfolios and to avoid Asset Liability mismatches and interest rate risk exposures of the Company. The Committee met sixteen times during the year. The Composition of the Committee is mentioned below:

Sl. No.	Name of Director	Member of Committee since	Capacity (i.e., Executive/ Non-Executive/ Chairman/ Promoter nominee/ Independent)	Number of Meetings		No. of shares held in the Company
				Held/ Entitled	Attende	
1	Mr. Dibyajyoti Pattanaik	04-04-2014	Director, Chairman	16	16	17,19,805
2	Mr. Satyajit Das	04-04-2014	CFO, Member	16	16	0
3	Dr. Sanjay Pattanaik	04-04-2014	COO, Member	16	16	0
4	Mr. Kumar Vaibhav	04-04-2014	Head-Institutional Finance, Member	16	16	0
5	Mr. Sabyasachi Sahu	04-04-2014	Head- Credit Dept, Member	16	16	0
6	Mr. Anoop TP	04-04-2014	CRO, Member	16	16	0

Note: Mr. Ajay Bhaskar Limaye ceased on 23-05-2025 ceased on Nov 12, 2025 to be the member of the Committee.

4.8. Annual Business Plan Committee:

The Annual Business Plan Committee helps in forecasting and drawing a business plan for the next financial year, based on which the Company conducts its business. The actual and estimated performance is assessed and reviewed in the committee meetings and a revised B-Plan is placed for approval if required. The Committee met twice during the year. The Composition of the Committee is mentioned below:

Sl. No.	Name of Director	Member of Committee since	Capacity (i.e., Executive/ Non-Executive/ Chairman/ Promoter nominee/ Independent)	Number of Meetings		No. of shares held in the Company
				Held/ Entitled	Attende	
1	Ms. Radhika Jayant Shroff*	24-09-2021	Nominee Director	2	2	0
2	Mr. Sunit Vasant Joshi	09-07-2020	Nominee Director	2	2	0
3	Mr. Ajay Bhaskar Limaye*	08-11-2023	Nominee Director	0	0	0
4	Mr. M R Venkiteswaran	06-02-2025	Nominee Director	2	2	0
5	Mr. Naval Jawaharlal Totla*	21-05-2024	Nominee Director	1	1	0
6	Mr. Dibyajyoti Pattanaik	06-02-2025	Director	2	2	17,19,805
7	Mr. Satish Chavva	23-05-2025	Nominee Director	2	2	0
8	Mr. Anant Manas Khatri	12-11-2025	Nominee Director	1	1	0
9	Ms. Isabel Shi Ying Tay	19-03-2026	Nominee Director	0	0	0

Note: Mr. Ajay Bhaskar Limaye ceased on 23-05-2025, Ms. Radhika Jayant Shroff ceased on March 19, 2026 and Mr. Naval Jawaharlal Totla ceased on Nov 12, 2025 to be the member of the Committee.

4.9. Stakeholders Relationship Committee:

The Stakeholders Relationship Committee of the Board addresses to the grievances of different stakeholders of the Company. The role of the committee is to attend to the grievances of the security holders and takes measures to resolve their queries or grievances and also to prepare the grievance status report for presentation in the Board. Details of Shareholders Complaint is also provided herein below during the year:

No. of Shareholders' Complaints received during the financial year	0
No. of Complaints not solved to the satisfaction of shareholders	0
No. of Pending Complaints	0

The Committee met once during the year. The Composition of the Committee is mentioned below:

Sl. No.	Name of Director	Member of Committee since	Capacity (i.e., Executive/ Non-Executive/ Chairman/ Promoter nominee/ Independent)	Number of Meetings		No. of shares held in the Company
				Held/ Entitled	Attende	
1	Mr. Ashok Ranjan Samal	24-09-2021	Independent Director, Chairman	1	1	0
2	Mr. Gobinda Chandra Pattanaik	24-09-2021	Managing Director	1	0	80,00,546
3	Mr. Dibyajyoti Pattanaik	24-09-2021	Director	1	1	17,19,805

Further, Mr. Subrata Pradhan is the Company Secretary and Compliance Officer of the Company.

4.10. Executive Committee:

The Executive Committee is the sub-committee of the Board consists of Executive Directors. As per the terms of reference approved by the Board the committee discusses the day-to-day affairs of the Company and accord approval in the matter. All the matters discussed and approved by committee is being placed before the Board for noting. The Committee met fifty-six times during the year. The Composition of the Committee is mentioned below:

Sl. No.	Name of Director	Member of Committee since	Capacity (i.e., Executive/ Non-Executive/ Chairman/ Promoter nominee/ Independent)	Number of Meetings		No. of shares held in the Company
				Held/ Entitled	Attende	
1	Mr. Gobinda Chandra Pattanaik	12-11-2014	Managing Director, Chairman	56	56	80,00,546
2	Mr. Dibyajyoti Pattanaik	12-11-2014	Director, Member	56	56	17,19,805

4.11. Customer Relationship Committee:

The Customer Relationship Committee is the sub-committee of the Board consists of one Executive Director and two Independent Director. It was constituted pursuant to RBI Directions, to handle major roles and responsibilities related to customer relationship engagement services. The Committee met four times during the year. The Composition of the Committee is mentioned below:

Sl. No.	Name of Director	Member of Committee since	Capacity (i.e., Executive/ Non-Executive/ Chairman/ Promoter nominee/ Independent)	Number of Meetings		No. of shares held in the Company
				Held/ Entitled	Attende	
1	Mr. Ashok Ranjan Samal	06-02-2025	Independent Director	4	4	0
2	Mr. Dibyajyoti Pattanaik	06-02-2025	Director, Member	4	4	17,19,805
3	Mr. Prateek Shrivastava	06-02-2025	Independent Director	4	3	0

4.12. Senior Management or Senior Management Personnel:

Senior management or SMP are the officers and personnel of the Company who are members of its core management team, excluding the Board of Directors, and which comprise all the members of the management one level below the Chief Executive Officer or Managing Director or Whole Time Director and specifically include the functional heads, by whatever name called and the Company Secretary and the Chief Financial Officer. There has been no change in the position of Senior Management since the close of the previous financial year.



