NATIONAL URBAN CO-OPERATIVE FINANCE AND DEVELOPMENT CORPORATION LIMITED

Regd. Office: B-14, A-Block, 3rd Floor, Local Shopping Complex, Ring Road, Naraina Vihar, New Delhi – 110028
Phone No.: 011 -25771170, 011-25770108 | Email: contactus@nucfdc.in | Website: www.nucfdc.in
Corporate Office: 04, Ground Floor, Windfall, Sahar Plaza, J B Nagar, Andheri Kurla Road, Andheri (East), Mumbai- 400 059 | Phone: +91 86557 21727

CIN: U65990DL2020PLC363322

6TH ANNUAL REPORT

BOARD OF DIRECTORS:

1. Mr. Jyotindra Mansukhlal Mehta (DIN: 00387212)	: Chairman
2. Mr. Hanumantgouda Krishnagouda Patil (DIN: 02323401)	: Director
3. Ms. Rachana Rahul Parikh (DIN: 10063393)	: Independent Director
4. Mr. Seshabhadrasrinivasa Mallikarjunarao Chamarty (DIN: 07667641)	: Independent Director
5. Mr. Pankaj Kumar Bansal, IAS (DIN: 05197128)	: Director
6. Mr. Sunil Vitthal Saudagar (DIN: 10799955)	: Director
7. Dr. Rajeev Uberoi (DIN:01731829)	: Independent Director
8. Col. Vinod Shah (DIN: 11210055)	: Independent Director

WHOLE-TIME KEY MANAGERIAL PERSONNEL:

1. Mr. Prabhat Kumar Chaturvedi	: Chief Executive Officer
2. Mr. Pranav Shailesh Desai	: Chief Financial Officer
3. Mr. Padmabhushan Shriram Bahadure	: Chief Technology Officer
4. Mr. Vikas Tarekar (ACS: 31670)	: Company Secretary

COMPOSITION OF COMMITTEES OF THE BOARD OF DIRECTORS:

AUDIT COMMITTEE:

Name of Director	Directorship	Role in Committee
Ms. Rachana Rahul Parikh	Independent Director	Chairperson
Mr. CH S. S. Mallikarjunarao	Independent Director	Member
Mr. Sunil V. Saudagar	Director	Member

NOMINATION AND REMUNERATION COMMITTEE:

Name of Director	Directorship	Role in Committee
Mr. CH S. S. Mallikarjunarao	Independent Director	Chairman
Ms. Rachana Rahul Parikh	Independent Director	Member
Mr. Jyotindra Mansukhlal Mehta	Director	Member
Mr. H. K. Patil	Director	Member

STATUTORY AUDITORS:
M/s. Mukund M. Chitale & Co.,
Chartered Accountants, Mumbai
ICAI Firm registration number: 106655W

SECRETARIAL AUDITORS:
M/s. Deepak Patil & Co.,
Company Secretaries, Indore

BANKERS:
ICICI Bank Limited
New Delhi

REGISTERED OFFICE:
B-14, A-Block, 3rd Floor, Local Shopping
Complex, Ring Road, Naraina Vihar,
South West Delhi, New Delhi-110028

CORPORATE OFFICE:
04, Ground Floor, Windfall,
Sahar Plaza, J B Nagar, Andheri
Kurla Road, Andheri (East),
Mumbai - 400059
Phone: +91 86557 21727

Email ID: compliance@nucfdc.in
Website: www.nunfdc.in

NOTICE

Notice is hereby given that 6th (Sixth) Annual General Meeting of the Members of **NATIONAL URBAN CO-OPERATIVE FINANCE AND DEVELOPMENT CORPORATION LIMITED** having its registered office at B-14, A - Block, 3rd Floor, Local Shopping Complex, Ring Road, Naraina Vihar, New Delhi – 110 028 will be held on Tuesday, 29th September, 2026 at 11.00 a.m. through Video Conferencing /Other Audio Visual Means (OAVC) to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the audited financial statements for the period from 1st April, 2025 to 31st March, 2026 together with the Directors' and Auditors' Report thereon.

2. To appoint a director in place of Mr. Jyotindra Mehta (DIN: 00387212), who retires by rotation and being eligible offers himself for re-appointment.

Date: 6th September, 2026
Place: Mumbai

Registered Office:
B-14, A - Block, 3rd Floor,
Local Shopping Complex,
Ring Road, Naraina Vihar,
New Delhi – 110 028

By order of the Board
For National Urban Co-operative Finance and Development Corporation Limited

SD/-

Vikas Tarekar
Company Secretary & Compliance officer

NOTES:

1. Pursuant to the Circular No. 14/2020 dated April 08, 2020, Circular No.17/2020 dated April 13, 2020, other circulars and the latest General Circular No. 03/2025 dated September 22, 2025 (collectively referred as ‘MCA Circulars’) issued by the Ministry of Corporate Affairs (“MCA”) and in compliance with the provision of the Companies Act, 2013, the Company has decided to hold its 6th (Sixth) Annual General Meeting (AGM) through video conferencing (VC) or other audio visual means (OAVM), without physical presence of the Members at a common venue.

2. Generally, a member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote on a poll instead of himself and the proxy need not be a member of the Company. Since this AGM is being held through VC / OAVM, pursuant to the MCA Circulars, physical attendance of members has been dispensed with. Accordingly, the facility for appointment of proxies by the members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed hereto.

3. Notice of the AGM and the annual report for the F.Y. 2025-26 are being sent electronically to the Members whose email Id’s are registered with the Company unless any Member has requested for a physical copy of the same.

4. Since the AGM will be held through VC / OAVM, the route map of the venue of the Meeting is not annexed hereto.

5. Shareholders (i.e. other than individuals) are required to send a scanned copy (PDF/JPG Format) of its Board or governing body Resolution/Authorization etc., authorizing its representative to attend the AGM through VC / OAVM on its behalf and to vote through remote e-voting.

6. The Company will provide separately the link of VC / OAVM facility to its members for participating at the AGM. Members attending the AGM through VC/OAVM shall be reckoned for the purpose of quorum under Section 103 of the Act.

7. As the Company is not a listed company nor have more than one thousand shareholders, the provisions of section 108 read with the Companies (Management and Administration) Rules, 2014 relating to providing facility to the members to exercise their right to vote through electronic means, are not applicable.

8. Since the Company has more than 50 members and in accordance with the aforesaid circulars, the voting on the resolution may be conducted by show of hand only when not more than 50 members attend the meeting. If the need arises to conduct the voting through poll or the poll is ordered or demanded, it shall only be conducted through the designated email ID of the Company i.e. compliance@nucfdc.in

9. During the meeting held through VC or OAVM facility, where a poll on any item is required, the members shall cast their vote on the resolutions only by sending emails through their email addresses which are registered with the company. The said emails shall only be sent to the designated email address of the company.

10. Shareholders who would like to speak during the meeting must register their request with the company at least 7 days before the date of the Meeting. Depending upon the time availability, the management may decide the number of speakers and also the time allotted to each speaker.

11. The profile and other relevant details pursuant to Secretarial Standard on General Meeting issued by the Institute of Company Secretaries of India in respect of Director seeking reappointment at this AGM is provided as Annexure I to this Notice.

Annexure I

Brief Profile of Mr. Jyotindra Mehta (DIN: 00387212), seeking re–appointment at the Annual General Meeting

Information as required under Clause 1.2.5 of the Secretarial Standard on General Meetings (SS-2) is given hereunder:

Name	Mr. Jyotindra Mansukhlal Mehta
DIN	00387212
Age	75 years
Qualification	B.Com. L.L.B. D.T.L.P.
Experience	Mr. Jyotindra M. Mehta: Currently, he holds several prominent positions, including: • Chairman of the National Urban Co-operative Finance and Development Corporation Ltd. (NUCFDC), Mumbai. • Chairman of the Gujarat Urban Co-Operative Banks Federation. • Union Government Nominee Director at the National Co-Operative Union of India (NCUI), New Delhi. • Invitee Member of the RBI Committee. • Member of various Reserve Bank of India Committees, including TAFCUB, Standing Advisory Committee, and others. He has been honored with the Sahakarita Ratna Award by IFFCO, Kalol, for his lifetime contributions to the cooperative sector. Previously, he served as: • Chairman of the High-Level Committee for reforming the Cooperative Act (Govt. of Gujarat). • Member of the Advisory Committee for Direct Taxes (Ministry of Finance, Govt. of India).
Terms and conditions of re–appointment	Non-Executive Director
Details of remuneration sought to be paid	Not Applicable
Details of remuneration last drawn: (in lacs) during FY 2026	Not Applicable
Date of first appointment on the Board	18/04/2020
Shareholding in the Company	10,000
Relationship with other Directors, Manager and other Key Managerial Personnel	Not Applicable
The no. of Meetings of the Board attended during FY 2025-26	Nine
Other Directorships	a. Centre for Studies and Research In Co-Operation

(excluding NUCFDC)	b. Manubhai and Taraben Memorial Foundation c. Sahkar Seva Sansthan
Membership / Chairmanship of Committees of other Board	NIL

Date: 6th September, 2026
Place: Mumbai

Registered Office:
B-14, A - Block, 3rd Floor,
Local Shopping Complex,
Ring Road, Naraina Vihar,
New Delhi – 110 028

By order of the Board
For **National Urban Co-operative Finance and Development Corporation Limited**

SD/-

Vikas Tarekar
Company Secretary & Compliance officer

NATIONAL URBAN CO-OPERATIVE FINANCE AND DEVELOPMENT CORPORATION LIMITED

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CIN: U65990DL2020PLC363322

DIRECTORS' REPORT

To
The Members,
NATIONAL URBAN CO-OPERATIVE
FINANCE AND DEVELOPMENT
CORPORATION LIMITED

Your directors are pleased to present the 6th (Sixth) Annual Report together with audited Balance Sheet and statement of Profit & Loss for the year commencing on 1st April, 2025 and ended on 31st March, 2026 and the report of the Auditors thereon of National Urban Co-Operative Finance and Development Corporation Limited ("NUCFDC/the Company").

FINANCIAL PERFORMANCE:

The highlights of the Financial Performance of NUCFDC for the Financial Year ('FY') 2025-2026 are as under:

(₹ in Lakh)

	Current Year 2025-2026	**Previous Year 2024-2025**
Revenue from operations	1,468.57	732.20
Other Income	4.40	7.05
Less: Expenditure	1,097.68	794.60
Profit/(loss) before Interest, Depreciation & Taxation	375.30	(55.35)
Less: Interest	-	-
Depreciation	76.12	32.80
Taxation (incl: Deferred Tax)	(13.13)	3.45
Net Profit/(Loss) for the Year	312.31	(91.61)
Proposed Dividend	-	-
Transfer to General Reserve	-	-

During the year under report, the Company recorded revenue from operations of ₹1,468.57 lakh, as compared to ₹732.20 lakh in the previous year, representing an increase of approximately 100.57%. Other income amounted to ₹4.40 lakh as compared to ₹7.05 lakh in the previous year. Accordingly, the Company's total income increased to ₹1,472.98 lakh during FY 2025-26 from ₹739.25 lakh during FY 2024-25.

UMBRELLA ORGANISATION FOR URBAN CO-OPERATIVE BANKS (UCBS):

The Reserve Bank of India ("RBI"), vide its approval dated August 11, 2023, approved the grant of Certificate of Registration ("CoR") to the Company, subject to fulfilment of the prescribed capital and regulatory requirements. Subsequently, RBI granted Certificate of Registration No. N-14.03609 dated February 8, 2024 under Section 45-IA of the Reserve Bank of India Act, 1934, authorising the Company to carry on the business of a non-banking financial institution without accepting public deposits. As the national-level Umbrella Organisation ("UO") for Urban Co-operative Banks ("UCBs"), the Company is required to comply with the regulatory framework applicable to NBFC-ICC (Middle Layer) and other applicable RBI requirements.

During FY 2025-26, the Company continued to strengthen its capital base and operational capabilities. On May 23, 2025, the Company allotted 11,77,63,272 equity shares of ₹10 each to 97 UCBs on a private-placement basis. With further capital mobilisation during the year, the Company's paid-up equity share capital reached ₹300.96 crore as at March 31, 2026, thereby crossing the ₹300 crore capital threshold envisaged under the UO framework.

During the year, NUCFDC progressed from the institution-building phase towards operationalisation of common technology and digital platforms for UCBs. Key initiatives included completion of a multi-stage evaluation and empanelment of Core Banking Solution providers for Sahakar CBS together with selection of a cloud service provider for hosting, launch of Sahakar DigiPay and Sahakar DigiLoan during COOP KUMBH 2025, collaboration with CSC e-Governance Services India Limited, and Bharat COOPATHON 2025 in association with IIMA Ventures, commencement of work with the Reserve Bank of India on Mission Saksham, the sector-wide capacity-building programme to be delivered through the Sahakar Paathshaala learning platform, and introduction of a compliance monitoring service for member UCBs. These initiatives are aimed at enabling UCBs, particularly smaller institutions, to access secure, scalable and cost-effective banking technology and digital services.

Subsequent to the close of FY 2025-26, the Company achieved further significant milestones. On July 6, 2026, Sahakar CBS and Sahakar SahaYogi, an AI-enabled knowledge platform for the UCB ecosystem, were unveiled by the Hon'ble Union Minister of Home Affairs and Minister of Cooperation at the 5th Foundation Day celebrations of the Ministry of Cooperation.

On August 8, 2026, the Hon'ble Union Minister of Home Affairs and Minister of Cooperation, Shri Amit Shah inaugurated NUCFDC's new office at Sharda Sadan, Fort, Mumbai and participated in the "Sahakar Nav-Kranti" programme at the BSE International Convention Centre, Mumbai. During the programme, the Security Operations Centre ("SOC") for UCBs and a nationwide bundle of Core Banking and allied services were launched. An MoU between NUCFDC and National Forensic Sciences University ("NFSU") was also exchanged to strengthen cybersecurity, digital forensics and capacity-building capabilities for the UCB sector.

The Reserve Bank of India also issued a comprehensive set of Directions for Urban Co-operative Banks on July 31, 2026 covering cybersecurity and technology risk, digital payment security controls, fraud risk management, the compliance function, internal audit, statutory and concurrent audit, and supervisory returns. These Directions categorise UCBs according to their digital depth and materially raise the technology, security and assurance obligations applicable to the sector. The Company expects them to increase demand for the shared technology, cybersecurity and compliance services offered by the Umbrella Organisation.

These developments mark an important transition in NUCFDC's evolution as an operational Umbrella Organisation. The Company remains committed to leveraging the collective strength of UCBs to provide affordable common technology, cybersecurity, financial and institutional support and to contribute towards building a secure, resilient, technology-enabled and competitive Urban Co-operative Banking ecosystem, in furtherance of the national vision of "Sahakar se Samriddhi."

ACCOUNTING STANDARDS

The Company has complied with the applicable Indian Accounting Standards (Ind-AS) notified by the Ministry of Corporate Affairs under section 133 of the Act. The financial statements for the year have been prepared in accordance with division III of schedule III to the Act.

TRANSFER TO RESERVES:

Pursuant to section 45–IC(1) of Reserve Bank of India ('RBI') Act, 1934, every Non-Banking Financial Company ('NBFC') is required to transfer a sum not less than 20% of its net profit every year to reserve fund. Accordingly, for the year under review, your Company has transferred an amount of ₹ 62.46 Lakhs to its Reserve Fund.

DIVIDEND:

The Company being in nascent stage as NBFC and your directors do not recommend dividend on the equity shares of the Company for the year ended March, 2026.

CAPITAL STRUCTURE

a) Authorized Share Capital

During the FY under review, the Authorized Share Capital of the Company stood at ₹ 1,000,00,00,000/- (Rupees One Thousand Crore only) divided into 100,00,00,000 (One Hundred Crore) equity shares of ₹ 10/- (Rupees Ten only) each.

b) Issued and Paid–up Capital

As on March 31, 2026, the issued, subscribed and paid-up capital of the Company stood at ₹ 300,95,59,140/- (Rupees Three Hundred Crore Ninety-Five Lakh Fifty-Nine Thousand One Hundred and Forty only) divided into 30,09,55,914 (Thirty Crore Nine Lakh Fifty-Five Thousand Nine Hundred and Fourteen) equity shares of ₹ 10/- (Rupees Ten only) each.

During the year under consideration, the Company has allotted 18,30,05,318 (Eighteen Crore Thirty Lakh Five Thousand Three Hundred and Eighteen) Equity Shares having face value of Rs. 10/- (Rupees Ten Only) each to Urban Cooperative Banks, Cooperative Federations and National Cooperative Development Corporation.

As on March 31, 2026 the Company has neither issued shares with differential voting rights nor sweat equity shares and none of the Directors of the Company hold any convertible instruments.

DETAILS OF SUBSIDIARY/ JOINT VENTURES/ ASSOCIATE COMPANIES:

Since the Company does not have any Subsidiary / Joint Venture / Associate Company as such the provisions of Companies (Accounts) Rules, 2014 relating to providing details, performance & financial position of the subsidiaries, joint venture and Associate Companies are not applicable to the Company.

MANAGEMENT DISCUSSION & ANALYSIS REPORT

1. Industry Structure and Developments

Indian Economy and Financial Sector Environment

India's financial system continued to evolve during FY 2025-26 against a backdrop of global economic uncertainty, geopolitical developments, volatility in commodity and financial markets, changing interest-rate conditions and rapid technological transformation.

Notwithstanding the external uncertainties, India's domestic financial sector continued to benefit from increasing formalisation of the economy, expansion of digital payments, greater use of technology in delivery of financial services and continued policy focus on financial inclusion.

The banking and financial-services industry is undergoing a structural transition driven by digitalisation, data analytics, cybersecurity requirements, increased regulatory oversight, evolving customer expectations and the need for greater operational resilience.

Urban Co-operative Banks ("UCBs") form an important component of this ecosystem. Their traditional strengths include local presence, community relationships, understanding of regional markets and ability to serve retail customers, small businesses, traders, professionals, micro and small enterprises and other sections that may require relationship-based banking.

At the same time, technological, regulatory and competitive developments have increased the investment and professional-capability requirements of UCBs.

Urban Co-operative Banking Sector
The UCB sector is characterised by approximately 1,450 institutions varying significantly in terms of size, geographical presence, capital base, business model, technology infrastructure and managerial capabilities.

The sector continues to play a significant role in extending banking services to retail customers, MSMEs, small businesses, self-employed persons, housing societies and local communities.

The operating environment for UCBs, however, is becoming increasingly complex.

Banks are required to continuously invest in:
- Core Banking Solutions and related technology;
- Digital payment infrastructure;
- Cybersecurity and information-security systems;
- Disaster recovery and business continuity;
- Regulatory compliance;
- Risk management;
- Data and reporting capabilities;
- Customer-protection systems;
- Data protection and privacy compliance;
- Digital lending infrastructure; and
- Specialised human resources.

The economics of independently developing and maintaining these capabilities may be challenging, particularly for smaller UCBs.

The experience of established UCBs also demonstrates the rapidly increasing importance of technology and cybersecurity. Similarly, the increasing focus on cybersecurity monitoring, penetration testing, cyber-risk awareness and operational resilience within established UCBs demonstrates that these capabilities have become essential components of modern cooperative banking.

These developments reinforce the need for shared infrastructure and institutional support for the UCB sector.

This need has been reinforced by the Reserve Bank of India Directions for Urban Co-operative Banks issued on July 31, 2026, which classify UCBs into four levels based on digital depth and prescribe graded requirements for cybersecurity, technology risk management, digital payment security, fraud risk management and supervisory reporting. For a large number of smaller UCBs, meeting these requirements independently is unlikely to be economically feasible.

NUCFDC – Umbrella Organisation for Urban Co-operative Banks

National Urban Co-operative Finance and Development Corporation Limited ("NUCFDC" or "the Company") has been established as the national-level Umbrella Organisation ("UO") for Urban Co-operative Banks.

The Reserve Bank of India granted NUCFDC Certificate of Registration No. N-14.03609 dated February 8, 2024 under Section 45-IA of the Reserve Bank of India Act, 1934, authorising the Company to commence/carry on the business of a non-banking financial institution without accepting public deposits.

Under the terms and conditions accompanying RBI's approval, NUCFDC is required to operate as an NBFC-ICC (Middle Layer) and comply with the regulatory framework applicable to NBFC-ICC (Middle Layer), including the Scale Based Regulation framework, as amended from time to time.

NUCFDC's regulatory and institutional design is therefore distinct from that of a conventional retail or wholesale lending NBFC. The Company has been created primarily as a sectoral development institution to strengthen UCBs through fund-based as well as non-fund-based support.

Its role is to aggregate the requirements of UCBs and provide common solutions which may create economies of scale and enable member UCBs to access technology, financial support and specialised professional services at sustainable costs.

Regulatory Framework and Governance of the Umbrella Organisation

The RBI approval governing the UO incorporates important safeguards relating to ownership, governance, conflicts of interest and the nature of services to be provided.

The RBI framework also envisages that NUCFDC may eventually perform Self-Regulatory Organisation (SRO) functions for UCBs, subject to obtaining the necessary regulatory approval and meeting the applicable conditions. The Company has already initiated the necessary process for obtaining SRO status.

These governance principles are central to NUCFDC's institutional framework and are intended to ensure that the Company functions professionally while preserving the independence and cooperative character of individual UCBs.

Common Technology and Digital Infrastructure

Technology transformation is one of the core areas in which NUCFDC can create sector-wide value.

Individual UCBs may face high fixed costs in implementing modern technology, cybersecurity and payment infrastructure. A common platform can potentially reduce duplication, improve standardisation and allow smaller institutions to benefit from capabilities that would otherwise be economically difficult to build independently.

NUCFDC has accordingly been developing a range of common platforms and services including:

- Sahakar CBS – common Core Banking Solution;
- Sahakar digipay – digital payments enablement;
- Sahakar digiloan – digital lending enablement;
- Sahakar Cloud – community cloud hosting for participating UCBs;
- Sahakar sahayogi – an AI-enabled knowledge platform for the UCB ecosystem;
- A centralised, multi-tenant Security Operations Centre and related cybersecurity services;
- Shared digital infrastructure;
- Compliance monitoring and regulatory-change tracking services;
- Capacity-building platforms; and
- Specialised advisory and support services.

These platforms are procured and delivered under Board-approved governance. Technology service providers are selected through structured, multi-stage competitive processes involving an expression of interest, detailed techno-functional evaluation, pilot data migration using live bank data and independent expert review, supported by an external procurement advisor. Contractual arrangements provide for pricing fixed over the contract term, service-level commitments with defined penalties, source-code escrow, defined exit and data-portability rights, and incorporation of regulatory changes within prescribed timelines at no additional cost.

The Company's objective is to build an integrated ecosystem through which UCBs can progressively access scalable technology and related support services.

2. Opportunities and Threats

Opportunities:

Large UCB Ecosystem
The UCB sector represents a substantial potential user base for NUCFDC's services.

As additional UCBs become shareholders and utilise common platforms, NUCFDC can potentially derive greater economies of scale in procurement, technology implementation, professional services and financial support.

Economies of Scale
A major opportunity for NUCFDC arises from aggregation.

Technology platforms, cybersecurity infrastructure, specialised professionals and regulatory solutions involve significant fixed costs. Shared infrastructure can distribute such costs across participating UCBs and improve affordability.

The resulting scale can also strengthen NUCFDC's ability to negotiate commercial terms with technology providers and other service partners.

Digital Transformation
The continuing migration of banking activity towards digital channels presents an important opportunity.

UCB customers increasingly expect banking services comparable with those offered by larger commercial banks, including mobile banking, internet banking, real-time payments and efficient digital loan processing.

NUCFDC's technology platforms can enable participating UCBs to accelerate digital transformation without independently building each component of the underlying infrastructure.

Regulatory direction is also supportive. The Reserve Bank of India requires UCBs to implement a Core Banking Solution across all branches, with progress monitored through the supervisory process. This creates a defined requirement that the Company’s common platforms are positioned to serve.

Cybersecurity
Cybersecurity has become one of the most critical risks facing financial institutions. Increasing regulatory expectations and the sophistication of cyber threats make specialised security infrastructure essential.

Centralised or shared cybersecurity capabilities can potentially enable smaller UCBs to obtain access to sophisticated monitoring, incident-response and security services at a more sustainable cost.

Capacity Building
Technology alone cannot strengthen UCBs without corresponding investments in people and institutional capabilities.

NUCFDC can play an important role in developing common capacity-building programmes covering areas such as:

- Credit and risk management;
- Governance;
- Compliance;
- Cybersecurity;
- Technology;
- Treasury;
- Digital banking; and
- Operational management.

Fund-Based Support to UCBs
RBI's approved UO framework enables NUCFDC, subject to applicable laws and regulatory requirements, to provide financial support to eligible shareholder UCBs.
This provides the Company with the opportunity to progressively develop services including liquidity support, refinancing and capital support within the regulatory framework.

Stronger Capital Base
During FY 2025-26, NUCFDC materially strengthened its capital position through fresh equity mobilisation.

The Company's paid-up equity share capital increased from ₹117.95 crore as at March 31, 2025 to ₹300.96 crore as at March 31, 2026.

This significantly enhanced capital base provides an important foundation for the Company's future expansion and implementation of its UO mandate.

Threats and Challenges

Adoption Risk
The economic benefits of common infrastructure are dependent upon adequate adoption by UCBs.

Slower-than-anticipated onboarding or migration may delay the achievement of expected economies of scale.

Technology Migration Risk
UCBs currently operate on varied technology platforms.

Migration to common platforms requires appropriate management of:

- Data conversion;
- Interoperability;
- Business continuity;
- User acceptance;
- Cybersecurity;
- Testing; and
- Implementation timelines;

Migration is more difficult where an incumbent technology vendor controls the bank’s legacy data. Delay in, or refusal of, data extraction by an incumbent provider can extend timelines and increase cost, and is largely outside the Company’s direct control.

Cybersecurity Risk
Shared platforms create substantial benefits but may also increase the potential impact of a cyber incident.

NUCFDC therefore needs to maintain very high standards of cyber resilience, incident response, vulnerability management and data protection.

Regulatory Risk
NUCFDC is itself subject to the regulatory requirements applicable to an NBFC-ICC (Middle Layer), while several of its services support separately regulated UCBs.

Changes in the regulatory environment may therefore affect the structure, design or implementation of products and services. Certain planned activities, including the proposed Self-Regulatory Organisation function, are contingent upon regulatory approval, and no assurance can be given as to the timing or outcome of any such approval.

Vendor and Third-Party Risk
Technology development and delivery may involve specialised external service providers. Service disruption, concentration, data-security concerns or failure by a critical vendor could affect service delivery.

Ecosystem and Certification Dependencies
Several services depend on approvals, certifications and onboarding processes controlled by third parties, including the National Payments Corporation of India for payment-system certification and the Unique Identification Authority of India for Aadhaar-based authentication. Timelines for these processes are not within the Company’s control and may affect the pace at which participating UCBs are taken live.

Execution Risk
NUCFDC is in the process of scaling multiple institutional initiatives simultaneously.

Successful implementation depends on adequate technical capabilities, project management, governance, skilled manpower and timely coordination with participating UCBs and service providers.

Reputational Risk
Given its national role in the UCB ecosystem, reliability of NUCFDC's services and governance standards will have a direct bearing on stakeholder confidence.

3. Segment-wise / Product-wise Performance
The Company operates in a single reportable business segment and, accordingly, separate segment reporting under Ind AS 108 – Operating Segments is not applicable. In furtherance of its mandate as the Umbrella Organisation for Urban Co-operative Banks (UCBs), the Company is progressively developing and operationalising a range of fund-based and non-fund-based services, including common banking technology, digital payments and lending solutions, cybersecurity, compliance, capacity building and other shared services. Accordingly, the performance and progress of the Company's principal products and services are discussed collectively as part of its overall operational performance.

For internal management purposes the Company monitors each service line separately, including the number of UCBs contracted, implementations in progress and implementations completed.

A. Fund-Based Activities
FY 2025-26 continued to be primarily an institution-building and platform-development period.

The Company continued to develop the policy and operating framework necessary for undertaking permitted fund-based activities for shareholder UCBs.

The RBI framework permits capital support and other financial assistance to UCBs subject to applicable regulatory requirements.

As the Company's fund-based operations are progressively operationalised, credit appraisal, exposure management, liquidity management and ongoing monitoring will constitute important areas of risk management.

B. Investment and Treasury Deployment

Pending deployment of capital in core UO activities, NUCFDC maintained a significant portion of its resources in bank balances and investments.

As at March 31, 2026:

- investments stood at approximately ₹180.04 crore, compared with ₹74.39 crore as at March 31, 2025;
- bank balances other than cash and cash equivalents stood at approximately ₹112.63 crore, compared with approximately ₹11.16 crore in the previous year; and
- cash and cash equivalents stood at approximately ₹9.08 crore.

The investment portfolio as at March 31, 2026 principally comprised:

- Government securities of approximately ₹108.78 crore;
- mutual funds of approximately ₹66.26 crore; and
- other debt securities/bonds of approximately ₹5.00 crore.

This deployment reflects the Company's substantially enhanced capital base and its need to maintain liquidity and preserve capital while the UO's operating businesses are scaled up.

C. Sahakar CBS

Development and rollout of Sahakar CBS continued to remain an important strategic priority.

During the year the Company completed the evaluation and empanelment of Core Banking Solution providers for Sahakar CBS through a multi-stage competitive process comprising an expression of interest, a detailed techno-functional evaluation, a pilot data-migration exercise using live UCB data and an independent expert review. Two providers were empaneled, together with a cloud service provider for hosting, so that participating UCBs have a choice of platform while the Company retains the benefit of aggregated commercial terms.

The common CBS is intended to provide participating UCBs access to a scalable, modern and resilient core banking platform.

The key strategic benefits envisaged include:

- Reduced technology cost through aggregation;
- Common standards;
- Easier integration with digital products;
- Stronger cybersecurity;
- Improved business continuity; and
- Support for regulatory requirements.

Sahakar CBS was unveiled on July 6, 2026 by the Honorable Union Minister of Home Affairs and Minister of Cooperation. Subsequent to the year end, purchase orders have been received from participating UCBs and implementation activity including data migration, interface integration and user acceptance testing is under way. Rollout is planned in phases over the contract period. Implementation capacity, data-migration readiness at each bank and third-party certification timelines are the principal determinants of pace.

D. Sahakar DigiPay

Sahakar DigiPay forms part of NUCFDC’s common digital-payment infrastructure for UCBs.

The platform covers unified payments interface and immediate payment service transactions, ATM and card switching, card management, fraud risk management and reconciliation, delivered on a shared and transaction-priced basis so that participating UCBs are not required to make upfront platform investments.

The platform is intended to enable participating UCBs to provide modern digital-payment services while leveraging common infrastructure and shared capabilities.

Implementation at the initial participating UCBs was in progress during the year. Go-live for each bank depends on certification and onboarding by the National Payments Corporation of India, and the Company continues to engage with NPCI and its technology partners to compress these timelines.

E. Sahakar DigiLoan

Sahakar DigiLoan seeks to strengthen the digital-lending capabilities of UCBs.

The platform was launched during COOP KUMBH 2025 and provides loan origination together with integrated services such as bank-statement analysis, electronic signing, electronic mandate registration and entity verification.

Digitisation of lending processes can improve turnaround time, enhance process standardisation and improve customer experience while embedding appropriate credit and regulatory controls.

The service is offered on a consumption basis, priced per loan application processed, so that smaller UCBs can adopt digital lending without upfront license cost. Adoption is expected to build progressively as participating UCBs complete the corresponding changes to their own credit policies and processes.

F. Technology and Cybersecurity Services

NUCFDC continued to build common technology and cybersecurity capabilities for UCBs during FY 2025-26.

The cybersecurity offering is built around a centralised, multi-tenant Security Operations Centre providing continuous monitoring, threat detection, incident response and regulatory reporting support, together with vulnerability assessment and penetration testing, security audit, virtual Chief Information Security Officer services and a group cyber-insurance arrangement. These services are designed so that a UCB of any size can obtain a level of security assurance that would be difficult to build and staff independently.

The increasing cyber-risk environment makes this an important long-term service vertical.

Subsequent to the year end, on August 8, 2026 the Security Operations Centre for UCBs was launched and a Memorandum of Understanding was exchanged with the National Forensic Sciences University, an Institution of National Importance established by an Act of Parliament, covering cybersecurity assessment, shared Security Operations Centre services, digital forensic and incident-investigation support, and training and capacity building for the UCB sector.

The Reserve Bank of India Directions for UCBs on cybersecurity, technology risk and digital payment security issued on July 31, 2026, together with obligations arising under the Digital Personal Data Protection Act, 2023, are expected to increase demand for these services across the sector.

G. Advisory, Capacity-Building and Other Services

The Company continued to develop non-fund-based services covering institutional capacity, knowledge, technology and advisory requirements of shareholder UCBs.

Capacity building is delivered through Sahakar Paathshaala, a learning platform developed for the UCB sector. During the year the Company worked with the Reserve Bank of India to design Mission Saksham, a certification programme for UCB employees covering governance, credit, risk, compliance, information security and digital banking, to be delivered in nine Indian languages. A Memorandum of Understanding for the programme was executed with the Reserve Bank of India on May 20, 2026.

The Company also offers a compliance monitoring service that tracks regulatory circulars and maps them to bank-level compliance obligations, and advisory support in areas including information security, technology procurement and regulatory readiness.

Fees and commission income during FY 2025-26 amounted to approximately ₹70.48 lakh, compared with nil in FY 2024-25, reflecting the initial emergence of service-related operating income.

4. Outlook

The outlook for NUCFDC should be viewed in the context of the ongoing transformation of the UCB sector.

Technology costs, cybersecurity requirements, regulatory expectations and changing customer behaviour are increasing the need for shared institutional infrastructure.

NUCFDC is well positioned to address this requirement through its role as the national Umbrella Organisation.

The Company's priorities going forward are expected to include:

1. Broadening participation of shareholder UCBs;
2. Scaling Sahakar CBS;
3. Increasing adoption of Sahakar digipay and Sahakar digiloan;
4. Strengthening common cybersecurity services;
5. Operationalising the Sahakar Paathshaala capacity-building platform in partnership with the Reserve Bank of India;
6. Expanding advisory and capacity-building offerings;
7. Progressively undertaking permitted fund-based activities;
8. Strengthening risk and governance frameworks;
9. Pursuing the regulatory approvals required for planned activities, including the proposed Self-Regulatory Organisation function;
10. Strengthening data protection and privacy capabilities in line with the Digital Personal Data Protection Act, 2023;
11. Utilising the Company's enhanced capital base prudently;
12. Developing sustainable fee and financial-income streams; and
13. Building the organisation's professional and technological capabilities.

The Company's substantial capital mobilisation during FY2025-26 represents an important milestone.
With paid-up equity capital of approximately ₹300.96 crore and total equity of approximately ₹300.40 crore at the year end, NUCFDC has significantly strengthened its financial capacity to undertake the next phase of its institutional mandate.

The Company expects its business mix to evolve progressively from the current institution-building phase towards a combination of:

- Fund-based support;
- Technology/platform income;
- Service fees;
- Digital infrastructure;
- Cybersecurity services; and
- Other permitted activities.

The pace of growth will remain dependent upon regulatory permissions, UCB adoption, disciplined execution and the development of appropriate operating infrastructure.

Statements in this section describing the Company's objectives, expectations and projections are forward-looking. Actual results may differ materially from those expressed or implied, depending on regulatory developments, the pace of adoption by UCBs, technology and vendor performance, market conditions and other factors.

5. Risks and Concerns

Credit Risk
Credit risk will become increasingly important as NUCFDC scales fund-based support to UCBs.
The Company intends to manage such risk through appropriate credit appraisal, exposure limits, security arrangements, ongoing monitoring and Board-approved policies.