5. REMUNERATION POLICY:

In compliance with the provisions of Section 178 of the Companies Act, 2013 (the "Act") and the Rules framed thereunder, as well as Regulation 19(4) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and applicable RBI Guidelines, the Board of Directors has adopted a comprehensive Nomination and Remuneration Policy. This Policy applies to the Directors, Key Managerial Personnel, Senior Management Personnel, Functional Heads, and other employees of the Company. The Policy outlines, among other matters, the criteria for Board diversity, qualifications for the appointment of Directors, KMPs, and SMPs, and the framework for determining the remuneration payable to them.

Details of Remuneration and Perquisites – FY 2025-26

Non-Executive and Non-Independent Directors have not received any sitting fees or commission based on the net profits of the Company. Furthermore, there were no pecuniary relationships or transactions between the Company and its Non-Executive Directors during the financial year under review.

Independent Directors are compensated by way of sitting fees for attending meetings of the Board and its Committees. The details of remuneration paid to Independent Directors during the year are provided below:

Name of the Directors	Sitting Fees paid for the FY 2025-26
Mr. Ashok Ranjan Samal	Rs. 18.20 Lakhs
Mr. Govinda Rajulu Chintala	Rs. 8.00 Lakhs
Mr. Prateek Shrivastava	Rs. 15.00 Lakhs

The remuneration paid to the Executive Directors are detailed as follows:

Name of the Directors	Salary	Performance Linked Incentives	Perquisites	Others
Mr. Gobinda Chandra Pattanaik	Rs. 507 Lakhs	0	0	0
Mr. Dibyajyoti Pattanaik	Rs. 200 Lakhs	0	0	0

Both the Executive Directors are Promoters of the Company and hold equity shares in the Company, however, none of the Directors of the Company hold any Stock Options.

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

Annapurna Finance has adopted a Whistle Blower Policy to provide a formal vigil mechanism to the Directors and employees to report genuine concerns about unethical behavior, actual or suspected fraud, or violation of the Company's Code of Conduct or ethics policy. The Policy provides for adequate safeguards against victimization of employees who avail of the mechanism and also provides for direct access to the Audit Committee in appropriate or exceptional cases. It is affirmed that no personnel of the Company has been denied access to the Audit Committee.

7. GENERAL BODY MEETINGS:

The details of the date, place, and special resolutions passed at the General Body Meetings (EGM and AGM) are mentioned below:

SI No	Type of Meeting (Annual/ Extra-Ordinary)	Date & Place	Special Resolution Passed
1	Annual General Meeting (AGM)	13-08-2025 at The Leela Ambience Gurugram Hotel & Residences, Ambience Island, National Highway, Gurugram - 122002 (Delhi NCR)	a. Consideration and approval of Annual Business Plan for FY 2025-26 b. Consideration and approval for the Issuance of Non-Convertible Debentures "NCDs" in terms of section 42 of the Companies Act, 2013
2	Extra-Ordinary General Meeting (EGM)	15-12-2025 at Registered Office of Company	a. Approval For A-Pay Application and Formation of a Separate Entity b. Approval of the Proposed Acquisition of Swarna Pragati Housing Microfinance Private Limited (Target Company) c. Approval of Extension of Tenure for AATO CCPS till IPO date

There were no general meetings conducted through Postal Ballots during the year FY 2025-26.

8. MEANS OF COMMUNICATION :

8.1. Calendar of the financial year ended March 31, 2026:

Annapurna Finance follows April-March as the financial year. The meetings of the Board of Directors for approval of quarterly and annual financial results for the financial year ended March 31, 2026, were held on the following dates:

Particulars	Date
Quarter ended June 30, 2025	August 13, 2025
Quarter/half-year ended September 30, 2025	November 12, 2025
Quarter ended December 31, 2025	February 12, 2026
Quarter/year ended March 31, 2026	May 20, 2026

8.2. Quarterly/Half Yearly and Annual Results:

Prior intimation of the Board Meetings to consider and approve Unaudited / Audited Financial Results of the Company are given to the Stock Exchange and also disseminated on the official website at <https://annapurnafinance.in/>. After the aforesaid Financial Results are approved at the Board Meetings, the same are immediately intimated to the Stock Exchange. and also disseminated on the official website at <https://annapurnafinance.in>

8.3. Online Filings:

Annapurna Finance complies with the online filing requirements on the electronic platform of BSE Limited (BSE) viz., BSE Listing Centre and India INX platform. The Members / Investors can view the details of electronic filings done by the Company on the websites of BSE at www.bseindia.com and India INX at <https://www.indiainx.com/>

8.4. Newspapers Publications:

The Quarterly, Half-yearly, and Annual Results of the Company are published in nationwide circulated daily English newspapers.

8.5. Website Disclosures:

Comprehensive information about Annapurna Finance, its business, and operations and investor information can be viewed at the official website at <https://annapurnafinance.in>. The official website is regularly updated to provide further ease of access to the requisite information prescribed under various provisions of the Act, the Listing Regulations, and the RBI Guidelines. The "Resources" section serves to inform the investors by providing key timely information like Financial Results, Annual reports, Audit Reports, Credit Rating reports, Company Policies, Various Intimations & Compliances such as Interest Payment Intimation, Record dates Intimation, etc.

8.6. SEBI Complaints Redressal System:

A centralized web-based complaints redressal system, which serves as a centralized database of all complaints received, enables uploading of Action Taken Reports by the concerned Company and online viewing by the investors of actions taken on the complaint and its status.