Liquidity Risk
NUCFDC needs to maintain sufficient liquidity to meet its operational and financial commitments.
As the Company begins to deploy a larger proportion of capital towards UCB support and other permitted activities, robust asset-liability and liquidity management will become increasingly important.

Market and Investment Risk
The Company's financial assets include investments in Government securities, mutual funds and other debt instruments.
Changes in interest rates and market values may affect income or valuation.
The investment portfolio therefore needs to be managed in accordance with Board-approved policies, regulatory requirements and prudent risk limits.

Operational Risk
The increasing scale of technology platforms and financial activities may expose the Company to operational risks arising from:

- Process failures;
- Human error;
- System failure;
- Inadequate controls;
- Fraud;
- External events; and
- Third-party dependencies.

Appropriate controls, segregation of duties, maker-checker arrangements and monitoring systems are essential.

Cybersecurity and Technology Risk
Technology and cybersecurity are particularly significant for NUCFDC because common platforms may serve multiple UCBs.
The Company therefore needs robust:

- Cybersecurity monitoring;
- Privileged-access controls;
- Vulnerability management;
- Penetration testing;
- Incident response;
- Disaster recovery;
- Data protection; and
- Business-continuity arrangements.

Regulatory and Compliance Risk
The Company is required to comply on an ongoing basis with applicable RBI directions for NBFC-ICC (Middle Layer), the conditions attached to its UO approval and other applicable statutory requirements.
Failure to meet such requirements could result in regulatory or reputational consequences.

Principal Business Criteria
The Company's RBI registration also requires continued compliance with the Principal Business Criteria applicable to NBFCs. The Company therefore monitors its asset and income profile to ensure continuing eligibility to hold its Certificate of Registration.

Third-Party Risk

Reliance on specialised technology vendors and implementation partners introduces third-party risk. Vendor selection, contractual safeguards, service-level monitoring, data-security requirements and business-continuity arrangements remain key control areas.

Vendor and Platform Concentration Risk

The Company's principal technology services are delivered through a small number of empaneled providers and a limited number of hosting arrangements. This concentration is a consequence of the aggregation model that creates the commercial benefit, but it increases the impact of poor performance or exit by any one provider. It is addressed through multi-vendor empanelment where practicable, source-code escrow, defined exit and data-portability rights, and periodic review of alternatives.

Data Protection and Privacy Risk

The Company's platforms process personal data belonging to the customers of participating UCBs. The Company therefore has obligations under the Digital Personal Data Protection Act, 2023 and the rules framed thereunder, in addition to its contractual obligations to participating banks. Governance, consent and notice management, data-retention discipline, processor oversight and breach-response capability are being developed accordingly.

Human Resource and Capability Risk

The mandate requires specialised skills in banking technology, cybersecurity, payments, credit and regulatory compliance. The scale of the mandate relative to the current size of the organisation makes recruitment, retention and succession planning a continuing area of management focus.

Concentration and Adoption Risk

The long-term economics of shared services depend upon adequate participation by UCBs.
The Company must therefore continue to develop commercially attractive and operationally reliable solutions that encourage sector-wide adoption.

6. Internal Control Systems and Their Adequacy

NUCFDC recognises that a robust internal-control framework is essential given its regulatory status, growing capital base and responsibility as the Umbrella Organisation for UCBs.
The Company has been progressively strengthening its control environment as the scope and complexity of its activities increase.
Internal controls encompass, among others:

- Authority and approval matrices;
- Segregation of duties;
- Accounting and financial reporting controls;
- Board-approved investment and operational policies;
- Information-security controls;
- Information technology general controls, including change management, configuration management and system-logging controls;
- Business continuity and disaster recovery arrangements, tested periodically;
- Independent security assurance, including vulnerability assessment and penetration testing of applications and infrastructure;
- User-access controls;
- Vendor-management controls;
- Procurement controls;
- Statutory and internal audit processes; and
- Monitoring of corrective actions.

The Board and its Committees provide oversight over financial reporting, risk, compliance, audit and other key control areas.

Technology and information-security matters are additionally overseen through the Board's technology governance structure, which reviews technology strategy, major technology procurements, project delivery and cyber-risk posture.

The internal-control framework is reviewed periodically and is expected to continue evolving as NUCFDC transitions from its institution-building phase towards larger-scale financial and technology operations.

Based on the nature and current scale of operations, Management considers the Company's internal-control systems to be commensurate with its business, while recognising the need for continuous enhancement as operations expand.

7. Financial Performance with Respect to Operational Performance
FY 2025-26 was a significant year for NUCFDC both financially and institutionally.

The Company's audited financial statements for the year ended March 31, 2026 have been prepared in accordance with Ind AS. FY 2025-26 is also the Company's first annual financial-reporting period under Ind AS, with the comparative financial information restated in accordance with the applicable transition requirements.

Key Financial Performance (Amt ₹ in Crs)

Particulars	**FY 2025-26**	**FY 2024-25**	**Change**
Interest Income	10.72	7.32	46.3%
Fees & Commission Income	0.70	Nil	—
Net Gain on Fair Value Changes	3.27	Nil	—
Total Revenue from Operations	14.69	7.32	100.6%
Other Income	0.04	0.07	(37.5%)
Total Income	**14.73**	**7.39**	**99.2%**
Finance Costs	0.19	0.12	58.3%
Employee Benefit Expenses	6.45	3.69	74.9%
Depreciation & Amortisation	0.76	0.33	130.3%
Other Expenses	4.33	4.14	4.7%
Total Expenses	**11.74**	**8.27**	**41.9%**
Profit/(Loss) Before Tax	**2.99**	**(0.88)**	—
Profit/(Loss) After Tax	**3.12**	**(0.92)**	—
Total Comprehensive Income	3.12	(0.92)	—

The Company's total income nearly doubled to ₹14.73 crore during FY 2025-26 from ₹7.39 crore in the previous year.

Interest income increased to approximately ₹10.72 crore, reflecting the larger pool of financial assets and investments during the year.

The Company also recorded fees and commission income of ₹0.70 crore and net fair-value gains of approximately ₹3.27 crore.

Total expenditure increased as NUCFDC expanded its organisation, technology initiatives and operating capacity. Employee-benefit expenses increased from approximately ₹3.69 crore to ₹6.45 crore, reflecting the strengthening of the Company's professional team.

Despite the higher operating expenditure associated with institution building, the Company moved from a loss before tax of approximately ₹0.88 crore in FY2024-25 to a profit before tax of approximately ₹2.99 crore in FY2025-26.

Profit after tax was approximately ₹3.12 crore, compared with a loss of approximately ₹0.92 crore in the previous year.

Balance Sheet Strength
The Company's total assets increased significantly from approximately ₹136.81 crore as at March 31, 2025 to ₹305.86 crore as at March 31, 2026, representing growth of approximately 123.6%.

The Company's paid-up share capital increased from approximately ₹117.95 crore to ₹300.96 crore during the year.

Total equity stood at approximately ₹300.40 crore at the year-end compared with ₹133.06 crore in the previous year.

The strengthening of the balance sheet provides the Company with a significantly enhanced foundation to undertake its future UO activities.

Capital Adequacy
The Company's audited disclosures indicate a strong capital position, supported by the substantial equity raised during FY 2025-26.

Given the Company's early stage of fund deployment and its capital-intensive UO mandate, maintaining adequate capital buffers remains an important strategic priority.

Operating Performance
FY 2025-26 should be viewed as a transition from an initial institution-building phase towards early commercialisation of NUCFDC's platforms and services.
Important indicators of this transition include:

- Substantial increase in equity capital;
- Significant increase in the company's asset base;
- Growth in interest income;
- Commencement of fee and commission income;
- Progress in developing common digital platforms;
- Expansion of professional resources; and
- Transition from loss to profitability.

The financial results therefore reflect both the Company's strengthened capital base and the progressive scaling of its operational activities.

8. Material Developments in Human Resources
Human capital is a critical factor in NUCFDC's ability to discharge its specialised mandate.

The Company requires expertise across areas including banking, credit, risk management, digital payments, information technology, cybersecurity, finance, regulatory compliance, treasury, legal, project management, stakeholder engagement and human resources.

During FY 2025-26, the Company continued to strengthen its professional capabilities to support the development of its fund-based and non-fund-based services.

As at March 31, 2026, the Company had 19 employees.

The Company's HR strategy continues to focus on recruiting experienced professionals, developing specialised banking and technology skills, creating a high-performance and accountable culture, continuous training and professional development, strengthening cross-functional capabilities, employee engagement, retention of specialised talent and maintaining high standards of integrity and compliance.

Industrial relations remained cordial during FY 2025-26 and there were no material disruptions to operations arising from employee relations.

Conclusion

FY 2025-26 represented an important year in NUCFDC's development as the Umbrella Organisation for India's Urban Co-operative Banking sector.

The Company significantly strengthened its capital and balance sheet, progressed the development of common technology and digital infrastructure and moved from a loss position in FY2024-25 to profitability during FY2025-26. These developments provide NUCFDC with a stronger foundation for the next phase of its mandate.

The long-term opportunity arises from addressing structural requirements of UCBs through common infrastructure, shared technology, cybersecurity services, capacity building and appropriate financial support.

As regulatory requirements and customer expectations continue to evolve, the ability of UCBs to access sophisticated technology and specialised capabilities at sustainable costs will become increasingly important.

NUCFDC seeks to combine the collective strength of the UCB sector with professional management, modern technology and strong governance to help build a more resilient, competitive and digitally enabled Urban Co-operative Banking ecosystem.

BOARD OF DIRECTORS & KEY MANAGERIAL PERSONNEL:

Directors:

The composition of the Board is in compliance with the applicable provisions of the Act and the rules framed thereunder, guideline(s) issued by the Reserve Bank of India and other applicable laws *inter-alia* with respect to appointment of women director, non-executive director(s) and independent director(s). As on March 31, 2026, the Board of Directors of the Company are as follows:

Sr. No.	Name of the Director	DIN	Category
1.	Mr. Jyotindra Mansukhlal Mehta	00387212	Chairman, Non– Executive Director
2.	Mr. Hanumantgouda Krishnagouda Patil	02323401	Non – Executive Director
3.	Mr. Pankaj Kumar Bansal	05197128	Non – Executive Director
4.	Mr. Sunil Vitthal Saudagar	10799955	Non – Executive Director
5.	Ms. Rachana Rahul Parikh	10063393	Independent Director
6.	Mr. Seshabhadra Srinivasa Mallikarjuna Rao Chamarty	07667641	Independent Director
7.	Dr. Rajeev Uberoi	01731829	Independent Director
8.	Mr. Vinod Vrindavandas Shah	11210055	Independent Director

Change in Directorate:

- Mr. Pankaj Kumar Bansal, IAS (DIN: 05797775) and Mr. Sunil Vitthal Saudagar (DIN: 10799955) were appointed as Non-Executive Non-Independent Director on the Board of the Company with effect from 21st April, 2025.
- Dr. Rajeev Uberoi (DIN: 01731829) was appointed as Non-Executive Independent Director on the Board of the Company with effect from 4th August, 2025 for a period of 2 years and
- Mr. Vinod Vrindavandas Shah (DIN: 11210055) was appointed as Non-Executive Independent Director on the Board of the Company with effect from 20th August, 2025 for a period of 2 years.

Director retiring by rotation:

In accordance with Section 152 of the Act read along with the Companies (Appointment and Qualifications of Directors) Rules, 2014, unless the Articles of Association provide for retirement of all directors at every Annual General Meeting, not less than two-third of the total number of directors of a public company (excluding the Independent Directors) shall be persons whose period of office is liable to determination by retirement of directors by rotation, of which one-third are liable to retire by rotation. Accordingly, Mr. Jyotindra Mansukhlal Mehta (DIN: 00387212) Non-Executive Director is liable to retire by rotation at the ensuing Annual General Meeting and, being eligible, offers himself for re-appointment.

The Nomination and Remuneration Committee of the Company and the Board of Directors have recommended the re-appointment of Mr. Jyotindra Mansukhlal Mehta.

Key Managerial Personnel:

In terms of section 203 of the Act, following were the Key Managerial Personnel of the Company as on March 31, 2026:

Sr. No.	Name of Key Managerial Personnel	Category
1.	Mr. Prabhat Kumar Chaturvedi	Chief Executive Officer
2.	Mr. Pranav Shailesh Desai	Chief Financial Officer
3.	Mr. Vikas Purushottamrao Tarekar	Company Secretary & Compliance Officer
4.	Mr. Padmabhushan Shriram Bahadure	Chief Technology Officer

During the year under review, Mr. Pranav Shailesh Desai and Mr. Vikas Purushottamrao Tarekar have been appointed w.e.f. July 1, 2025 and Mr. Padmabhushan Shriram Bahadure has been appointed as Key Managerial Personnel w.e.f. October 14, 2025. Ms. Hetal Faldu, resigned from the position of Chief Financial Officer and Ms. Nyra Hinduja, resigned from the position of Company Secretary w.e.f. June 30, 2025.

Declaration by Independent Directors:

All the Independent Directors of the Company have confirmed that they meet the criteria prescribed for independence under the provisions of Section 149(7) of the Act read with Rule 5 of The Companies (Appointment and Qualification of Directors) Rules, 2014 and continues to comply with the Code of Conduct laid down under Schedule IV of the Act. The Board is satisfied that the Independent Directors meet the criteria of independence as mentioned in Section 149(6) of the Companies Act, 2013

There has been no change in the circumstances affecting their status as Independent Directors of the Company. In the opinion of the Board, the Independent Directors are competent, experienced, proficient and possess necessary expertise and integrity to discharge their duties and functions as

Independent Directors. The names of all Independent Directors are included in the data bank of Independent Directors maintained with the Indian Institute of Corporate Affairs.

The terms and conditions of appointment of Independent Directors are available on the website of the Company at https://nucfdc.in/uploads/images/nucfdcletter-of-appointment-for-independent-director.pdf

In the opinion of the Board, all the Independent Directors are independent of the management.

Based on the declarations and confirmations received in terms of the applicable provisions of the Act, directions issued by Reserve Bank of India read with circulars, notifications, directions issued and other applicable laws (as amended from time to time), none of the Directors of your Company are disqualified from being appointed as Directors of the Company.

Familiarization Programme:

All Independent Directors are familiarised with the operations and functioning of the Company at the time of their appointment and on an ongoing basis.

Disclosure u/s. 164(2) of the Companies Act, 2013:

The Company has received the disclosure in Form DIR-8 from its Directors being appointed or reappointed and has noted that none of the Directors are disqualified under Section 164(2) of the Companies Act, 2013 read with Rule 14(1) of Companies (Appointment and Qualification of Directors) Rules, 2014.

Fit and Proper Criteria & Code of Conduct:

All the Directors meet the fit and proper criteria stipulated under the RBI Master Directions, as amended and comply with the Code of Conduct of the Company.

Performance Evaluation of Board, its Committees and Directors:

Pursuant to schedule IV, section 178 and other applicable provisions of the Companies Act, 2013, the Board has carried out an annual performance evaluation for the Directors individually as well as its Committees. Evaluation of performance of all Directors is undertaken annually.

The performance evaluation framework of the Company is carried out as stated below:

a. the Nomination and Remuneration Committee approved the framework of performance evaluation of the Company;
b. The Board evaluated the performance of the Independent Directors, Board as a whole and Committees of the Board excluding the Director being evaluated;
c. Independent Directors would evaluate the performance of the Chairman of the Company after taking views of Non-Executive Directors and Board as a whole;

A structured questionnaire designed for the performance evaluation of the Board, its Committees, Chairman and individual directors and in accordance with the criteria set and covering various aspects of performance including structure of the board, meetings of the board, functions of the board, role and responsibilities of the board, governance and compliance, conflict of interest, relationship among directors, director competency, board procedures, processes, functioning and effectiveness was circulated to all the Directors of the Company for the annual performance evaluation. Based on the assessment of the responses received to the questionnaire from the directors on the annual evaluation of the Board, its Committees, the Chairman and the individual Directors, a summary of the Board

Evaluation was placed before the meeting of the Nomination and Remuneration Committee meeting and the Board meeting for its consideration.

The Directors have expressed their satisfaction with the evaluation process.

Directors Responsibility Statement:

Pursuant to the provisions of section 134(5) of the Companies Act, 2013, the Directors confirm that:

i. in the preparation of the annual accounts for the financial year ended March 31, 2026 the applicable Accounting Standards had been followed along with proper explanation relating to material departures;

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

iii. the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the company and for detecting and preventing fraud and other irregularities;

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

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

MEETINGS OF THE BOARD / COMMITTEES:

Board meetings:

As per the provisions of section 173 of the Companies Act, 2013, every Company is required to hold a minimum number of four meetings of its Board of Directors every year in such manner that not more than 120 days shall intervene between two consecutive meetings of the Board.

During the year under review, the Company had 9 (Nine) Board Meetings and the interval between none of the meetings of the Board exceeded the prescribed time limit of 120 days.

	NUCFDC - BOARD MEETING - 2025-26								
Meeting No.	**Board Meeting - Date**	**Mr. Jyotindra Mansukhlal Mehta**	**Mr. Hanumantgouda Krishnagouda Patil**	**Ms. Rachana Rahul Parikh**	**Mr. Seshabhadra Srinivasa Mallikarjuna Rao Chamarty**	**Mr. Pankaj Kumar Bansal#**	**Mr. Sunil Vitthal Saudagar #**	**Dr. Rajeev Uberoi ***	**Mr. Vinod Vrindavandas Shah@**
38th	23/05/25	✓	L	✓	✓	✓	✓	N.A.	N.A.
39th	20/06/25	✓	L	✓	✓	✓	✓	N.A.	N.A.
40th	04/09/25	✓	L	✓	L	✓	✓	✓	✓
41st	14/10/25	✓	L	✓	✓	✓	✓	✓	✓
42nd	06/11/25	✓	L	✓	✓	✓	✓	✓	✓
43rd	12/11/25	✓	L	✓	✓	L	✓	✓	✓

	NUCFDC - BOARD MEETING - 2025-26								
Meeting No.	**Board Meeting - Date**	**Mr. Jyotindra Mansukhlal Mehta**	**Mr. Hanumantgouda Krishnagouda Patil**	**Ms. Rachana Rahul Parikh**	**Mr. Seshabhadra Srinivasa Mallikarjuna Rao Chamarty**	**Mr. Pankaj Kumar Bansal#**	**Mr. Sunil Vitthal Saudagar #**	**Dr. Rajeev Uberoi ***	**Mr. Vinod Vrindavandas Shah@**
44th	15/12/25	✓	L	✓	✓	L	✓	✓	✓
45th	19/02/26	✓	✓	✓	✓	✓	✓	✓	✓
46th	25/03/26	✓	L	✓	✓	✓	✓	✓	✓

L: Leave of absence
#: Appointed as Director effective from 21st April, 2025
*Appointed as Independent Director effective from 4th August, 2025
@Appointed as Independent Director effective from 20th August, 2025

COMMITTEES OF BOARD:

1. Audit Committee:

The Board of Directors of the Company has re-constituted the Audit Committee on 23rd May, 2025 and the Audit Committee consisted the following members during the year:

Name of Director	Directorship	Role in Committee
Ms. Rachana Rahul Parikh	Independent Director	Chairperson
Mr. Seshabhadra Srinivasa Mallikarjuna Rao Chamarty	Independent Director	Member
Mr. Sunil Vitthal Saudagar	Director	Member

During the year under review, 4 (Four) Audit Committee Meetings were held.

NUCFDC - AUDIT COMMITTEE (AC) MEETING - 2025-26				
Meeting No.	**Meeting Date**	**Ms. Rachana Rahul Parikh**	**Mr. Seshabhadra Srinivasa Mallikarjuna Rao Chamarty**	**Mr. Sunil Vitthal Saudagar**
4th	14/06/25	✓	✓	✓
5th	04/09/25	✓	L	✓
6th	19/02/26	✓	✓	✓
7th	25/03/26	✓	✓	✓

L: Leave of absence.

Terms of Reference of the Audit Committee:

(i) the recommendation for appointment, remuneration and terms of appointment of auditors of the company;
(ii) review and monitor the auditor's independence and performance, and effectiveness of audit process;
(iii) examination of the financial statement and the auditors' report thereon;
(iv) approval or any subsequent modification of transactions of the company with related parties:
(v) Provided that the Audit Committee may make omnibus approval for related party transactions proposed to be entered into by the company, which are at arm's length, in ordinary course of business and repetitive in nature.

(vi) scrutiny of inter-corporate loans and investments;
(vii) valuation of undertakings or assets of the company, wherever it is necessary;
(viii) evaluation of internal financial controls and risk management systems;
(ix) monitoring the end use of funds raised through public offers and related matters.

2. Nomination and Remuneration Committee:

The Board of Directors of the Company has re-constituted the Nomination and Remuneration Committee on 23rd May, 2025 and the said Committee consisted the following members during the year:

Name of Director	Directorship	Role in Committee
Mr. Seshabhadra Srinivasa Mallikarjuna Rao Chamarty	Independent Director	Chairman
Ms. Rachana Rahul Parikh	Independent Director	Member
Mr. Jyotindra Mansukhlal Mehta	Director	Member
Mr. Hanumantgouda Krishnagouda Patil	Director	Member

During the year under review, the Company had 3 (Three) Nomination and Remuneration Committee Meeting:

NOMINATION & REMUNERATION COMMITTEE (NRC) MEETING - 2025-26					
Meeting No.	**Meeting Date**	**Mr. Seshabhadra Srinivasa Mallikarjuna Rao Chamarty**	**Mr. Jyotindra Mansukhlal Mehta**	**Mr. Hanumantgouda Krishnagouda Patil**	**Ms. Rachana Rahul Parikh**
9TH	12/06/25	✓	✓	L	✓
10TH	14/10/25	✓	✓	L	✓
11TH	19/02/26	✓	✓	L	L

L: Leave of absence.

Terms of Reference of the Nomination and Remuneration Committee:

(i) The Committee shall consist of minimum of three directors with all directors of the committee shall be non-executive directors; and at least fifty percent of the directors shall be independent directors.
(ii) The Chairperson of the nomination and remuneration committee shall be an independent director.
(iii) The quorum for a meeting of committee shall be either two members or one third of the members of the committee, whichever is greater, including at least one independent director in attendance.
(iv) The nomination and remuneration committee shall meet at least once in a year.
(v) Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down in the NRC Policy.
(vi) Recommending to the Board, appointment, remuneration and removal of directors and senior management.

(vii) Formulating the criteria for evaluation of independent directors and the Board and carrying out evaluation of every director's performance,

(viii) Formulating the criteria for determining qualification, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees.

(ix) Devising a policy on Board diversity.

(x) To do such act as specifically prescribed by Board and

(xi) Carry out such functions, and is empowered to act, in terms of Companies Act 2013, read with rules framed there under, including any amendment or modification thereof.

3. Meeting of Independent Directors:

A meeting of the Independent Directors was held on February 19, 2026 to review the performance of Non - Independent Directors and the Board as a whole, to review the performance of Chairperson of the Company, taking into account the views of directors and to assess the quality, quantity and timeliness of flow of information between the management of the company and the Board under Para VII of Schedule IV of the Companies Act, 2013.

RELATED PARTY TRANSACTIONS

During FY 2026, all the related party transactions were entered in the ordinary course of the business of the Company and on an arm's length basis. Accordingly, there were no transactions entered during the FY 2026 that fall under the scope of Section 188(1) of the Act; hence, form AOC-2 is not applicable to the Company.

The details of related party transactions are provided in note no. 37.

COMPLIANCE OF MATERNITY BENEFITS ACT, 1961

During the year under review, the Company has complied with the provisions relating to the Maternity Benefits Act, 1961.

INFORMATION UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The Company is committed to ensuring a safe, respectful, and harassment-free workplace for all individuals within its premises. Through sustained interventions and practices, the Company strives to foster an environment free from discrimination and harassment, including sexual harassment.

In alignment with the *Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013*, the Company has adopted a comprehensive policy on prevention of sexual harassment at the workplace. An Internal Committee ("IC") has been duly constituted to address and redress complaints of sexual harassment in accordance with the prescribed framework.

The details relating to the number of complaints received and disposed of during the FY 2026 are as under:

Particulars	Number of complaints
Filed during the financial year	NIL
Disposed off during the financial year	NIL
Pending as at the end of the financial year	NIL

AUDITORS:

Statutory Auditors:
During the FY under review, M/s Mukund M. Chitale & Co., Chartered Accountants (ICAI Firm registration number: 106655W) were appointed as the Statutory Auditors of the Company by the shareholders for a period of three (3) years commencing from the conclusion of the 5th Annual General Meeting until the conclusion of the 8th Annual General Meeting to be held in the calendar year 2028 on such terms and conditions including remuneration, as may be approved by the Audit Committee and the Board.

The Auditors' Report does not contain any qualification, reservation or adverse remark on the financial statements for the year ended March 31, 2026 and forms part of the Annual Report. The notes on financial statements referred to in the Auditor's Report are self–explanatory and do not call for any further comments. There are no frauds reported by the Auditor's under sub-section (12) of section 143 of the Act, therefore no comment by the Board thereon is required.

The appointment is in accordance with the Reserve Bank of India circular dated April 27, 2021 on appointment of statutory auditors of NBFCs, which mandates a continuous tenure of three years subject to the firm satisfying the eligibility norms in each year.

Secretarial Auditor:
Pursuant to the provisions of Section 204 of the Act read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and basis the recommendation of the Audit Committee, the Company had appointed M/s. Deepak Patil & Co., Practicing Company Secretary, to undertake the Secretarial Audit of the Company for the Financial year ended 2026.

Secretarial Audit report issued by M/s. Deepak Patil & Co., Practicing Company Secretary, in the prescribed Form No. MR-3, forms part of this report and marked as "Annexure - B".

The Secretarial Auditor has made the following observation in its Report for the Financial Year ended March 31, 2026, which are given below along with the management response/action taken:

Compliance Requirement	Observation	Management Response/Action Taken
Form DIR-12 is mandatory for all companies to report director/KMP appointments, resignations, removals, and designation changes to MCA within 30 days	After the verification of MCA records, it was observed that the DIN of Mr. Pankaj Kumar Bansal was not associated with the CIN of the Company and no Form DIR-12 in respect of his appointment/regularization was found to have been filed with the Registrar of Companies.	The Company has successfully submitted Form DIR-12 on June 30, 2026 along with applicable additional fees. The MCA Master Data now reflects the name of Mr. Pankaj Kumar Bansal as Director of the Company, thereby ensuring compliance with statutory requirements.

Secretarial Standards:
The Company is in compliance with the applicable Secretarial Standards, i.e., SS-1 and SS-2, relating to 'Meetings of the Board of Directors' and 'General Meetings', respectively issued by the ICSI.

Internal Auditors
Pursuant to the provision of Section 138 and other applicable provisions, if any, of the Act read with Rule 13 of the Companies (Accounts) Rules, 2014 (including any modification or re-enactment thereof), the Company has appointed M/s Bhatia & Bhatia, Chartered Accountants as an Internal Auditor of the Company for the financial year 2025-26.

Internal Financial Control:
The Company has appointed M/s Bhatia & Bhatia, Chartered Accountants as an Internal Auditor to conduct the Internal audit. The Company management is keeping control over the internal functions of the Company. The internal financial matters are closely observed and monitored by the management.

Maintenance of Cost Records
The Maintenance of Cost Records pursuant to Section 148(1) of the Companies Act, 2013 is not required by the Company and accordingly such accounts and records are not made and maintained by the Company.

Corporate Social Responsibility
According to the provisions of section 135(1) of the Companies Act, 2013, the Company is not required to constitute Corporate Social Responsibility Committee (CSR Committee) as it does not fall under the purview of the said section and hence is not bound to formulate a CSR policy.

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

Since the Company is engaged in financial services activities, its operations are not energy intensive nor does it require adoption of specific technology and hence provisions of section 134(3)(m) of the Companies Act, 2013 read with rule 8 of the Companies (Accounts) Rules, 2014 are not applicable. The NIL statement is annexed as Annexure-A. The Company is however, constantly pursuing its goal of technological up-gradation in a cost-effective manner for delivering quality customer service.

The Company has not earned any foreign currency income nor has expensed any foreign currency.

ANNUAL RETURN:

Pursuant to Sections 92 and 134 (3) of the Companies Act, 2013 and Rule 12 of the Companies (Management and Administration) Rules, 2014, a copy of the Annual Return is available on the Company's website https: www.nucfdc.in.

CHANGE IN NATURE OF BUSINESS:

The Reserve Bank of India (RBI) has granted registration to the Company as non-deposit accepting NBFC and with investment of funds in Government Securities, the Company has commenced the NBFC activities and an intimation has been given to RBI. During the year under review, there has been no change in the nature of business of the Company.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATION IN FUTURE:

During the year under review, there was no litigation which was significant and material impacting the going concern status and Company's operations in future.

DEPOSITS:

During the year under review, the Company did not hold any public deposits nor has accepted any public deposit. The Company being a Non–Banking Finance Company categorized as Non-Deposit Taking NBFC–Middle Layer, it does not accept public deposits at any point of time and also ensures the due compliance of applicable guidelines of Reserve Bank of India in this regard.

MATERIAL CHANGES AFFECTING FINANCIAL POSITION OF THE COMPANY:

No material change affecting the financial position of the Company has occurred between the end of financial year to which the statement relates and the date of this Directors' Report.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186:

Pursuant to Section 186(11) of the Act, the provisions of section 186 of the Act, except sub-section (1), do not apply to a loan made, guarantee given, or security provided by the Company in the ordinary course of its business. The Company being a Non–Banking Financial Company, the disclosure regarding particulars of loans made, guarantees given and securities provided in the ordinary course of its business is exempted as per the provisions of Section 186(11) of the Companies Act, 2013. During the year under review, the Company had not made any investments in terms of provisions of Section 186(1) of the Act. The particulars of investments made by the Company are disclosed in notes no. 6 of the financial statements of the Company for the year ended March 31, 2026.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES:

As per the provisions of section 188 of the Companies Act, 2013, the Company had not entered into any transaction with the related parties during the year.

There were no material related party transactions entered by the Company during the financial year. Hence, Form AOC–2 as per the provisions of section 134(3)(h) of the Companies Act, 2013 is not provided.

PARTICULARS OF EMPLOYEES:

Details of employee remuneration as required under provisions of Section 197(12) of the Act read with Rules 5(2) & 5(3) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, forms part of this Report and will be provided upon request by a Member. Further, having regard to the provisions of the second proviso to Section 136(1) of the Act and as advised, this Report excluding the aforesaid information is being sent to the members of the Company. Any member interested in obtaining such information may write to the Company Secretary and the same will be furnished on request.

ANALYSIS OF REMUNERATION:

The Company is not listed on any Recognized Stock Exchange; hence disclosure regarding the ratio of the remuneration of each Director to the employee's median remuneration and other details are not applicable to the Company.

AMOUNT TRANSFERRED TO INVESTORS EDUCATION AND PROTECTION FUND:

The Company did not have any surplus fund lying in the unpaid or unclaimed dividend account for the period of seven years as per the provisions of section 125 of the Companies Act, 2013 established by the Central Government. Therefore, there was no fund required to be transferred to the Investor Education and Protection Fund.

RISK MANAGEMENT POLICY:

The Board of Directors of the Company endeavors to review the risk at regular intervals in the Board Meetings held during the financial year. The Board of Directors of the Company ensures the measurement and control of risk factors and advice on the same to the Company. As a matter of precaution, these risks are assessed and steps as appropriate are taken to mitigate the same.

VIGIL MECHANISM:

As the Company is neither a Listed Company, nor falling under the criteria laid down under rule (7) of the Companies (Meetings of Boards and its Powers) Rules, 2014, hence the provision of Vigil Mechanism is not applicable to the Company during the financial year under review.

THE DETAILS OF APPLICATION MADE OR ANY PROCEEDING PENDING UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016 (31 OF 2016) DURING THE YEAR ALONG WITH THEIR STATUS AS AT THE END OF THE FINANCIAL YEAR:

During the Financial Year, no application was made and/or any proceeding has been initiated or pending under the Insolvency and Bankruptcy Code, 2016, by any Financial and/or Operational Creditors against your Company. As on the date of this report there were no details of application made or any proceeding pending under the Insolvency and Bankruptcy Code, 2016 (31 of 2016) during the year.

ACKNOWLEDGEMENT:

The Board places on record its gratitude for the continued co-operation & assistance extended by Ministry of Cooperation, NAFCUB, NCDC, RBI, Ministry of Home Affairs, Ministry of Agriculture, Ministry of Corporate Affairs, the Central Registrar of Co-operative Societies, NPCI, UIDAI, NABARD, CSC e-Governance Services India Limited, the National Forensic Sciences University, Urban Co-operative Banks, Industry experts and Members of the Company.

We would be failing in our duty if the active participation of all our Stakeholders is not appreciated. We express our gratitude to all the stakeholders for their wholehearted co-operation & support for us all the time. We on behalf of the Company assure the Stakeholders that the Company will make every effort to meet their aspirations.

For and on behalf of the
Board of Directors
SD/-
Jyotindra Mehta
Chairman
DIN: 00387212

Date: 4th September 2026
Place: Rajkot

ANNEXURE – A

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

Information pursuant to section 134(3)(m) of the Companies Act, 2013, read with the Companies (Accounts) Rules, 2014 forming part of Directors' Report for the year ended 31st March, 2026.

A. Conservation of energy-

1. Steps taken and impact on conservation of energy:
   a) Energy Conservation measure like minimum idle machine time, putting off lights when not needed, etc. are in place.
   b) The adoption of energy conservation measures above has resulted in awareness amongst the employees. It will have long term impact on saving of extra costs on energy.

2. Steps taken by the company for utilizing alternate sources of energy. No such step is taken by the company.

3. The capital investment on energy conservation equipment; No capital Investment is made in such equipment.

B. Technology absorption-

1. The efforts in brief towards technology, absorption: NIL

2. Benefits: NIL

3. Details of imported technology:
   The company has not imported any technology since incorporation (18th April, 2020).

4. The expenditure incurred on Research and Development: NIL

C. Foreign exchange earnings and Outgo-

During the year under review, the Company did not earn any foreign income and there was no foreign outgo.

For and on behalf of the
Board of Directors
SD/-
Jyotindra Mehta
Chairman
DIN: 00387212

Date: 4th September 2026
Place: Rajkot

Deepak Patil & Co.
Practicing Company Secretary

CS Deepak Patil
M. Com, FCS

501, Jeevan Apartment, 26/1 Race,
Course Road Indore
(M.P.)-452001, India
Mob: 98275-96901
Email:csdeepak.patil12@gmail.com

Form No. MR-3

Secretarial Audit Report for the Financial Year Ended 31st March, 2026
[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,
The Members,
National Urban Co-Operative Finance and Development Corporation Limited
[CIN: U65990DL2020PLC363322]
B-14, A-Block, 3rd Floor, Local Shopping Complex, Ring Road,
Naraina Vihar, South West Delhi, New Delhi, Delhi, India, 110028

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **M/s. National Urban Co-Operative Finance and Development Corporation Limited,** Registered as a NBFC (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

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

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

(i) The Companies Act, 2013 (the Act) (including amendments made thereto) and the rules made thereunder;

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

(iii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder; -**(Not Applicable)**

(iv) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):- **(Not Applicable)**

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

(b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;

(c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;

(d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;

(e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

(f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

(g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and

(h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;

(v) The Company has not entered into any transaction governed by the provisions of the Foreign Exchange Management Act, 1999 relating to Foreign Direct Investment, Overseas Direct Investment or External Commercial Borrowings. Accordingly, the said provisions were not applicable to the Company during the period under review; **(Not Applicable)**

(vi) Other laws applicable specifically to the Company are:

(a) All the Rules, Regulations, Master Directions, Guidelines, and Circulars issued by the Reserve Bank of India, as amended from time to time in relation to Non-Deposit taking NBFCs.

(b) The Prevention of Money-Laundering Act, 2002.

(c) The Prevention of Money Laundering (Maintenance of Records) Rules, 2005.