8.7. Online Dispute Resolution (ODR) mechanisms:

A platform for Online Dispute Resolution provides for establishing a common Online Dispute Resolution Portal which harnesses online conciliation and online arbitration for resolution of disputes. This initiative aims to enhance the efficiency and accessibility of dispute resolution processes.

9. GENERAL SHAREHOLDERS INFORMATION:

9.1. Details of AGM:

The details of Annual General meeting of Shareholders for FY- 2025-26 will be available in the Notice of AGM.

9.2. Financial Year:

1st April, 2025-31st March 2026

9.3. Dividend:

The Company has not paid any dividends during the Year.

9.4. Corporate Identity Number (CIN):

U65999OR1986PTC015931

9.5. Stock Exchange Details where securities are Listed:

Shares: Shares (Equity/ Preference) of the Company are not listed on any of the stock Exchange of India.

Security Type & ISIN: Equity Shares (INE515Q01015)

Debt Securities: Various debt securities are listed on following stock Exchanges

Name, Address and website of Stock Exchanges	Type of Meeting (Annual/ Extra-Ordinary)
BSE Limited Department of Corporate Services, 1st Floor, P. J. Towers, Dalal Street, Mumbai – 400 001 Website: www.bseindia.com	Listed Non-Convertible Debentures (NCDs)
India International Exchange (IFSC) Ltd. (INDIA INX) 1st Floor, Unit No. 101, The Signature, Building No. 13B, Road IC, Zone-1, GIFT SEZ, GIFT CITY, Gandhinagar, Gujarat- 382 355 Website: https://listing.indiainx.com/LoginAuth.aspx	Foreign Currency Denominated bonds

Listed Debt Securities: Below-mentioned debt securities are listed on above stock exchange, Outstanding as of March 31, 2026:

a. Debt Securities (Non-Convertible Debentures) listed on BSE Ltd

Sl. No	ISINs	Scrip Code	Issued Amount (In Rs.) In Crores	Outstanding Amount (In Rs.) In Crore
1	INE515Q08093	958764	30.00	30.00
2	INE515Q08218	974732	20.00	20.00
3	INE515Q08226	974998	120.00	120.00
4	INE515Q08242	975235	100.00	100.00
5	INE515Q08267	975605	100.00	100.00
6	INE515Q07632	976269	42.00	42.00
7	INE515Q08275	976692	100.00	100.00
8	INE515Q07640	976927	75.00	50.00
9	INE515Q07665	977360	260.00	260.00
10	INE515Q08283	977418	150.00	150.00

b. Debt Securities (Foreign Currency Denominated Bonds) listed on India International Exchange (IFSC) Ltd. (INDIA INX)

Sl. No	ISINs	Scrip Code	Foreign Currency	Issued Amount (In USD, IN Crores)	Outstanding Amount (In USD) In Crore	Issued Amount (In Rs.) In Crores
1	INIFD2205018	1100160	USD	2.0	2.0	179.3
2	INIFD2205026	1100161	USD	0.5	0.5	44.83

9.6. Listing and Custodial Fees:

Annapurna Finance has paid the requisite Annual Listing and Custodial Fees to the Stock Exchanges and Depositories viz. CDSL and NSDL, respectively, for the financial years 2025-26 and 2026-27 as applicable.

9.7. Stock Code:

NIL

9.8. Market price data- high, low during each month in last financial Year:

Nil, as the shares of the Company is not listed.

9.9. Credit Rating of Debt Instruments:

During the year under review, ICRA Limited CRISIL Limited (CRISIL), and CARE Ratings Limited has reaffirmed its rating on Non-Convertible Debentures including subordinated NCDs of the Company as A- (Stable).

SI No	Type of Meeting (Annual/ Extra-Ordinary)
1	<u>ICRA Limited</u> B-710, Statesman House, 148, Barakhamba Road, New Delhi 110001.
2	<u>CRISIL Limited</u> Lightbridge IT Park, Saki Vihar Road, Andheri East,, Mumbai – 400072,India
3	<u>CARE Limited</u> 4th Floor ,Godrej Coliseum, Somaiya Hosp Road, Off Exp Highway, Sion (E), Mumbai, Maharashtra -400022, India.

9.10. Distribution of Equity Shareholding as of 31st March 2026:

Range of Equity Shares	No. of Equity Shareholders	Percentage	No. of Shares	Percentage
Up to 5,000	0	0	0	0
5,001-10,000	0	0	0	0
10,001-50,000	0	0	0	0
50,001-1,00,000	0	0	0	0
1,00,001 and above	20	100	10,57,09,090	100
Total	20	100	10,57,09,090	100

9.11. Registrar and transfer Agent:

For share related matters, Members are requested to correspond with the Company's Registrar and Transfer Agents NSDL Database Management Limited having CIN: U72400MH2004PLC147094 and having registered office on the 4th Floor, Tower 3, One International Center, Senapati Bapat Marg, Prabhadevi, Mumbai 400 013 is a company's Registrar & Share Transfer Agent registered with SEBI (SEBI Registration No. INR000004181) quoting their Folio No./DP ID & Client ID at the given address.

9.12. Details of Share transfer and Securities in dematerialized and liquidity as of March 31, 2026:

As mandated by SEBI, securities of the Company can be transferred / traded only in dematerialised form. Shareholders holding shares in physical form are advised to avail the facility of dematerialisation. During the financial year 2025-26, no transfer of Equity Shares were taken place.