I have also examined compliance with the applicable clauses of the following

I. Secretarial Standards issued by The Institute of Company Secretaries of India.

II. The Listing Agreements entered into by the Company with Stock Exchange(s). **(Not Applicable)**

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

I further report that:-

The Board of Directors of the Company is duly constituted with proper balance of Non-Executive Directors, Independent Directors and including Women Director, in accordance with the applicable provisions of the Companies Act, 2013. During the period under review, the Company undertook the following changes in the composition of the Board of Directors and Key Managerial Personnel (KMP), which were carried out in compliance with the applicable provisions:-

a) Appointment of Additional Directors:-

- Mr. Sunil Vitthal Saudagar (DIN: 10799955) and Mr. Pankaj Kumar Bansal (DIN: 05197128) were appointed as Additional Directors of the Company with effect from April 21, 2025.
- Mr. Rajeev Uberoi (DIN: 01731829) was appointed as an Additional Independent Director of the Company with effect from August 04, 2025.
- Mr. Vinod Vrindavandas Shah (DIN: 11210055) was appointed as an Additional Independent Director of the Company with effect from August 20, 2025.

b) Regularization of Directors:-

- Ms. Rachana Rahul Parikh (DIN: 10063393), Mr. Seshabhadrasrinivasa Mallikarjunarao Chamarty (07667641), Mr. Rajeev Uberoi (DIN: 01731829), Mr. Vinod Vrindavandas Shah (DIN: 11210055) Mr. Sunil Vitthal Saudagar (DIN: 10799955) and Mr. Pankaj Kumar Bansal (DIN; 05197128) who were appointed as Additional Directors of the Company, were regularized as Directors by the members at the duly convened Annual General Meeting held on September 29, 2025.

c) Appointment and Cessation of Key Managerial Personnel:

During the period under review, Ms. Nyra Hardik Hinduja and Ms. Hetal Tejas Faldu ceased to hold the positions of Company Secretary and Chief Financial Officer respectively with effect from June 30, 2025. Subsequently, Mr. Vikas Purushottamrao Tarekar and Mr. Pranav Shailesh Desai were appointed as Company Secretary and Chief Financial Officer respectively with effect from July 01, 2025. Further, Mr. Padmabhushan Bahadure was appointed as Chief Technology Officer (CTO) and designated as Key Managerial Personnel (KMP) of the Company with effect from October 14, 2025.

* *After the verification of MCA records, it was observed that the DIN of Mr. Pankaj Kumar Bansal was not associated with the CIN of the Company and no Form DIR-12 in respect of his appointment/regularization was found to have been filed with the Registrar of Companies.*

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

All decisions at Board Meetings and Committee Meetings were carried out as per the minutes, duly recorded and signed by the Chairman of the meeting of the Board of Directors or Committees of the Board; therefore, there were no dissenting views required to be recorded as part of the minutes.

I further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that during the reporting period the Company raised capital through private placement of equity shares in multiple tranches under the provisions of Section 42 and Section 62(1)(c) of the Companies Act, 2013 read with the applicable rules made thereunder. The issue and allotment of shares were carried out after obtaining the necessary corporate approvals and compliances as prescribed under the Act.

Issue and Allotment of Equity Shares on Private Placement Basis during the period of the report:-

1. Pursuant to the approval of the members obtained at the Extraordinary General Meeting held on March 24, 2025 for the issuance of up to 14,40,04,922 Equity Shares of ₹10/- each on a private placement basis, the Board of Directors, at its meeting held on March 24, 2025, approved the issue size of 12,44,70,272 Equity Shares. Thereafter, at its meeting held on May 23, 2025, the Board allotted 11,77,63,272 Equity Shares of ₹10/- each, aggregating to ₹1,17,76,32,720, to 97 identified subscribers.

2. Further, the Company undertook a subsequent private placement of equity shares during the year. Pursuant to the approval of the members obtained at the Extraordinary General Meeting held on November 12, 2025 for the issuance of up to 8,24,91,857 Equity Shares of ₹10/- each, the Board of Directors approved an issue size of 6,70,76,701 Equity Shares at its meeting held on November 12, 2025. Thereafter, 6,52,42,046 Equity Shares of ₹10/- each were allotted to 149 identified subscribers at the Board Meeting held on December 15, 2025.

3. Further, pursuant to the approval of the members obtained at the Extraordinary General Meeting held on March 25, 2026, the Company initiated another round of capital raising through private placement, and the Board of Directors, at its meeting held on the same date, approved the issue of 94,61,644 Equity Shares of ₹10/- each on a private placement basis.

I further report that during the above audit period, there has been no instance of:-

i. Issue of Capital to Public/Debentures Issue/Issue of sweat equity etc.
ii. Redemption/buy-back of securities.
iii. Major decisions taken by members in pursuance of the Section 180 of the Companies Act, 2013.
iv. Merger / amalgamation / reconstruction, etc.
v. Foreign Technical Collaborations.

I further report that, other than the matters specifically reported hereinabove, no event or action having a material bearing on the Company's affairs under the applicable laws, rules, regulations, guidelines occurred during the period under review.

My report of below-mentioned date is to be read along with this letter:

1. Maintenance of secretarial record is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on our audit.

2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial Records and other relevant records as maintained by the Company.

Further, the verification was done on test basis to ensure that correct facts are reflected in secretarial records and other relevant records. I believe that the processes and practices followed and the audit evidences obtained are sufficient and appropriate to provide a reasonable basis for our opinion.

3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company. I have not examined the compliance by the Company with applicable financial laws like Direct tax and Indirect Tax Laws, since the same has been subject to review by the other designated professionals.

4. Where ever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.

5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on test basis.

6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For, Deepak Patil & Co.,
Company Secretaries

DEEPAK PATIL & CO. FCS-9636 CP-11592 INDORE (M.P.)

(CS Deepak Patil)
Proprietor
FCS-9636, CP-11592
UDIN:- F009636H000674168

Date: June 23, 2026
Place: Indore

2nd Floor, Kapur House,
Paranjape B Scheme
Road No. 1, Vile Parle (E),
Mumbai 400057
T: 91 22 2663 3500
www.mmchitale.com

Independent Auditor's Report

To the Members of National Urban Cooperative Finance and Development Corporation Ltd.

Report on the Audit of Financial Statements

Opinion

We have audited the Financial Statements of National Urban Cooperative Finance and Development Corporation Ltd. (NUCFDC) ("the Company"), which comprises the Balance Sheet as at March 31, 2026, and the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the Financial Statements, including a summary of material accounting policies and other explanatory information (hereinafter referred to as the "the Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards ("Ind AS") prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, the relevant circulars, guidelines and directions issued by the Reserve Bank of India (RBI) from time to time ('RBI Guidelines') and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2026, and its profit (including other comprehensive income), changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Information Other than the Financial Statements and Auditor's Report thereon

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information in the Director's Report and Annual Report but does not include the Financial Statements and our Auditor's report thereon. The Director's Report and Annual Report is expected to be made available to us after the date of this auditor's report.

2nd Floor, Kapur House,
Paranjape B Scheme
Road No. 1, Vile Parle (E),
Mumbai 400057
T: 91 22 2663 3500
www.mmchitale.com

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

In connection with our audit of the Financial Statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the Financial Statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the Director's Report and Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance under SA 720 'The Auditor's responsibilities Relating to Other Information'.

Management's and Board of Directors' Responsibility for the Financial Statements

The Company's Management and Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Financial Statements that give a true and fair view of the state of affairs, profit /loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Ind AS specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

2nd Floor, Kapur House,
Paranjape B Scheme
Road No. 1, Vile Parle (E),
Mumbai 400057
T: 91 22 2663 3500
www.mmchitale.com

As part of an audit in accordance with SAs specified under 143(10) of the act, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

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

3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures in the Financial Statements made by the Management and Board of Directors.

4. Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

6. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

7. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards

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Mumbai 400057
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8. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors' Report) Order, 2020 ("the Order") issued by the Central Government in terms of section 143 (11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

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

   a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the accompanying Financials Statements;

   b) in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;

   c) the Balance Sheet, the Statement of Profit and Loss, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;

   d) in our opinion, the aforesaid Financial Statements comply with the Ind AS specified under Section 133 of the Act read with Companies (Indian Accounting Standard) Rules 2015, as amended.;

   e) on the basis of written representations received from the directors as on March 31, 2026, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2026, from being appointed as a director in terms of Section 164(2) of the Act;

   f) with respect to the adequacy of the internal financial controls with reference to Financial Statements of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B".

   g) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

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i. the Company does not have any pending litigations on its financial position in its Financial Statements as at March 31, 2026.

ii. The Company did not have any long-term contracts including derivative contracts as at March 31, 2026 for which there were any material foreseeable losses.

iii. There were no amounts required to be transferred to the Investor Education and Protection Fund by the Company during the year.

iv. In respect of Rule 11(e) of the Companies (Audit and Auditors) Rules, 2014

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

b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

v. In respect of Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014, based on our examination, which included selective sample checks, in respect of software for maintenance of books of accounts, the Company has used such accounting software which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software.

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Further, based on representations from the management, we report that there has not been any instance of audit trail feature being tampered with during the period under audit

Based on our procedure performed, we did not notice any instance of the Audit trail feature being tampered with.

3. Audit trail has been preserved by the Company as per Rule 3(1) of the Companies (Accounts) Rules, 2014 and reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per the statutory requirements for record retention.

4. As required by Section 197(16) of the Act, in our opinion and to the best of our information and according to the explanations given to us, no remuneration was paid by the Company to its directors during the year as per the provisions of Section 197 of the Act read with Schedule V of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the act which are required to be commented upon by us.

Mukund M. Chitale & Co
Chartered Accountants
FRN: 106655W

Nilesh Joshi
Partner
Membership No. 114749
UDIN:

Place: Mumbai
Date: June 29, 2026

2nd Floor, Kapur House,
Paranjape B Scheme
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Annexure A to Independent Auditor's Report

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of National Urban Cooperative Finance and Development Corporation Ltd. on the Financial Statements as at and for the year ended March 31, 2026)

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

i.

a. (A) Based on the audit procedures performed by us and according to the information, explanations given to us, the Company has maintained proper records showing full particulars, including quantitative details and situation of Property Plant and Equipment and relevant details of Right-of-Use assets.

(B) The Company has maintained proper records showing full particulars of intangible assets.

b. The Company has a program of physical verification of property, plant and equipment and right-of-use assets once every year, which in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. According to the above said programme, Physical Verification of Fixed assets has been completed, and management has confirmed that there is no material discrepancy. The same has been properly recorded in the books of accounts.

c. The Company does not own any immovable properties as at March 31, 2026. Accordingly, paragraph 3(i)(c), of the Order is not applicable to the Company.

d. The Company has not revalued its Property, Plant and Equipment (including Right of Use assets) and intangible assets during the year. Accordingly, paragraph 3(i)(d), of the Order is not applicable to the Company.

e. Based on the audit procedures performed by us and according to the information, explanations and representations given to us, no proceedings have been initiated during the year or are pending against the Company as at March 31, 2026, for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.

ii.

a. The Company is a NBFC engaged primarily in financing to Urban Co-operative Banks providing digital infrastructure & capacity building services and consequently does not hold any physical inventories. Accordingly, paragraph 3(ii)(a) of the Order is not applicable to the Company.

b. Based on the audit procedures performed by us and according to the information, explanations and representations given to us, the Company has not been sanctioned any working capital limit by any banks or financial institutions during the year. Accordingly, paragraph 3(ii)(b) of the Order is not applicable to the Company.

iii.

a. Based on the audit procedures performed by us and according to the information, explanations and representations given to us, the Company has not given any loan and advances to other parties during the year. Accordingly, reporting under paragraph 3(iii)(a) of the Order is not applicable to the Company.

b. In our opinion and according to the information, explanations and representations given to us, the investments made are not prejudicial to the Company's interest. The Company has not yet started the lending business, hence the terms and conditions of the grant of loans and advances in the nature of loans are not applicable. Accordingly, reporting under paragraph 3(iii)(b) of the Order is not applicable to the Company.

c. The Company has not yet started the lending business, accordingly, reporting under paragraph 3(iii)(c) of the Order is not applicable to the Company.

d. The Company has not yet started the lending business, accordingly, reporting under paragraph 3(iii)(d) of the Order is not applicable to the Company.

e. The Company has not yet started the lending business, accordingly, reporting under paragraph 3(iii)(e) of the Order is not applicable to the Company.

f. According to information and explanations given to us and based on the audit procedures performed, the Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment during the year. Accordingly, reporting under paragraph 3 (iii)(f) of the Order is not applicable to the Company.

iv. According to the information and explanations given to us, there are no loans, investments, guarantees and securities granted in respect of which provisions of section 185 and 186 of the

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Act are attracted. Accordingly, reporting under paragraph 3(iv) of the Order is not applicable to the Company.

v. According to the information and explanations given to us, the Company has not accepted any deposits from the public to which the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 of the Act or any other relevant provisions of the Act and Rules framed thereunder are applicable. Accordingly, reporting under paragraph 3(v) of the Order is not applicable to the Company.

vi. The maintenance of cost records has not been specified by the Central Government under Section 148(1) of the Companies Act, 2013, for business activities carried out by the Company. Accordingly, reporting under paragraph 3(vi) of the Order is not applicable to the Company.

vii. In respect of statutory dues:

a. Undisputed statutory dues, including Goods and Service tax, Provident Fund, Income-tax, cess and other material statutory dues applicable to the Company have been generally regularly deposited by it with the appropriate authorities in all cases during the year. As explained to us, company did not have any dues payable on account of sales tax, service tax, duty of customs, duty of excise and value added tax. There were no undisputed amounts payable in respect of Goods and Service tax, Provident Fund, Income-tax, cess and other material statutory dues in arrears as of March 31, 2026, for a period of more than six months from the date they became payable. As informed, the provisions relating to service tax, wealth tax, sales tax, value added tax, excise duty and customs duty are currently not applicable to the Company.

b. According to the information and explanations given to us, there are no dues of income tax, sales tax, goods and service tax, cess and other material statutory dues which have not been deposited with the appropriate authorities on account of any dispute.

viii. According to the information and explanations given to us, there were no transactions not recorded in the books of accounts that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961). Accordingly, the reporting under paragraph 3(viii) of the Order is not applicable to the Company.

ix.

a. The Company has not defaulted in the repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year.

b. According to the information and explanations given to us including representation received from management of the Company and on the basis of our audit procedures, we report that the company has not been declared a wilful defaulter by any bank or financial institution or government or any government authority.

c. According to the information and explanation given to us, the company has not raised any term loans during the year. Accordingly, the reporting under paragraph 3(ix)(c) of the Order is not applicable to the Company.

d. According to the information and explanation given to us, the company has not utilized funds raised on short term basis for long term purposes.

e. According to the information and explanation given to us, the company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.

f. According to the information and explanation given to us, the company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures, or associate companies.

x.

a. In our opinion and according to the information and explanations given by the management, the Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, reporting under paragraph 3(x)(a) of the Order is not applicable to the company.

b. In our opinion and according to the information and explanations given to us and as verified by us, the Company has utilized funds raised by way of private placement of shares for the purpose for which they were raised.

xi.

a. To the best of our knowledge according to the information and explanations given to us and as verified by us, no fraud by the Company or any fraud on the Company has been noticed or reported during the year.

b. No report under sub-section (12) of section 143 of the Companies Act, 2013 has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government during the year.

2nd Floor, Kapur House,
Paranjape B Scheme
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c. As represented to us by the management, no whistle blower complaints were received by the Company during the year.

xii. The Company is not a Nidhi Company and hence, reporting under paragraph 3(xii) of the Order is not applicable to the Company.

xiii. In our opinion, the Company is in compliance with Section 177 and 188 of the Act with respect to applicable transactions with the related parties and the details of related party transactions have been disclosed in the Financial Statements as required by Indian Accounting Standard (Ind AS) 24, Related Party Disclosures, specified under section 133 of the Act.

xiv.

a. In our opinion the Company has an adequate internal audit system commensurate with the size and nature of its business.

b. We have considered the internal audit reports for the year under audit, issued to the Company during the year in determining the nature, timing and extent of our audit procedures.

xv. According to the information and explanation given to us and basis of our examination of the records, the Company has not entered into any non-cash transactions with its Directors or persons connected with them and hence provisions of section 192 of the Act are not applicable to the Company. Hence reporting under paragraph 3(xv) of the Order is not applicable to the Company.

xvi.

a. The Company has registered as required, under Section 45- IA of the Reserve Bank of India Act, 1934 (2 of 1934) and it has obtained the registration.

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

c. In our opinion, the Company is not a Core Investment Company ("CIC") and there is no other CIC within the Group (as defined in the Core Investment Companies - Reserve Bank of India Directions, 2016) and hence reporting under paragraph 3(xvi)(c) of the Order is not applicable to the Company.

2nd Floor, Kapur House,
Paranjape B Scheme
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T: 91 22 2663 3500
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d. The Company is not a CIC and hence reporting under paragraph 3(xvi)(d) of the Order is not applicable to the Company.

xvii. According to the information and explanations given to us and based on our examination of the records, the Company has not incurred a cash loss during the financial year ended March 31, 2026, however had incurred a cash loss of Rs. 1,22,43,282 during the immediately preceding financial year.

xviii. During the year, there has been no resignation of the statutory auditors. Accordingly, Clause 3 (xviii) of the Order is not applicable to the Company.

xix. According to the information, explanations given to us; on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the Financial Statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and it should not be construed as a guarantee or assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

xx.

a. According to the information and explanations given to us, the company is not required to transfer any amount towards Corporate Social Responsibility (CSR) on other than ongoing projects to a Fund specified in Schedule VII to the Companies Act 2013 in compliance with second proviso to sub-section (5) of Section 135 of the said Act. Accordingly, reporting under paragraph 3(xx)(a) of the Order is not applicable to the Company for the year.

b. According to the information and explanations given to us, the company is not required to transfer any amount under sub-section (5) of section 135 of the Act, pursuant to any ongoing project requiring transfer to special account in compliance with the provision of sub-section (6) of section 135 of the Act. Hence, reporting under paragraph 3(xx)(b) of the Order is not applicable to the Company for the year.

MUKUND
M. CHITALE
& CO.
CHARTERED
ACCOUNTANTS

2nd Floor, Kapur House,
Paranjape B Scheme
Road No. 1, Vile Parle (E),
Mumbai 400057
T: 91 22 2663 3500
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xxi. The Company does not have any subsidiaries, associates, or joint ventures. Accordingly, reporting under paragraph 3(xxi) of the Order is not applicable to the Company.

Mukund M. Chitale & Co
Chartered Accountants
FRN: 106655W

Nilesh Joshi
Partner
Membership No. 114749
UDIN:

Place: Mumbai
Date: June 29, 2026

2nd Floor, Kapur House,
Paranjape B Scheme
Road No. 1, Vile Parle (E),
Mumbai 400057
T: 91 22 2663 3500
www.mmchitale.com

Annexure B to the Independent Auditors' Report on the Financial Statements of National Urban Cooperative Finance and Development of Corporation Ltd. for the year ended March 31, 2026

Report on the internal financial controls with reference to the Financial Statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013.

Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date.

We have audited the internal financial controls with reference to Financial Statements of National Urban Cooperative Finance and Development Corporation Ltd. (NUCFDC) ("the Company") as of March 31, 2026, in conjunction with our audit of the Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility for the Audit of Internal Financial Controls with reference to Financial Statements

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to Financial Statements and their operating effectiveness. Our audit of internal financial controls with reference to Financial Statements included obtaining an understanding of such internal financial controls with reference to Financial Statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based

2nd Floor, Kapur House,
Paranjape B Scheme
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Mumbai 400057
T: 91 22 2663 3500
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on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the Financial Statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to Financial Statements.

Meaning of Internal Financial Controls with reference to Financial Statements

A Company's internal financial controls with reference to Financial Statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Financial Statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial controls with reference to Financial Statements include those policies and procedures that –

a) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company.

b) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Financial Statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and

c) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the Financial Statements.

Inherent Limitations of Internal Financial controls with reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to Financial Statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to Financial Statements to future periods are subject to the risk that the internal financial controls with reference to Financial Statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

2nd Floor, Kapur House,
Paranjape B Scheme
Road No. 1, Vile Parle (E),
Mumbai 400057
T: 91 22 2663 3500
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In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to Financial Statements and such internal financial controls were operating effectively as at March 31, 2026, based on the internal controls with reference to Financial Statements criteria established by the Company considering essential components of internal control stated in the Guidance Note.

Mukund M. Chitale & Co
Chartered Accountants
FRN: 106655W

Nilesh Joshi
Partner
Membership No. 114749
UDIN:

Place: Mumbai
Date: June 29, 2026

National Urban Co-operative Finance and Development Corporation Limited

Balance Sheet as at March 31, 2026

(Currency : INR in lakhs)

Particulars	Note No	As at March 31, 2026	As at March 31, 2025
ASSETS			
(1) Financial assets			
(a) Cash and cash equivalents	3	907.61	4,747.28
(b) Bank Balance other than included in (a) above	4	11,262.69	1,116.39
(c) Receivables			
(I) Trade receivables	5	0.53	-
(II) Other receivables		-	-
(d) Investments	6	18,003.87	7,439.17
(e) Other financial assets	7	23.24	22.16
		30,197.94	**13,325.01**
(2) Non-financial assets			
(a) Current Tax Assets (Net)		70.78	49.17
(b) Deferred Tax Assets (Net)	25	14.83	1.69
(c) Property, Plant and Equipment	8	46.46	39.66
(d) Right of use asset	8	160.79	205.59
(e) **Other Intangible assets**	9	4.06	2.25
(f) Other non-financial assets	10	91.22	57.97
		388.14	**356.34**
Total assets		**30,586.08**	**13,681.35**
LIABILITIES AND EQUITY			
LIABILITIES			
(1) Financial liabilities			
(a) Payables	11	37.00	15.97
(i)Trade payables			
(i) total outstanding dues of micro enterprises and small enterprises		-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		37.00	15.97
(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		-	-
(e) Other financial liabilities	12	416.05	218.46
		453.05	**234.43**
(2) Non-financial liabilities			
(a) Current tax liabilities (Net)		-	-
(b) Provisions	13	67.92	11.43
(c) Deferred tax liabilities (Net)		-	-
(d) Other non-financial liabilities	14	25.17	129.34
		93.09	**140.77**
EQUITY			
(a) Equity share capital	15	30,095.59	11,795.06
(b) Other equity	16	(55.65)	1,511.10
		30,039.94	**13,306.16**
Total liabilities and equity		**30,586.08**	**13,681.35**

Material Accounting policies and key accounting estimates and judgments **2**

The accompanying notes form an integral part of the standalone financial statements

As per our report of even date

For Mukund M Chitale& Co
Chartered Accountants

ICAI Firm registration number : 106655W

For and on behalf of the Board of Directors of
National Urban Co-operative Finance and Development Corporation Ltd
CIN: U65990DL2020PLC363322

Nilesh Joshi
Partner
Membership No.114749
Place: Mumbai
Date: 29th June 2026

Jyotindra Mehta
Chairman
DIN: 00387212

Prabhat Kumar Chaturvedi
Chief Executive Officer

Pranav Desai
Chief Financial Officer

Vikas Tarekar
Company Secretary
M.No. A31670

Place: Mumbai
Date: 29th June 2026

National Urban Co-operative Finance and Development Corporation Limited

Statement of Profit and Loss for the year ended March 31, 2026

(Currency : INR in lakhs)

	Particulars	Note No	Year ended March 31, 2026	Year ended March 31, 2025
	Revenue From operations			
(i)	Interest income	17	1,071.51	732.20
(ii)	Fees and commission income	18	70.48	-
(iv)	Net gain on fair value changes	19	326.59	-
(I)	**Total revenue from operations**		**1,468.57**	**732.20**
(II)	Other income	20	4.40	7.05
(III)	**Total income (I + II)**		**1,472.98**	**739.25**
	Expenses			
(i)	Finance costs	21	19.29	11.77
(iii)	Employee benefits expenses	22	645.03	368.74
(iv)	Depreciation, amortization and impairment	23	76.12	32.80
(v)	Others expenses	24	433.36	414.09
(IV)	**Total expenses**		**1,173.80**	**827.40**
(V)	**Profit before tax (III - IV)**		**299.18**	**(88.16)**
(VI)	**Tax Expense:**			
	(1) Current Tax	26	-	-
	'(2) Deferred Tax	25	(13.13)	3.45
	'(3) Adjustment of tax relating to earlier periods		-	-
			(13.13)	**3.45**
(VII)	**Profit for the period (V-VI)**		**312.31**	**(91.61)**
(VIII)	**Other comprehensive income**			
	(A) Items that will not be reclassified to profit or loss (specify items and amounts)			
	(a) Remeasurements of the defined benefit plans	27	(0.62)	-
	(b) Fair value changes relating to own credit risk of financial liabilities designated at fair value through profit or loss		-	-
	Income tax relating to items that will not be reclassified to profit or loss		-	-
	Other comprehensive income / (loss)		**(0.62)**	**-**
(IX)	**Total comprehensive income for the period (VII + VIII)**		**311.69**	**(91.61)**
(X)	**Earnings per share (equity share, par value of Rs.10 each)**			
	Basic	28	0.13	(0.08)
	Diluted	28	0.13	(0.07)

Material accounting policies and key accounting estimates and judgments **2**

The accompanying notes form an integral part of the standalone financial statements

As per our report of even date

For Mukund M Chitale& Co
Chartered Accountants
ICAI Firm registration number : 106655W

Nilesh Joshi
Partner
Membership No.114749
Place: Mumbai
Date: 29th June 2026

For and on behalf of the Board of Directors of
National Urban Co-operative Finance and Development Corporation Ltd
CIN: U65990DL2020PLC363322

Jyotindra Mehta
Chairman
DIN: 00387212

Prabhat Kumar Chaturvedi
Chief Executive Officer

Pranav Desai
Chief Financial Officer

Vikas Tarekar
Company Secretary
M.No. A31670

Place: Mumbai
Date: 29th June 2026

National Urban Co-operative Finance and Development Corporation Limited

Cash Flow statement for the year ended March 31, 2026

(Currency : INR in lakhs)

Particulars	For the Year ended March 31, 2026	For the Year ended March 31, 2025
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	**299.18**	**(88.16)**
Adjustments for:		
Depreciation, amortisation and impairment	76.12	32.80
Interest Income	(4.40)	(7.05)
Net gain/(loss) on financial instrument at fair value through profit and loss (FVTPL)	315.71	-
Provision for expenses	11.20	8.69
Cash generated from / (used in) operations before working capital changes and adjustments for interest received and interest paid	**697.80**	**(53.71)**
Adjustments for changes in Working Capital :		
Decrease / (Increase) in trade receivable	(0.53)	-
Decrease / (Increase) in bank balances other than cash and cash equivalents	(10,146.30)	0.05
Decrease / (Increase) in other financial assets	(2.60)	(13.16)
Decrease / (Increase) in other non-financial assets	(56.62)	(68.54)
(Decrease) / Increase in trade payables	21.04	-
(Decrease) / Increase in other financial liabilities	13.94	12.21
(Decrease) / Increase in provisions	44.77	(2.72)
(Decrease) / Increase in other non-financial liabilities	(104.17)	12.97
Interest received	2.88	6.26
	(9,529.69)	**(106.66)**
Changes in Accounting Policies / Prior Period Errors	(123.69)	(159.53)
Deferred tax adjustment	(13.13)	3.45
NET CASH GENERATED FROM / (USED IN) OPERATING ACTIVITIES	**(9,666.51)**	**(262.74)**
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment and capital work in progress	(36.46)	(46.95)
Purchase of intangible assets	(3.46)	(2.63)
Purchase of investments measured at Amortised cost and FVTPL	(10,564.70)	(7,439.17)
ROU Adjustment	9.99	12.86
NET CASH GENERATED FROM / (USED IN) INVESTING ACTIVITIES	**(10,594.63)**	**(7,475.87)**
CASH FROM FINANCING ACTIVITIES		
Proceeds from issue of equity shares (including securities premium)	16,421.47	1,907.34
NET CASH GENERATED FROM / (USED IN) FROM FINANCING ACTIVITIES	**16,421.47**	**1,907.34**
Net Increase / (Decrease) in Cash and Cash Equivalents	**(3,839.67)**	**(5,831.27)**
Cash and Cash Equivalents at the beginning of Year	4,747.28	10,578.55
Cash and Cash Equivalents at the end of the Year	907.61	4,747.28

The above Cash Flow Statement has been prepared under the 'Indirect method' as set out in Ind AS 7 on 'Statement of Cash Flows'.

As per our report of even date

For Mukund M Chitale& Co
Chartered Accountants
ICAI Firm registration number : 106655W

Nilesh Joshi
Partner
Membership No.114749

Place: Mumbai
Date: 29th June 2026

For and on behalf of the Board of Directors of

CIN: U65990DL2020PLC363322

Jyotindra Mehta
Chairman
DIN: 00387212

Prabhat Kumar Chaturvedi
Chief Executive Officer

Pranav Desai
Chief Financial Officer

Vikas Tarekar
Company Secretary
M.No. A31670

Place: Mumbai
Date: 29th June 2026

National Urban Co-operative Finance and Development Corporation Limited

Statement of Changes in Equity for the year ended March 31,2026

(Currency : INR in lakhs)

1. Other Equity

	Share application money pending allotment	Equity component of compound financial instruments	**Reserves and Surplus**				Revaluation Surplus	Other items of Other Compre-	Total
			Statutory Reserves	Capital Reserve	Securities Premium	Retained Earnings			
Balance at the beginning of the reporting period	1,907.34	-	-	-	-	(396.25)	-	-	1,511.10
Changes in accounting policy/prior period errors	-	-	-	-	-	-	-	-	-
Restated balance at the beginning of the reporting period	1,907.34	-	-	-	-	(396.25)	-	-	1,511.10
Total Comprehensive Income for the year	-	-	-	-	-	0.62	-	-	0.62
Dividends	-	-	-	-	-	-	-	-	-
Transfer to retained earnings	-	-	-	-	-	-	-	-	-
Transfer to Statutory Reserve	-	-	62.46	-	-	(62.46)	-	-	-
Add : Profit / (Loss) for the year		-	-	-	-	311.69	-	-	311.69
Fresh issue of Equity during reporting year	1,907.34	-	-	-	-	-	-	-	1,907.34
Fresh receipts during year	28.28	-	-	-	-	-	-	-	28.28
Balance at the end of the reporting period	28.28	-	62.46	-	-	(146.40)	-	-	(55.65)

Note:

(i) Remeasurement of defined benefit plans and fair value changes relating to own credit risk of financial liabilities designated at fair value through profit or loss shall be recognised as a part of retained earnings with separate dis- closure of such items along with the relevant amounts in the Notes.

(ii) A description of the purpose of each reserve within equity shall be disclosed in the Notes.

National Urban Co-operative Finance and Development Corporation Limited

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

(Currency : INR in lakhs)

3 Cash and cash equivalents

Particulars	As at March 31, 2026	As at March 31, 2025	As at April 01, 2024
Cash on hand	-	-	-
Balances with banks in current accounts	103.02	2,077.53	10,578.55
Bank deposit with original Maturity upto three months or less	804.59	2,669.76	-
Total	**907.61**	**4,747.28**	**10,578.55**

4 Bank balance other than cash and cash equivalents

Particulars	As at March 31, 2026	As at March 31, 2025	As at April 01, 2024
Bank deposit with original Maturity over three months	11,262.69	1,116.39	1,116.44
Total	**11,262.69**	**1,116.39**	**1,116.44**

5 Receivables

Particulars	As at March 31, 2026	As at March 31, 2025	As at April 01, 2024
(I) Trade receivables			
Receivables considered good - Secured	0.53	-	-
	0.53	**-**	**-**
Less: Provision for impairment	-	-	-
Total	**0.53**	**-**	**-**

No trade or other receivables are due from directors or other officers of the Company either severally or jointly with any other person, or from firms or private companies respectively in which any director is a partner, a director or a member.

Trade Receivables ageing schedule

As at March 31st 2026

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months to 1 year	1 year to 2 years	2 years to 3 years	More than 3 years	
(i) Undisputed Trade receivables — considered good	0.53	-	-	-	-	0.53
(ii) Undisputed Trade Receivables — which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivables — credit impaired	-	-	-	-	-	-
(iv) Disputed Trade Receivables—considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables — which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables — credit impaired	-	-	-	-	-	-
Total	**0.53**					**0.53**

As at March 31st 2025

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months to 1 year	1 year to 2 years	2 years to 3 years	More than 3 years	
(i) Undisputed Trade receivables — considered good	-	-	-	-	-	-
(ii) Undisputed Trade Receivables — which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivables — credit impaired	-	-	-	-	-	-
(iv) Disputed Trade Receivables—considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables — which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables — credit impaired	-	-	-	-	-	-
Total	**-**	**-**	**-**	**-**	**-**	**-**

7 Other Financial Assets

Particulars	As at March 31, 2026	As at March 31, 2025	As at April 01, 2024
Rent and utility deposit	18.31	16.78	-
Advance rent	4.93	5.13	-
Advance to Creditors	-	0.08	-
Other Receivables	-	0.18	-
Total	**23.24**	**22.16**	**-**

National Urban Co-operative Finance and Development Corporation Limited

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

(Currency : INR in lakhs)

6 Investments

Investments	(Current Year)							(Previous Year)						
	Amortised cost	At Fair Value				Others*	Total	Amortised cost	At Fair Value				Others*	Total
		Through Other Compre- hensive Income	Through profit or loss	Designated at fair value through profit or loss	Sub- Total				Through Other Compre- hensive Income	Through profit or loss	Designated at fair value through profit or loss	Sub-Total		
	(1)	(2)	(3)	(4)	(5)=(2)+ (3)+(4)	(6)	(7)=(1) + (5)+(6)	(8)	(9)	(10)	(11)	(12)=(9)+ (10)+(11)	(13)	(14)=(8)+ (12)+(13)
Mutual funds	-	-	6,626.25	-	6,626.25	-	6,626.25	-	-	-	-	-	-	-
Government securities	10,877.62	-	-	-	-	-	10,877.62	-	-	7,439.17	-	7,439.17	-	7,439.17
Other approved securities	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Bonds	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Debt securities	500.00				-	-	500.00	-	-	-	-	-	-	-
Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total – Gross (A)	11,377.62	-	6,626.25	-	6,626.25	-	18,003.87	-	-	7,439.17	-	7,439.17	-	7,439.17
(i) Invest- ments outside India					-	-	-					-	-	-
(ii) Investments in India	11,377.62	-	6,626.25	-	6,626.25	-	18,003.87	-	-	7,439.17	-	7,439.17	-	7,439.17
Total (B)	11,377.62	-	6,626.25	-	6,626.25	-	18,003.87	-	-	7,439.17	-	7,439.17	-	7,439.17
Total (A) to tally with (B)														
Less: Allowance for Impairpairment loss (C)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Net D= (A)- (C)	11,377.62	-	6,626.25	-	6,626.25	-	18,003.87	-	-	7,439.17	-	7,439.17	-	7,439.17

* Other basis of measurement such as cost may be explained as a footnote

National Urban Co-operative Finance and Development Corporation Limited

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

(Currency : INR in lakhs)

8 Property, plant and equipment

Particulars	Furniture and Fixtures	Computer & Printer	Office equipment	Leasehold improvements	Total	Right to Use Assets(Premises)
Gross carrying amount						
As at March 31, 2024	**0.15**	**1.62**	**-**	**-**	**1.77**	**-**
Additions	0.65	12.38	3.44	30.48	46.95	229.77
Disposals	-	-	-	-	-	-
As at March 31, 2025	**0.80**	**14.00**	**3.44**	**30.48**	**48.71**	**229.77**
Additions	0.12	33.72	2.40	0.22	36.46	-
Disposals	-	-	-	-	-	-
As at March 31, 2026	**0.92**	**47.72**	**5.84**	**30.70**	**85.17**	**229.77**
Accumulated depreciation and impairment:						
As at March 31, 2024	**0.01**	**0.79**	**-**	**-**	**0.80**	**-**
Depreciation for the year	0.15	3.53	0.39	4.18	8.25	24.18
Disposals	-	-	-	-	-	-
As at March 31, 2025	**0.16**	**4.32**	**0.39**	**4.18**	**9.05**	**24.18**
Depreciation for the year	0.59	18.16	2.16	8.75	**29.67**	44.80
Disposals	-	-	-	-	-	-
As at March 31, 2026	**0.75**	**22.48**	**2.55**	**12.93**	**38.72**	**68.98**
Net book value						
As at March 31, 2024	0.14	0.83	-	-	0.97	-
As at March 31, 2025	0.64	9.67	3.05	26.30	39.66	205.59
As at March 31, 2026	0.17	25.24	3.28	17.77	46.46	160.79

Note: The Company has not revalued any of its property, plant and equipment during the years ended March 31,2026 and March 31, 2025.