Further, According to the recent MCA notification dated 27.10.2023 inserting Rule 9B under Companies (Prospectus and Allotment of Securities) Rules, 2014 regarding the Issue of securities in dematerialized form by private companies, directing every private companies other than small companies, to issue securities only in Demat form and facilitating dematerialization of all its securities, and the Company is in process of complying the circular. The Demat status of securities are provided below:

Particulars	Nos. of Shares (as on 31.03.2026)	Percentage %
Equity with NSDL (Dematerialized Form)	10,04,30,688	92.38
Equity with CDSL (Dematerialized Form)	44,79,800	4.12
Equity in Physical Form	7,98,602	0.74
CCPS in Physical Form	30,00,000	2.76
Total No. of Shares	10,87,09,090	100.00

As on March 31, 2026, Annapurna Finance has 30,00,000 numbers on Compulsorily Convertible Preference Shares (CCPS) held in physical form. All the debentures issued and allotted are held in Demat Form. None of the securities of the Company are suspended for trading as on March 31, 2026.

Depository details as on 31st March 2026

SI No	Name, Address and Website of Depositories
1	a. NATIONAL SECURITIES DEPOSITORY LIMITED (NSDL) 301, 3rd Floor, Naman Chambers, Plot C-32, G-Block, Bandra Kurla Complex, Bandra East, Mumbai, Maharashtra - 400 051 Website: https://nsdl.co.in/
2	b. CENTRAL DEPOSITORY SERVICES (INDIA) LIMITED (CDSL), Marathon Futurex, A- Wing, 34th Floor, N.M. Joshi Marg, Lower Parel (East) Mumbai-400013 Website: https://www.cdslindia.com/
3	c. INDIA INTERNATIONAL DEPOSITORY IFSC LIMITED (FORMERLY KNOWN AS CDSL IFSC LIMITED) Unit- No.310-& 311, 3rd Floor, Signature Tower, Block-13, Road 1C, Zone-1, GIFT SEZ, GIFT City, Gandhinagar, Gujarat - 382 355 Website: https://www.iidi.co.in/index.html

9.13. Name and address of Debenture Trustee:

a. CATALYST TRUSTEESHIP LIMITED

Address: 901,9th floor, Tower B, Peninsula Business Park, Senapati Bapat Marg, Lower Parel, Mumbai – 400013, Maharashtra, India
Email ID: ComplianceCTL-Mumbai@ctltrustee.com
Phone: 022-49220555 (Extn: 537/ 590/ 587)

b. BEACON TRUSTEESHIP LIMITED

5W, 5th Floor, The Metropolitan, E-Block, Bandra Kurla Complex (BKC), Bandra (East), Mumbai 400051, India
Email: compliance2@beacontrustee.co.in
Contact Details: Phone: 022-46060278
Website: <https://beacontrustee.co.in/>

c. VARDHAMAN TRUSTEESHIP PRIVATE LIMITED

Registered office: The Capital, A Wing, 412A, Bandra Kurla Complex, Bandra (East) Mumbai 400 051.
Email: compliance@vardhmantrustee.com
Contact Details: 022 4264 8335
Website: <https://vardhmantrustee.com/>

d. PIRAMAL TRUSTEESHIP SERVICES PRIVATE LIMITED

Address: 4th Floor, Piramal Tower Annexe, Ganpatrao Kadam Marg, Lower Parel, Mumbai, 400013

9.14. Outstanding Global Depository Receipts or American Depository Receipts or warrants or any convertible instruments, conversion date and likely impact on equity date and likely impact on equity:

NIL

9.15. Commodity price risk or foreign exchange risk and hedging activities:

NIL

9.16. Plant locations:

Being a financial services company, the Company has no plant locations.

9.17. Address for correspondence:

The correspondence address of the Company is its Registered Office provided herein below:

Annapurna Finance Private Limited

1215/1401, Infront of Jaydev Vatika, Khandagiri bari,
Khandagiri, Bhubaneswar, Odisha 751030
Contact Person: Mr. Subrata Pradhan, Chief Compliance Officer & Company Secretary
Email - subrat@ampl.net.in

10.DISCLOSURES:

The disclosures required under the applicable provisions of the Companies Act, 2013, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, regulatory and directions by Reserve Bank of India as amended and all other applicable regulatory framework governing Non-Banking Financial Companies (NBFCs) are set out below:

- During the financial year under review, the Company did not enter into any materially significant related-party transactions with its Promoters, Directors, Key Managerial Personnel, Senior Management or their relatives that may have had a potential conflict with the interests of the Company. All related party transactions were undertaken in the ordinary course of business and on an arm's length basis in accordance with the applicable provisions of the Companies Act, 2013, the SEBI Listing Regulations and the Company's Policy on Related Party Transactions.
- During the last three financial years, no penalties or strictures have been imposed on the Company by the Securities and Exchange Board of India (SEBI), the Stock Exchanges, the Reserve Bank of India (RBI) or any other statutory or regulatory authority on any matter relating to the capital markets.
- The Company has established a comprehensive Enterprise Risk Management Framework, commensurate with the nature, size and complexity of its operations. The Risk Management Committee and the Board periodically review key business, financial, operational, regulatory, information security and strategic risks together with the mitigation measures adopted by the management.
- The Company has complied with the applicable disclosure requirements prescribed under the SEBI Listing Regulations, and the mandatory policies and disclosures are hosted on the Company's website.
- Foreign Exchange Risk Management and Hedging: The Company is exposed to foreign currency risk in respect of its foreign currency borrowings. Such exposures are managed in accordance with the applicable Reserve Bank of India regulations governing External Commercial Borrowings (ECBs) and the Board-approved Risk Management Policy. The Company follows a prudent risk management approach and maintains appropriate hedging of its foreign currency exposures through permitted derivative instruments, based on the nature, tenure and quantum of such borrowings, in accordance with the applicable regulatory framework and the Company's internal risk management policies.
- A certificate from M/s. Sushanta Pradhan & Associates, Company Secretaries, (PCS) confirming that none of the Directors of the Company has been debarred or disqualified from being appointed or continuing as a Director by the Securities and Exchange Board of India, the Ministry of Corporate Affairs or any other statutory authority, forms part of the Annual Report.

- g. During the financial year under review, the Board accepted all the recommendations made by its Committees wherever such recommendations were required to be placed before the Board for its approval.
- h. The total fees paid to the Statutory Auditors for all services rendered during the financial year are disclosed in the Notes forming part of the Financial Statements.
- i. Details of loans and advances in the nature of loans to firms or companies in which Directors are interested, as required under the SEBI Listing Regulations, are disclosed in the Financial Statements. During the year under review, no such loans or advances were outstanding.
- j. The Company did not have any loans or advances in the nature of loans outstanding to its subsidiaries during the financial year under review.
- k. The Company has complied with the applicable corporate governance requirements prescribed under the SEBI Listing Regulations. A certificate regarding compliance with the conditions of Corporate Governance, issued by M/s. Sushanta Pradhan & Associates, Company Secretaries, forms part of this Annual Report.
- l. The Company has complied with all mandatory requirements relating to Corporate Governance under the SEBI Listing Regulations. The status of compliance with the applicable non-mandatory requirements is disclosed in the Corporate Governance Report forming part of this Annual Report.
- m. The Company has adopted a Code of Conduct applicable to the Directors and Senior Management Personnel. The Managing Director has confirmed that all the Directors and Senior Management Personnel have affirmed compliance with the Code of Conduct for the financial year ended March 31, 2026.
- n. Details of significant changes (25% or more compared to previous financial year) in key financial ratios, together with explanations therefor, are provided in the Financial Statements forming part of this Annual Report.
- o. Other disclosures required under the applicable provisions of the Companies Act, 2013, the SEBI Listing Regulations, the RBI Directions applicable to NBFCs and other applicable laws, to the extent relevant, have been appropriately made in this Annual Report.

ANNUAL DECLARATION ON CODE OF CONDUCT

I do hereby declare that pursuant to Regulation 26(3) of the Listing Regulations, all the Board Members and Senior Management Personnel of the Company have affirmed compliance with the Company's Code of Conduct for the financial year ended March 31, 2026.

Sd/-

Gobinda Chandra Pattanaik

Managing Director

DIN: 02716330

Place : Bhubaneswar

Date : 20th May, 2026

CHIEF EXECUTIVE OFFICER (CEO) / CHIEF FINANCIAL OFFICER (CFO) CERTIFICATION

COMPLIANCE CERTIFICATE

(Pursuant to Regulation 17(8) read with Part B of Schedule II to the SEBI (LODR) Regulations 2015)

Date: 20.05.2026

To

The Board of Directors

Annapurna Finance Pvt Ltd

We the undersigned, Chief Executive Officer (CEO) and Chief Financial Officer (CFO) of Annapurna Finance Private Limited, incorporated under the Companies Act 1956, having its Registered Office At- 1215/1401, Khandagiri Bari, Infront of Jayadev Vatika, Khandagiri, Bhubaneswar, Odisha- 751030, hereby confirm and to the best of our knowledge and belief certify that:

- A. We have reviewed the financial statements and the cash flow statement for the year ended on 31st March 2026 and that to the best of their knowledge and belief:
 - 1. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
 - 2. These statements together present a true and fair view of the listed entity's affairs and are in compliance with existing accounting standards, applicable laws and, regulations.
- B. There are, to the best of our knowledge and belief, no transactions entered into by the listed entity during the year which are fraudulent, illegal or violative of the listed entity's code of conduct.
- C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the listed entity pertaining to financial reporting and we have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps they have taken or propose to take to rectify these deficiencies.
- D. We have indicated to the auditors and the Audit committee on
 - 1. significant changes in internal control over financial reporting during the year, if any;
 - 2. significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements, if any; and
 - 3. instances of significant fraud of which they have become aware and the involvement therein, if any, of the management or an employee having a significant role in the listed entity's internal control system over financial reporting.

For Annapurna Finance Pvt Ltd

Sd/-

Chief Executive Officer

For Annapurna Finance Pvt Ltd

Sd/-

Chief Executive Officer

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(PURSUANT TO SCHEDULE V PARA C CLAUSE (10) (I) OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015)

To
The Members of
Annapurna Finance Private Limited

Plot No. 1215/1401, Khandagiri Bari,
In front of Jayadev Vatika, Khandagiri,
Bhubaneswar, Odisha- 751030, India

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Annapurna Finance Private Limited (hereinafter referred to as 'the Company') having CIN: U65999OR1986PTC015931 and incorporated under the Companies Act 1956, having its Registered Office At- 1215/1401, Khandagiri Bari, Infront of Jayadev Vatika, Khandagiri, Bhubaneswar, Odisha- 751030, produced before us by the Company, for the purpose of issuing this Certificate, in accordance with RBI Circular No RBI/2022-23/26 DOR.ACC.REC.No.20/21.04.018/2022-23 dated April 19, 2022 regarding Disclosures in Financial Statements- Notes to Accounts of NBFCs and Regulation 34(3) read with Clause 10(i) of Para C of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verification as considered necessary (including Directors' Identification Number (DIN) status at the portal www.mca.gov.in) and explanations furnished to us by the Company and its officers, we hereby certify that none of the Directors on the Board of the Company, as stated below, for the financial year ended March 31, 2026, has been debarred or disqualified from being appointed or continuing as directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority :

Sl. No	Board of Directors	DIN	Date of Appointment
1	Mr. Gobinda Chandra Pattanaik	02716330	13/08/2009
2	Mr. Dibyajyoti Pattanaik	02764187	14/09/2009
3	Mr. Ashok Ranjan Samal	00918164	17/10/2016
4	Mr. Govinda Rajulu Chintala	03622371	25/09/2023
5	Mr. Sunit Vasant Joshi	02962154	19/05/2020
6	Mr. Venkateswaran Mecherimadam Ramakrishnan	08286433	25/09/2020
7	Mr. Abhishek Agrawal	06760344	23/12/2021
8	Mr. Pramod Kumar Vijayvargia	03128554	02/01/2025
9	Mr. Prateek Shrivastava	10642432	12-06-2024
10	Mr. Satish Chavva	03615175	23/05/2025
11	Mr. Anant Manas Khatri	11386896	12/11/2025
12	Ms. Isabel Shi Ying Tay	11599352	19/03/2026

Note: During the financial year 2025-26, Mr. Ajay Bhaskar Limaye (w.e.f 23-05-2025), Mr. Naval Jawaharlal Totla (w.e.f 12-11-2025) and Ms. Radhika Jayant Shroff (w.e.f 19-02-2026) were ceased to be Directors.