9 Other Intangible assets (Website Development)

(Rs. in lakhs)

Particulars	Website Development
Gross carrying amount	
As at March 31, 2024	
Additions	2.63
Disposal	-
As at March 31, 2025	**2.63**
Additions	3.46
Disposal	-
As at March 31, 2026	**6.09**
Accumulated amortisation and impairment	
As at March 31, 2024	
Amortisation for the year	0.37
Disposal	-
As at March 31, 2025	**0.37**
Amortisation for the year	1.65
Disposal	-
As at March 31, 2026	**2.02**
Net book value	
As at March 31, 2024	-
As at March 31, 2025	**2.25**
As at March 31, 2026	**4.06**

Note: The Company has not revalued any of its intangible assets during the years ended March 31,2026 and March 31,2025.

10 Other Non-Financial Assets

Particulars	As at March 31, 2026	As at March 31, 2025	As at April 01, 2024
Prepaid expenses	24.03	14.16	-
Advances to employees	0.13	(0.42)	0.04
GST input credit	55.98	43.11	19.31
Advance for expenses	10.00	0.39	-
Other advances	1.08	0.73	0.90
Total	**91.22**	**57.97**	**20.25**

11 Payables

Particulars	As at March 31, 2026	As at March 31, 2025	As at April 01, 2024
(I) Trade Payables			
(i) total outstanding dues of micro enterprises and small enterprises	-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	37.00	15.97	3.76
(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	-	-	-
Total	**37.00**	**15.97**	**3.76**

National Urban Co-operative Finance and Development Corporation Limited

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

(Currency : INR in lakhs)

Trade payables and other Payables ageing schedule

As at March 31st 2026

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 Years	2 years to 3 years	More than 3 years	
(i)MSME	-	-	-	-	-
(ii)Others	37.00	-	-	-	37.00
(iii)Disputed Dues-MSME	-	-	-	-	-
(iv)Disputed Dues-Others	-	-	-	-	-
Total	**37.00**	**-**	**-**	**-**	**37.00**

As at March 31st 2025

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 Years	2 years to 3 years	More than 3 years	
(i)MSME	-	-	-	-	-
(ii)Others	15.97	-	-	-	15.97
(iii)Disputed Dues-MSME	-	-	-	-	-
(iv)Disputed Dues-Others	-	-	-	-	-
Total	**15.97**	**-**	**-**	**-**	**15.97**

National Urban Co-operative Finance and Development Corporation Li

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

(Currency : INR in lakhs)

12 Other financial liabilities

Particulars	As at March 31, 2026	As at March 31, 2025
Lease Liabilities (Refer Note 32)	183.65	218.46
EMD	230.00	-
Advance from Debtors	2.40	-
Total	**416.05**	**218.46**

13 Provisions

Particulars	As at March 31, 2026	As at March 31, 2025
Provision for gratuity (Refer Note 27)	10.66	3.09
Provision for leave benefits(Refer Note 27)	9.74	5.61
Provision for taxation	-	-
Provision for others	47.51	2.74
Total	**67.92**	**11.43**

14 Other non-financial liabilities

Particulars	As at March 31, 2026	As at March 31, 2025
GST Payable	11.44	0.48
Profession Tax Payable	0.04	0.05
Other Payables	-	113.09
Statutory dues payable	13.69	15.72
Total	**25.17**	**129.34**

National Urban Co-operative Finance and Development Corporation Limited

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

(Currency : INR in lakhs)

15 Equity share capital

Particulars	As at March 31, 2026		As at March 31, 2025	
	Number	Amount	Number	Amount
Authorised Capital				
Equity shares of INR 10 each	1,000,000,000	100,000.00	1,000,000,000	100,000.00
Issued, subscribed and fully paid-up shares				
Equity shares of INR 10 each	300,955,914	30,095.59	117,950,596	11,795.06
Total	**300,955,914**	**30,095.59**	**117,950,596**	**11,795.06**

A. Reconciliation of number of shares

Particulars	As at March 31, 2026		As at March 31, 2025	
	Number	Amount	Number	Amount
Fully paid equity share of INR 10 each				
At the beginning of the year	117,950,596	11,795.06	117,950,596	11,795.06
Shares issued during the year	183,005,318	18,300.53	-	-
Total Outstanding at the end of the year	**300,955,914**	**30,095.59**	**117,950,596**	**11,795.06**

B. Terms/rights attached to equity shares

The Company has only one class of equity shares having par value of INR 10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividend in Indian Rupees. The dividend if and when proposed by the Board of Directors will be subject to the approval of shareholders in the ensuing Annual General Meeting, except in case of interim dividend.

In the event of liquidation of the Company, the equity shareholders will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts, if any, in proportion to the number of equity shares held by the shareholder.

National Urban Co-operative Finance and Development Corporation Limited

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

(Currency : INR in lakhs)

National Urban Co-operative Finance and Development Corporation Limited

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

(Currency : INR in lakhs)

C. Details of shareholder(s) holding more than 5% of equity shares in the Company :

Name of shareholder	As at March 31, 2026		As at March 31, 2025	
	No. of shares held	% Holding	No. of shares held	% Holding
NATIONAL COOPERATIVE DEVELOPMENT CORPORATION	60,000,000	19.94%	20,000,000	6.65%
SARASWAT CO-OPERATIVE BANK LTD.,	43,020,000	14.29%	15,000,000	12.72%
SVC CO-OPERATIVE BANK LIMITED	25,000,000	8.31%	7,500,000	6.36%
THE COSMOS CO-OPERATIVE BANK LIMITED	18,000,000	5.98%		
TJSB Sahakari Bank Ltd.,	-	-	9,000,000	7.63%
The Kalupur Commercial Co-op Bank Ltd.	-	-	10,000,000	8.48%
Surat Peoples Coop Bank Ltd	-	-	6,250,000	5.30%

As per the records of the Company, including its register of shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

D. Shareholding of Promotors

Shares held by promotors at the end of the year	As at March 31, 2026			As at March 31, 2025	
	No. of Shares	% of Total Shares	% Change during the year	No. of Shares	% of Total Shares
a. Equity shares of INR 10 each fully paid up (March 31, 2025: INR 10 each)					
Gujarat Urban Co-Operative Banks Federation	454,000	**0.15%**	**-44.48%**	400,000	**0.34%**
The Karnataka State Co-Operative Urban Banks Federation Ltd.	400,000	**0.13%**	**-39.19%**	400,000	**0.34%**
National Federation of Urban Co-Operative Banks and Credit Societies Ltd.	500,000	**0.17%**	**-39.19%**	500,000	**0.42%**
Federation of West Bengal Urban Co-Operative Bank and Credit Societies Ltd.	250,000	**0.08%**	**-39.19%**	250,000	**0.21%**
Hanumantgouda Patil	10,000	**0.00%**	**-39.19%**	10,000	**0.01%**
Jyotindra Manshukhlal Mehta	10,000	**0.00%**	**-39.19%**	10,000	**0.01%**

National Urban Co-operative Finance and Development Corporation Limited

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

(Currency : INR in lakhs)

16 **Other equity**

Particulars	As at March 31, 2026	As at March 31, 2025
Capital reserve	-	-
Securities premium reserve	-	-
Statutory Reserve under section 45-IC of the Reserve Bank of India Act, 1934	62.46	-
General reserve	-	-
Retained earnings	(146.40)	(396.25)
Total	**(83.93)**	**(396.25)**

Nature and purpose of reserve

a. Capital reserve
Not Applicable

b. Securities premium reserve
Not Applicable

c. Statutory reserve
Reserves created under Section 45IC of The Reserve Bank of India Act, 1934

d. Retained earnings
Retained earnings represents surplus / accumulated earnings of the Company and are available for distribution to shareholders.

e. General Reserve
It is a free reserve which is created by appropriation from profits of the current year and/or undistributed profits of previous years, before declaration of dividend duly complying with any regulations in this regard.

B. Movement in Other equity

Particulars	As at March 31, 2026	As at March 31, 2025
I. Capital Reserve		
Opening balance	-	-
Add : Share issued during the year	-	-
	-	**-**
II. Securities premium reserve		
Opening balance	-	-
Add : Premium received on issue of securities	-	-
Less : Share issue expenses	-	-
	-	-
IV. Statutory Reserve under section 45-IC of the Reserve Bank of India Act, 1934		
Opening balance	-	-
Add : Transfer from retained earnings	62.46	-
	62.46	**-**
V. General Reserve		
Opening balance	-	-
Add : Transfer from retained earnings	-	-
	-	**-**
VI. Retained earnings		
Opening balance	(396.25)	(180.95)
Less : Balance in Profit & Loss Account	-	-
Add : Changes in accounting policy /Prior period errors	-	(123.69)
Restated Opening balance	-	-
Add : Profit / (Loss) for the year	311.69	(91.61)
Add : Other comprehensive income	0.62	-
Appropriations:		
Transfer to Statutory Reserve u/s 45-IC of the Reserve Bank of India Act, 1934	62.46	-
Transfer to General reserve	-	-
	(146.40)	**(396.25)**
VII. Share Application Money	**28.28**	**1,907.34**
Total	**28.28**	**1,907.34**
Total	**(55.65)**	**1,511.10**

National Urban Co-operative Finance and Development Corporation Limited

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

(Currency : INR in lakhs)

17 Interest income

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
On financial assets measured at amortised cost		
Interest on deposits with banks	400.65	308.28
Interest on LTSB Series-IV SVC	19.88	-
Interest on Treasury Bills	650.97	423.92
Total	**1,071.51**	**732.20**

18 Fees and commission income

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Other fees and charges	70.48	-
Total	**70.48**	**-**

19 Net gain on fair value changes

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Realised	10.88	-
Un Realised	315.71	-
Total	**326.59**	**-**

20 Other income

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Interest on income tax refund	0.07	-
Interest on Security Deposit	1.53	0.78
Miscellaneous Income	2.80	6.26
Total	**4.40**	**7.05**

21 Finance costs

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
On financial liabilities measured at amortised cost		
Interest on lease liabilities (Refer Note 32)	18.48	11.20
Bank Charges	0.81	0.58
Total	**19.29**	**11.77**

22 Employee benefits expenses

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Salaries and wages (Including Joining Bonus)	629.35	359.78
Contribution to provident and other funds	0.02	-
Staff welfare expenses	2.40	0.25
Group Insurance	1.44	0.02
Gratuity	7.58	3.09
Leave encashment	4.25	5.61
Total	**645.03**	**368.74**

23 Depreciation, amortization and impairment

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Depreciation on property, plant and equipment (Refer Note No. 8)	29.67	8.25
Depreciation on right to use assets (Refer Note No. 8)	44.80	24.18
Amortization of intangible assets (Refer Note No. 9)	1.65	0.37
Total	**76.12**	**32.80**

National Urban Co-operative Finance and Development Corporation Limited
Notes to financial statements for the year ended March 31, 2026

National Urban Co-operative Finance and Development Corporation Limited
Notes to financial statements for the year ended March 31, 2026

(Currency : INR in lakhs)

24 Other expenses

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Rent	6.58	3.41
Communication cost	6.41	1.15
Travelling and conveyance	58.01	23.09
Rates and taxes	15.32	2.34
Insurance	0.50	-
Commission and Brokerage	-	4.74
Courier Expenses	5.65	0.18
Printing and stationary	10.23	3.23
Advertisement, publicity and sales promotion expenses	1.55	12.84
Legal and professional fees	89.23	266.86
Director sitting fees	13.13	7.40
Stamp duty Registration MCA charges	1.23	1.10
Seminar & Conferances	15.47	66.96
Software Expenses	193.59	1.33
Payment to Auditor	4.50	2.50
Office Expenses	9.82	4.87
Miscellaneous expenses	2.14	2.43
Prior Period expenses	-	9.66
Total	**433.36**	**414.09**

Payment to the auditors:

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Auditor's remuneration		
- Audit fees (including Limited review fees)	4.50	2.50
In other capacity		
- Certification services	-	-
- Taxation	-	-
Other of pocket expenses	-	-
Total	**4.50**	**2.50**

National Urban Co-operative Finance and Development Corporation Limited
Notes to financial statements for the year ended March 31, 2026
(Currency : INR in lakhs)

25 Deferred tax Asset as at March 31, 2026:

Details	Tax Balance as on	Book Balance as on	Timing Difference as on	Tax Rate	Deferred Tax Asset/(Liability) as on	Opening Tax Balance as on	YTD impact	DTA	
	31.03.2026	**31.03.2026**	**31.03.2026**		**31.03.2026**	**31.03.2025**		**PL**	**OCI**
Fixed Asset - Net Block	66.17	50.52	15.65	25.168%	3.94	(0.49)	4.43	4.43	-
Leases-116- ROU	-	160.79	(160.79)	25.168%	(40.47)	-	(40.47)	(40.47)	-
Liabilities - Gratuity	-	(10.66)	10.66	25.168%	2.68	0.78	1.91	1.91	-
Liability - Leave Encashment	-	(9.74)	9.74	25.168%	2.45	1.41	1.04	1.04	-
Lease Liability	-	(183.65)	183.65	25.168%	46.22	-	46.22	46.22	-
Total	**66.17**	**7.26**	**58.92**		**14.83**	**1.69**	**13.13**	**13.13**	**-**
Deferred Tax Asset / (Liability) as on 31.03.2025							1.69	1.69	-
Deferred taxes debit for the period							13.13	13.13	-
Deferred Tax Asset/ (Liability) as on 31.03.2026							**14.83**	**14.83**	**-**

Notes to financial statements for the year ended March 31, 2026
(Currency : INR in lakhs)

26 Income tax expense
There is no Income Tax provision for the current year.

Computation of Taxable Income for A.Y. 2026-27 (F.Y. 2025-26)

INCOME COMPUTATION AS PER NORMAL RATES			
Net Profit as per Profit & Loss Account			**299.26**
Add Deferred Tax Liability Provision			
Add: IND AS Impacts			
Interest on Lease Liabilities		18.48	
Depreciation on ROU Asset		44.80	
			63.28
Less: IND AS Impacts			
Unrealised gain on MF		315.71	
Interest on Security Deposit (Lease)		1.53	
Less: Rent Paid		53.29	**370.52**
Deemed Total Income u/s 115JB			**(7.98)**
Net Profit for the Year before depreciation			**(7.98)**
Add: Depreciaton as per Company Act			**31.27**
Less: Depreciation as per Income Tax Act			**20.04**
			3.25
Add Back Following Inadmissible Expenses			
Leave encashment		4.25	
Gratuity		8.20	**12.45**
Net Taxable Income			**15.70**
Less Brought Forward Losses for past years to be set-off			
For F.Y. 2023-24	(26.42)		
For F.Y. 2024-25	(85.18)		(111.61)
Loss to be carried forward to subsequent years			**(95.91)**

INCOME COMPUTATION AS PER MAT	
Deemed Total Income u/s 115JB (As above)	(7.98)
Less: Unabsorbed Depreciation as per Books	8.62
Net Taxable Income for the Year as rounded off	**(16.60)**
Income Tax Payable on above @15%	-
Add Education Cess @4%	-
Total Income Tax Payable	-

National Urban Co-operative Finance and Development Corporation Limited

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

(Currency : INR in lakhs)

27 Employee Benefits

a. Defined contribution plan - provident funds

The Provisions of Employees' Provident Fund and Miscellaneous Provisions Act, 1952, are not applicable.

b. Defined Benefit Plan - Gratuity

The Company has a defined benefit gratuity plan (unfunded). Every employee who has completed five years or more of service is eligible for gratuity on cessation of employment and it is computed at 15 days salary (last drawn salary) for each completed year of service subject to limit of INR 20 lakhs as per The Payment of Gratuity Act. 1972.

The following tables summarizes the components of net benefit expense recognized in the statement of profit and loss and the funded status and amounts recognized in the Balance Sheet for the gratuity plan.