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 the same, 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.

Place: Sambalpur
Date: 15th May 2026

For Sushanta Pradhan & Associates,
Company Secretaries

Sd/-
CS Sushanta Pradhan
Membership No.: 29239
C P No.: 14238
UDIN: A029239H000377281

CERTIFICATE ON COMPLIANCE OF CORPORATE GOVERNANCE

(PURSUANT TO SCHEDULE V (PARA E) TO THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015)

To
The Members of
Annapurna Finance Private Limited

Plot No. 1215/1401, Khandagiri Bari,
In front of Jayadev Vatika, Khandagiri,
Bhubaneswar, Odisha- 751030, India

We have examined the compliance with the conditions of Corporate Governance by Annapurna Finance Private Limited for the year ended 31st March, 2026 in terms of Regulations 17 to 27 and Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations").

The compliance of conditions of corporate governance is the responsibility of the management. Our examination was limited to procedure and implementation thereof, adopted by the Company for ensuring compliance of the conditions of corporate governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information, based on the records, documents, books, and other information furnished and according to the explanations given to us, we certify that the Company has, during the period under review, complied with the conditions of Corporate Governance as per Regulations 17 to 27 of Listing Regulations as applicable.

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

Place: Sambalpur
Date: 15th May 2026

For Sushanta Pradhan & Associates,
Company Secretaries

Sd/-
CS Sushanta Pradhan
Membership No.: 29239
C P No.: 14238
UDIN: A029239H000377444

STANDALONE BALANCE SHEET AS AT MARCH 31, 2026

(In ₹ Lakhs unless otherwise stated)

Particulars	Notes	As at March 31, 2026	As at March 31, 2025
ASSETS			
Financial assets			
(a) Cash and cash equivalents	4	29,192	31,185
(b) Bank balance other than (a) above	5	53,434	18,587
(c) Derivative financial instruments	6	19,344	990
(d) Receivables			
(i) Trade receivables	7	55	75
(e) Loans	8	7,76,339	7,45,048
(f) Investments	9	33,290	27,974
(g) Other financial assets	9.1	68,615	59,954
Subtotal - financial assets (A)		9,80,269	8,83,813
Non-financial assets			
(a) Current tax assets (net)	10.1	1,453	4,718
(b) Deferred tax assets (net)	10.2	-	-
(b) Property, plant and equipment	11	3,291	3,158
(c) Other intangible assets	13	368	567
(d) Other non-financial assets	9.2	2,452	2,364
Subtotal - non-financial assets (B)		7,564	10,807
Total assets (A + B)		9,87,833	8,94,620
LIABILITIES AND EQUITY			
Liabilities			
Financial liabilities			
(a) Derivative financial instruments	6	-	937
(b) Payables			
(I) Trade Payables			
(i) Total outstanding dues of micro enterprises and small enterprises	14	-	-
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises		2,081	1,534
(II) Other Payables			
(i) Total outstanding dues of micro enterprises and small enterprises		-	-
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises		-	-
(c) Debt securities	15	86,176	45,468
(d) Borrowings (other than debt securities)	16	5,87,482	5,65,492
(e) Subordinated liabilities	17	94,952	86,041
(f) Other financial liabilities	17.3	44,008	25,471
Subtotal - financial liabilities (A)		8,14,699	7,24,943
Non-financial liabilities			
(a) Provisions	18	1,913	1,339
(b) Deferred tax liabilities (net)	10.2	189	2,607
(c) Other non-financial liabilities	17.4	920	554
Subtotal - non-financial liabilities (B)		3,022	4,500
Total liabilities (A + B)		8,17,721	7,29,443
Equity			
(a) Equity share capital	19	10,161	10,157
(b) Instruments entirely equity in nature	20	300	300
(c) Other equity	21	1,59,651	1,54,720
Subtotal - Equity (C)		1,70,112	1,65,177
Total liabilities and equity (A + B + C)		9,87,833	8,94,620

The accompanying notes are an integral part of the standalone financial statements.
As per our report of even date

For Walker Chandiok & Co LLP
Chartered Accountants
Firm's Registration No. 001076N/N500013

Lalit Kumar
Partner
Membership No.: 095256

Puri
May 20, 2026

**For and on behalf of the Board of Directors of
Annapurna Finance Private Limited**

Gobinda Chandra Pattanaik
Managing Director
(DIN: 02716330)

Subrat Pradhan
Company Secretary

Puri
May 20, 2026

Dibyajyoti Pattanaik
Director
(DIN: 02764187)

Satyajit Das
Chief Financial Officer

STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2026

(In ₹ Lakhs unless otherwise stated)

Particulars	Notes	For the year ended March 31, 2026	For the year ended March 31, 2025
Revenue from operations			
(i) Interest income	22	1,71,157	1,80,719
(ii) Fees and commission income	23.1	987	669
(iii) Net gain on fair value changes	23.2	700	1,291
(iv) Net gain on derecognition of financial instruments measured at fair value through other comprehensive income	23.3	30,692	34,037
(I) Total revenue from operations		2,03,536	2,16,716
(II) Other income	24	1,011	1,610
(III) Total income (I + II)		2,04,547	2,18,326
Expenses			
Finance costs	25	81,979	83,591
Fees and commission expense		10,291	3,859
Impairment on financial instruments	26	24,079	38,878
Employee benefits expenses	27	57,041	58,397
Depreciation, amortisation and impairment	28	1,712	1,741
Other expenses	29	25,341	22,812
(IV) Total expenses		2,00,443	2,09,278
(V) Profit before tax (III-IV)		4,104	9,049
(VI) Tax expense:			
Current tax	10.3	3,333	283
Deferred tax		(2,804)	1,841
(VII) Profit for the year (V-VI)		3,575	6,924
(VIII) Other comprehensive income (OCI)			
A Items that will not be reclassified to profit or loss			
Remeasurement of the defined benefit liabilities		208	304
Income tax relating to items that will not be reclassified to profit or loss		(52)	(77)
Subtotal (A)		156	227
B Items that will be reclassified to profit or loss			
Changes in fair value of loans carried at FVTOCI		(942)	(44)
Gain/(loss) on derivative instruments in a cash flow hedge		2,268	(1,601)
Changes in fair value of investments carried at FVTOCI		(3)	-
Income tax relating to items that will be reclassified to profit or loss		(333)	415
Subtotal (B)		990	(1,230)
Other comprehensive income/(loss) (A+B)		1,146	(1,003)
(IX) Total comprehensive income for the year (VII)+(VIII)		4,721	5,921
(X) Earnings per equity share (face value of ₹10 each)			
Basic (₹)	30	3.42	6.63
Diluted (₹)		3.17	6.35

The accompanying notes are an integral part of the financial statements.
As per our report of even date

For Walker Chandiok & Co LLP
Chartered Accountants
Firm's Registration No. 001076N/N500013

Lalit Kumar
Partner
Membership No.: 095256

Puri
May 20, 2026

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Annapurna Finance Private Limited**

Gobinda Chandra Pattanaik
Managing Director
(DIN: 02716330)

Subrat Pradhan
Company Secretary

Puri
May 20, 2026

Dibyajyoti Pattanaik
Director
(DIN: 02764187)

Satyajit Das
Chief Financial Officer

STANDALONE STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2026

(Amount in lakhs of ₹ unless otherwise stated)

Particulars	NOTES	FOR THE YEAR ENDED	
		MARCH 31, 2026	MARCH 31, 2025
Cash flows from operating activities			
Profit before tax		4,104	9,048
Adjustments for:			
Depreciation, amortisation and impairment	28	1,712	1,741
Impairment on financial instruments	26	24,079	38,878
Profit on sale of property, plant and equipment	24	(4)	(2)
Net gain on fair value changes	23.2	(700)	(1,291)
Share based payments to employees	27	197	28
Interest income accrued	22	(1,71,157)	(1,80,719)
Finance cost accrued	25	81,979	83,591
Operational cash flows from interest:			
Interest income received		1,72,633	1,76,472
Finance cost paid		(83,078)	(87,431)
Operating profit before working capital changes		29,764	40,315
Movements in working capital:			
Changes in other financial and non financial assets		11,316	(6,659)
Changes in bank balance other than cash and cash equivalents		(34,847)	29,610
Changes in trade receivables		20	(73)
Changes in loans		(72,978)	(43,555)
Changes in other financial and non financial liabilities		18,805	(8,575)
Changes in provisions		574	227
Changes in trade payables		547	(67)
Cash generated from / (used in) operations		(46,798)	11,223
Income tax paid (net of refunds)		(68)	(293)
Net cash flows generated from / (used in) operating activities (A)		(46,866)	10,931
Cash flows from investing activities			
Purchase of property, plant and equipment and intangible assets		(1,215)	(1,487)
Proceeds from sale of property, plant and equipment		6	34
Purchase of other intangible asset		(81)	(339)
Purchase of current investments		(4,17,665)	(5,23,436)
Proceeds from sale of current investments		4,19,406	5,17,714
Investment in other investments		(9,508)	(6,007)
Proceeds from redemption of other investments		1,261	1,624
Net cash flows used in investing activities (B)		(7,797)	(11,897)
Cash flows from financing activities			
Proceeds from issuance of equity share capital (including securities premium)		17	64
Proceeds from debt securities		55,913	4,200
Repayment of debt securities		(15,863)	(45,401)
Repayment of lease liabilities		(340)	(292)
Proceeds from borrowings (other than debt securities)		3,72,460	3,81,522
Repayment of borrowings (other than debt securities)		(3,70,031)	(3,73,877)
Proceeds of subordinated liabilities		25,000	40,000
Repayment of subordinated liabilities		(14,485)	-
Net cash flows generated from financing activities (C)		52,671	6,216
Net change in cash and cash equivalents (A+B+C)		(1,993)	5,249
Cash and cash equivalents at the beginning of the year		31,185	25,936
Cash and cash equivalents at the end of the year		29,192	31,185
Components of cash and cash equivalents at the end of the year			
On current accounts		26,574	28,983
Deposit with original maturity of less than three months		2,208	1,567
Cash on hand		410	635
TOTAL CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR		29,192	31,185

The accompanying notes are an integral part of the financial statements.
As per our report of even date

For Walker Chandiok & Co LLP
Chartered Accountants
Firm's Registration No. 001076N/N500013

Lalit Kumar
Partner
Membership No.: 095256

Puri
May 20, 2026

**For and on behalf of the Board of Directors of
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Managing Director
(DIN: 02716330)

Subrat Pradhan
Company Secretary

Puri
May 20, 2026

Dibyajyoti Pattanaik
Director
(DIN: 02764187)

Satyajit Das
Chief Financial Officer

SCAN THE QR CODE TO ACCESS THE AUDITED
FINANCIAL STATEMENT FOR FY2025-26



ABBREVIATIONS (A-Z)

ABAC	Anti-Bribery and Anti-Corruption	CSA	Climate-Smart Agriculture
ADR	Annapurna Digital Record	CSR	Corporate Social Responsibility
AGM	Annual General Meeting	CTR	Cash Transaction Report
AI	Artificial Intelligence	D&O	Directors' and Officers' Liability Insurance
ALM	Asset Liability Management	DEI	Diversity, Equity and Inclusion
AML	Anti-Money Laundering	DIN	Director Identification Number
API	Application Programming Interface	DNS	Domain Name System
A-Pay	Annapurna Pay	DPD	Days Past Due
A-Sign	Annapurna Digital E-Sign Platform	DR	Disaster Recovery
ATU	Annapurna Tech Universe	DRE	Decentralized Renewable Energy
AUM	Assets Under Management	ECB	External Commercial Borrowing
BBPS	Bharat Bill Payment System	ECL	Expected Credit Loss
BFSI	Banking, Financial Services and Insurance	EDR	Endpoint Detection and Response
BOD	Board of Directors	EE	Energy Efficiency
BRE	Business Rule Engine	EGM	Extraordinary General Meeting
BRSR	Business Responsibility and Sustainability Report	EMI	Equated Monthly Instalment
BSE	Bombay Stock Exchange	ESG	Environmental, Social and Governance
CARE	Customer Advocacy and Redressal Excellence	ESIC	Employees' State Insurance Corporation
CDSL	Central Depository Services (India) Limited	ESMS	Environmental and Social Management System
CEP	Customer Engagement Platform	ESOP	Employee Stock Option Plan
CEO	Chief Executive Officer	EV	Electric Vehicle
CERT	Computer Emergency Response Team	FD	Fixed Deposit
CGFMU	Credit Guarantee Fund for Micro Units	FDLT	Financial and Digital Literacy Training
CI/CD	Continuous Integration and Continuous Delivery/Deployment	FIU-IND	Financial Intelligence Unit – India
CIN	Corporate Identification Number	FMO	Dutch Entrepreneurial Development Bank (Financierings-Maatschappij voor Ontwikkelingslanden)
CKYCR	Central Know Your Customer Records Registry	FRN	Firm Registration Number
CDL	Consumer Durable Loan	FY	Financial Year
CoE	Centre of Excellence	GHG	Greenhouse Gas
COO	Chief Operating Officer	GIS	Geographic Information System
CCPS	Compulsorily Convertible Preference Shares	GLP	Gross Loan Portfolio
CFO	Chief Financial Officer	GNPA	Gross Non-Performing Assets
CRA	Climate Resilience Adaptation	HIL	Home Improvement Loan
CRIF	Credit Information Bureau (CRIF High Mark)	HOD	Head of Department
CRISIL	Credit Rating Information Services of India Limited	HR	Human Resources
CRC	Customer Relationship Committee	IBL	Individual Business Loan
CRO	Chief Risk Officer	ICSI	Institute of Company Secretaries of India
		IFC	International Finance Corporation

IFSC	International Financial Services Centre	PCR	Provision Coverage Ratio
IPO	Initial Public Offering	PCS	Practising Company Secretary
ISO	International Organization for Standardization	PMLA	Prevention of Money Laundering Act
IT	Information Technology	PMAY	Pradhan Mantri Awas Yojana
JIT	Just-in-Time	POSH	Prevention of Sexual Harassment
JLG	Joint Liability Group	PPI	Progress out of Poverty Index
KCI	Key Compliance Indicator	RBIA	Risk-Based Internal Audit
KMP	Key Managerial Personnel	RBI	Reserve Bank of India
KPI	Key Performance Indicator	RCSA	Risk and Control Self-Assessment
KYC	Know Your Customer	RD	Recurring Deposit
LCR	Liquidity Coverage Ratio	RE	Regulated Entity
LEAD	Leadership Exploration and Development	SDG	Sustainable Development Goal
LMS	Loan Management System	SDLC	Secure Software Development Lifecycle
LOS	Loan Origination System	SEBI	Securities and Exchange Board of India
MAMP	Minimum Average Maturity Period	SMP	Senior Management Personnel
MFA	Multi-Factor Authentication	SOC	Security Operations Centre
MFI	Microfinance Institution	SPM	Social Performance Management
MFIN	Microfinance Institutions Network	SQL	Structured Query Language
MFR	MicroFinanza Rating	SRO	Self-Regulatory Organization
MIS	Management Information System	SROI	Social Return on Investment
MMU	Mobile Medical Unit	STP	Straight-Through Processing
MSME	Micro, Small and Medium Enterprises	STR	Suspicious Transaction Report
NBFC	Non-Banking Financial Company	SWASTH	Safe Water and Sanitation for Household
NBFC-MFI	Non-Banking Financial Company – Microfinance Institution	TAT	Turnaround Time
NCD	Non-Convertible Debenture	ToC	Theory of Change
NLP	Natural Language Processing	TOTP	Time-Based One-Time Password
NLU	Natural Language Understanding	UN	United Nations
NNPA	Net Non-Performing Assets	UPI	Unified Payments Interface
NPA	Non-Performing Asset	USD	United States Dollar
NSDL	National Securities Depository Limited	VAPT	Vulnerability Assessment and Penetration Testing
NTC	New-to-Credit	WAF	Web Application Firewall
OCR	Optical Character Recognition	WLDP	Women Leadership Development Programme
ODR	Online Dispute Resolution		
OEMs	Original Equipment Manufacturers		
OSAFII	Odisha State Association of Financial Inclusion Institutions		

GROWING TOGETHER



TOGETHER, WE CREATE IMPACT.

At Annapurna Finance, every step forward is driven by purpose, responsibility, and the belief that inclusive finance can transform lives. Together with our customers, partners, employees, and communities, we remain committed to building a more resilient, equitable, and sustainable future.



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