Particulars	**As at March 31, 2026**	**As at March 31, 2025**
Present value of obligation (A)	10.66	3.09
Fair Value of plan assets (B)	-	-
Present value of obligation (A- B)	10.66	3.09

Particulars	**As at March 31, 2026**	**As at March 31, 2025**
Obligation expected to be settled in the next 12 months	-	-
Obligation expected to be settled beyond next 12 months	-	-

Movement in net defined benefit (asset) liability

The following table shows a reconciliation from the opening balances to the closing balances for net defined benefit (asset) liability and its components:

Particulars	**Defined Benefit Obligation**		**Fair Value of plan assets**		**Net defined benefit (asset) liability**	
	March 31, 2026.	**March 31, 2025.**	**March 31, 2026.**	**March 31, 2025.**	**March 31, 2026.**	**March 31, 2025.**
Opening balance	3.09	-	-	-	3.09	-
Current service cost	7.99	3.05	-	-	7.99	3.05
Past service cost	-	0.04	-	-	-	0.04
Interest cost	0.21	-	-	-	0.21	-
Interest Income	-	-	-	-	-	-
Defined benefit cost included in P&L	**11.29**	**3.09**	**-**	**-**	**11.29**	**3.09**
Other comprehensive income						
Remeasurement loss (gain) due to:						
Demographic assumptions	-	-	-	-	-	-
Financial assumption	-	-	-	-	-	-
Experience adjustments	-	-	-	-	-	-
(Return) on Plan Assets (Excluding Interest Income)	(0.62)	-	-	-	(0.62)	-
Total remeasurements in OCI	**(0.62)**	**-**	**-**	**-**	**(0.62)**	**-**
Others						
Transfer in/(out)						
Contributions by employer	-	-	-	-	-	-
Benefits paid	-	-	-	-	-	-
Closing balance	**10.66**	**3.09**	**-**	**-**	**10.66**	**3.09**

(Currency : INR in lakhs)

Actuarial assumptions:
The following were the principal actuarial assumptions at the reporting date:

Particulars	As at March 31, 2026	As at March 31, 2025
Discount rate	7.70%	6.93%
Salary escalation rate	5.00%	5.00%
Withdrawal/attrition rate (based on categories)	5.00%	5.00%
Mortality rate (as % of IALM (2012-14) Ult. Mortality Table)	100.00%	100.00%
Disability rate(as % of above mortality rate)		
Expected weighted average remaining working lives of employees		

Notes:
a) The discount rate indicated above reflects the estimated timing and currency of benefit payments. It is based on the yields / rates available on applicable bonds as on the current valuation date.

b) The salary growth rate indicated above is the Company's best estimate of an increase in salary of the employees in future years, determined considering the general trend in inflation, seniority, promotions, past experience and other relevant factors such as demand and supply in employment market, etc.

c) Attrition rate indicated above represents the Company's best estimate of employee turnover in future (other than on account of retirement, death or disablement) determined considering various factors such as nature of business, retention policy, industry factors, past experience, etc.

d) Actual deaths and disability cases proving lower or higher than assumed in the valuation can impact the liabilities

Sensitivity analysis:
Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

Particulars	As at March 31, 2026		As at March 31, 2025	
	Increase	Decrease	Increase	Decrease
Salary escalation Rate (+/- 0.50%)	0.47	(0.45)	-	-
Discount Rate (+/- 0.50%)	(0.43)	0.46	-	-
Withdrawal Rate (+/- 1%)	-	-	-	-

* Not Applicable for FY 2024-25, as appoints started with effect from Oct 2024

Expected future contributions
The Best Estimate Contribution for the Company during the next year would be INR

Expected cash flow for following years:

Maturity Profile of Defined Benefit Obligations	
Year 1	5,346.00
Year 2	6,549.00
Year 3	9,415.00
Year 4	39,162.00
Year 5	56,868.00
Year 6	64,748.00
Year 6 Onwards	884,328.00

The weighted average duration of the defined benefit obligation is 3.00

c. Compensated absences :
The Company provides for accumulated compensated absences as at the balance sheet date using projected unit credit method based on actuarial valuation.

Particulars	As at March 31, 2026	As at March 31, 2025
Present value of unfunded obligation	9.74	5.61
Expenses recognised in the Statement of Profit and Loss	4.25	5.61
Assumption		
Discount Rate	0.07	0.08
Salary growth rate	0.06	0.06
Withdrawal/attrition rate (based on categories)	0.09	0.09

National Urban Co-operative Finance and Development Corporation Limited

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

(Currency : INR in lakhs)

28 Earnings per share

Particulars	As at March 31, 2026	As at March 31, 2025
Profit / (Loss) for the year	**311.69**	**(91.61)**
Weighted average number of equity shares used in calculating basic earnings per share	238,062,385.20	117,950,596.00
Effect of potential dilutive Equity Shares on account of unexercised employee stock options	-	-
Weighted average number of equity shares and potential equity shares used in calculating diluted earnings per share	**238,345,214.20**	**137,024,016.00**
Basic earnings per share*	**0.13**	**(0.08)**
Diluted earnings per share*	**0.13**	**(0.07)**

29 Segment Reporting is not applicable to the Company

(Currency : INR in lakhs)

30 Maturity analysis of assets and liabilities

The table below shows an analysis of assets and liabilities analysed according to when they are expected to be recovered or settled.

Particulars	As at March 31, 2026			As at March 31, 2025		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
ASSETS						
Financial assets						
Cash and cash equivalents	103.02	-	103.02	2,077.53	-	2,077.53
Bank Balance other than cash and cash equivalents	12,067.28	-	12,067.28	3,786.15	-	3,786.15
Receivables			-			
(I) Trade receivables	0.53	-	0.53	-	-	-
(II) Other receivables	-	-	-	-	-	-
Investments	17,503.87	500.00	18,003.87	7,439.17	-	7,439.17
Other Financial assets	4.93	18.31	23.24	5.13	17.03	22.16
Sub total	**29,679.63**	**518.31**	**30,197.94**	**13,307.98**	**17.03**	**13,325.01**
Non-financial assets						
Current Tax assets (Net)	-	70.78	70.78	-	49.17	49.17
Deferred Tax assets (Net)	-	14.83	14.83	-	1.69	1.69
Property, plant and equipment	-	46.46	46.46	-	39.66	39.66
Right to Use Assets	-	160.79	160.79	-	205.59	205.59
Intangible assets	-	4.06	4.06	-	2.25	2.25
Other non-financial assets	86.67	4.55	91.22	57.97	-	57.97
Sub total	**86.67**	**301.47**	**388.14**	**57.97**	**298.38**	**356.34**
Total assets	**29,766.30**	**819.78**	**30,586.08**	**13,365.94**	**315.41**	**13,681.35**
LIABILITIES AND EQUITY						
LIABILITIES						
Financial liabilities						
Payables						
(I) Trade payables and Other payables						
(i) total outstanding dues of creditors of micro enterprises and small enterprises	-	-	-	-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	37.00	-	37.00	15.97	-	15.97
(II) Other Payables						
(i) total outstanding dues of creditors of micro enterprises and small enterprises	-	-	-	-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	-
Other Financial liabilities	288.35	127.70	416.05	218.46	-	218.46
Sub total	**325.35**	**127.70**	**453.05**	**234.43**	**-**	**234.43**
Non-Financial liabilities						
Current tax liabilities (Net)	-	-	-	-	-	-
Provisions	0.55	67.36	67.92	-	11.43	11.43
Deferred tax liabilities (Net)	-	-	-	-	-	-
Other non-financial liabilities	25.17	-	25.17	129.34	-	129.34
Sub total	**25.72**	**67.36**	**93.09**	**129.34**	**11.43**	**140.77**
Total liabilities	**351.08**	**195.06**	**546.14**	**363.76**	**11.43**	**375.19**

31 Contingent liabilities and commitments

In the ordinary course of business, the Company faces claims and assertions by various parties. The Company assesses such claims and assertions and monitors the legal environment on an ongoing basis, with the assistance of external legal counsel, wherever necessary. The Company records a liability for any claims where a potential loss is probable and capable of being estimated and discloses such matters in its financial statements, if material. For potential losses that are considered possible, but not probable, the Company provides disclosure in the financial statements but does not record a liability in its accounts unless the loss becomes probable.

The Company believes that the outcome of these proceedings will not have a materially adverse effect on the Company's financial position and results of operations.

31.1 Contingent Liability

There are no Contingent Liabilities as on March 31, 2026 (March 31, 2025: NIL)

31.2 Commitment

There were **NIL** Commitments during the year.

(Currency : INR in lakhs)

32 Leases

Company as a Lessee

The Company's lease asset classes primarily consist of leases for office spaces. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:(i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) . For these short-term leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment if whether it will exercise an extension or a termination option.

The value of the lease liability as of April 1, 2025 is primarily on account of discounting the lease liabilities to the present value under Ind AS 116. The SBI MCLR applied to lease liabilities as at April 1, 2025 is 9.10%

Following are the changes in the carrying value of right of use assets (Refer Note 8)

Particulars	As at March 31,2026	As at March 31,2025
Opening	205.59	-
Additions	-	229.77
Deletion	-	-
Depreciation	(44.80)	(24.18)
Closing Balance	**160.79**	**205.59**

The following is the movement in lease liabilities :

Particulars	As at March 31,2026	As at March 31,2025
Balance at the beginning	218.46	-
Additions	-	229.77
Finance cost accrued during the period	18.48	11.20
Payment of lease liabilities	(53.29)	(22.51)
Balance at the end	**183.65**	**218.46**

The table below provides details regarding the contractual maturities of lease liabilities on an undiscounted basis:

Particulars	As at March 31,2026	As at March 31,2025
Less than 3 months	13.70	13.05
Over 3 months & upto 6 months	13.70	13.05
Over 6 months & upto 1 year	28.55	27.19
Over 1 year & upto 3 years	157.45	176.39
Over 3 years	-	37.01

The following are the amounts recognised in statement of profit or loss:

Particulars	As at March 31,2026	As at March 31,2025
Depreciation expense of right-of-use assets (Refer Note No. 8)	44.80	24.18
Interest expense on lease liabilities (Refer Note no. 21)	18.48	11.20
Expense relating to short-term leases	-	-
Total amount recognised in profit or loss	**63.28**	**35.38**

Future Commitments:

Particulars	As at March 31,2026
Future undiscounted lease payments for which the leases have not yet commenced	-

Extension / Termination Options:

Some of the leases contain extension and termination options. Such options are taken into account in the determination of the lease term only if extension or non-termination can be assumed with reasonable certainty. On this basis, there were no such amounts included in the measurement of lease liabilities as at March 31, 2026.

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

(Currency : INR in lakhs)

33 Capital Management

“The primary objectives of the Company's capital management policy are to ensure that the Company complies with externally imposed capital requirements by its regulators and maintains strong credit ratings and healthy capital ratios in order to support its business and to maximise shareholder value.

The Company manages its capital structure and makes adjustments to it according to changes in economic conditions and the risk characteristics of its activities. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividend payment to shareholders, return capital to shareholders or issue capital securities. No changes have been made to the objectives, policies and processes from the previous years. However, they are under constant review by the Board.”

Particulars	As at March 31, 2026			As at March 31, 2025
	Numerator	Denominator	Ratio	Ratio
Capital to Risk Weighted Assets Ratio (CRAR)	29,997.00	7,686.73	390.24%	2106.32%
Tier I CRAR	-	-	390.24%	2106.32%
Tier II CRAR	-	-	0.00%	0.00%

34 Analytical Ratios

Particulars	As at March 31, 2026			As at March 31, 2025	% Variance	Reasons for Variance (if above 25%)
	Numerator	Denominator	Ratio	Ratio		
Capital to Risk Weighted Assets Ratio (CRAR)	29,997.00	7,686.73	390.24%	2106.32%	-81.47%	Equity capital raised during current financial year 2025-26
Tier I CRAR	-	-	390.24%	2106.32%	-81.47%	Equity capital raised during current financial year 2025-26
Tier II CRAR	-	-	0.00%	0.00%	0.00%	No new Tier II capital raised during current financial year 2025-26
Liquidity Coverage Ratio*						NA

* Liquidity coverage ratio is not applicable to the company from April 1, 2025 since the company is a non-deposit taking NBFC and the asset size is not more than Rs 5,000 crore based on the audited financial statements for the year ended March 31, 2025.

(Currency : INR in lakhs)

35 Fair Value Measurement:

A. Valuation Principles

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e.,an exit price), regardless of whether that price is directly observable or estimated using a valuation technique. In order to show how fair values have been derived, financial instruments are classified based on a hierarchy of valuation techniques:

Level 1 - Valuation technique using quoted market price: financial instruments with quoted prices for identical instruments in active markets that Company can access at the measurement date.

Level 2 - Valuation technique using observable inputs: Those where the inputs that are used for valuation and are significant, are derived from directly or indirectly observable market data available over the entire period of the instrument's life.

Level 3 - Valuation technique with significant unobservable inputs: Those that include one or more unobservable input that is significant to the measurement as whole.

The following table shows an analysis of financial instruments recorded at fair value by level of the fair value

Particulars	**Fair Value**			**Fair Value Hierarchy**	**Valuation Technique**	**Key Inputs for Level 2 & Level 3**	**Significant unobservable input(s) for Level 3**
Financial Assets	**Category**	**As at March 31, 2026**	**As at March 31, 2025**				
Investments in Mutual Funds	FVTPL	10,877.62	7,439.17	Level 1	Quoted Market Price	NA	NA

B. Fair value of financial instrument not measured at fair value:

The table below is a comparison, by class, of the carrying amounts and fair values of the Company's financial instruments that are not carried at fair value in the financial statements. This table does not include the fair values of non-financial assets and non-financial liabilities.

Particulars	**Level**	**Carrying value**			**Fair value**	
		As at March 31, 2026	**As at March 31, 2025**	**As at March 31, 2024**	**As at March 31, 2026**	**As at March 31, 2025**
Financial Assets						
Cash and cash equivalents	1	907.61	4,747.28	10,578.55	907.61	4,747.28
Bank Balance other than cash and cash equivalents	1	11,262.69	1,116.39	1,116.44	-	-
Trade receivables	2	0.53	-	-	0.53	-
Other financial assets	2	23.24	22.16	-	23.24	22.16
Investment in Treasury Bills		10,877.62	7,439.17	-	10,877.62	7,439.17
Investment in Bonds		500.00	-	-	500.00	-
		23,571.69	**13,325.01**	**11,694.99**	**12,309.00**	**12,208.61**
Financial Liabilities						
Other financial liabilities	2	416.05	218.46	-	416.05	218.46
Total Financial liabilities		**416.05**	**218.46**	**-**	**416.05**	**218.46**

Valuation Methodologies of Financial Instruments not measured at fair value

Below are the methodologies and assumptions used to determine fair values for the above financial instruments which are not recorded and measured at fair value in the Company's financial statements. These fair values were calculated for disclosure purposes only. The below methodologies and assumptions relate only to the instruments in the above tables and, as such, may differ from the techniques and assumptions explained in notes.

Short Term Financial Assets and Liabilities

For financial assets and financial liabilities that have a short-term maturity (less than twelve months), the carrying amounts are a reasonable approximation of their fair value. Such instruments include: cash and cash equivalents, bank balance other than cash and cash equivalents, trade receivables, rent and utility deposits and other financial liabilities.

36 Risk management

Risk is an integral part of the Company's business and sound risk management is critical to the success. The Board of Directors of the Company are responsible for the overall risk management approach and for approving the risk management strategies and principles. The Company has a risk management policy which covers all the risk associated with its assets and liabilities.

36.1 Introduction and Risk Profile

Risk management and mitigation

The Company's risks are measured using a method that reflects both the expected loss likely to arise in normal circumstances and unexpected losses, which are an estimate of the ultimate actual loss. The models make use of probabilities derived from historical experience, adjusted to reflect the economic environment, as necessary.

The Company's policy is to measure and monitor the overall risk-bearing capacity in relation to the aggregate risk exposure across all risk types and activities.

It is the Company's policy to ensure that a robust risk awareness is embedded in its organisational risk culture. Employees are expected to take ownership and be accountable for the risks the Company is exposed to that they decide to take on. The Company's continuous training and development emphasises that employees are made aware of the Company's risk appetite and they are supported in their roles and responsibilities to monitor and keep their exposure to risk within the Company's risk appetite limits.

The Company is generally exposed to credit risk, liquidity risk, market risk, prepayment risk and operational risk.

36.2 Credit Risk

Credit risk is not applicable to the Company as the Company has not given any Loans or Advances.

36.3 Liquidity Risk

The Company does not have any Liquidity risk as the Company does not have any Borrowings or Obligations payable.

36.4 Market Risk

Market Risk is the risk that the fair value or the future cash flows of a financial instrument will fluctuate because of changes in market factor. Such changes in the values of financial instruments may result from changes in the interest rates, credit, liquidity, and other market changes. The objective of market risk management is to avoid excessive exposure of our earnings and equity to loss and reduce our exposure to the volatility inherent in financial instruments. There are broadly two types of market risks: (1) Interest rate risk, and (2) Price risk. The Company has not made investments in quoted equity instruments or other quoted investments and hence is not exposed to Equity price risk. Interest rate risk is not applicable as the Company has not given any Loans or Advances.

36.5 Prepayment risk

Prepayment risk is the risk that the Company will incur a financial loss because its customers and counterparties repay or request repayment earlier or later than expected, such as fixed rate loans like ours when interest rates fall.

36.6 Operational and business risk

Operational risk is the risk of loss arising from systems failure, human error, fraud or external events. When controls fail to operate effectively, operational risks can cause damage to reputation, have legal or regulatory implications, or lead to financial loss. The Company cannot expect to eliminate all operational risks, but it endeavours to manage these risks through a control framework and by monitoring and responding to potential risks. Controls include effective segregation of duties, access, authorisation and reconciliation procedures, staff education and assessment processes, such as the use of internal audit.

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(Currency : INR in lakhs)

37 Related Party Disclosure

a. Name of related party and nature of relationship:

Enterprises having a significant influence	__
Subsidiary	_ _
Enterprises significantly influenced by Key Management Personnel and their relatives	_ _

Key Management Personnel (KMP)

Name of Employee	Designation	Remarks
Prabhat Chaturvedi	Chief Executive Officer	From 14 Sept 24
Atul Khirwarkar*	Chief Executive Officer	from 17 May 23 Till 13 Sept 24
Padmabhushan Bahadure	Chief Technology Officer	From 14 Oct 25
Hetal Faldu	Chief Financial Officer	From 8 Aug 24 Till 30 June 25
Pranav Desai	Chief Financial Officer	from 1 July 25
Franky Arora	Chief Financial Officer	From 1 April 23 till 7 Aug 24
Nyra Hardik Hinduja	Company Secretary	From 22 Mar 24 to 30 June 25
Vikas Tarekar	Company Secretary	From 1 July 25
Sumit Hans	Chief Relationship Officer	From 18 Dec 25

Directors			In Rs
Name of Director	**Position**	**Date of Appointment**	**Sitting Fees Paid**
Mr. Jyotindra Mehta	Chairman	18-Apr-20	-
Dr.H.K.Patil	Director	18-Apr-20	20,000
Mr. Pankaj Kumar Bansal	Non-Executive Director	21-Apr-25	-
Mr. Sunil Saudagar	Non-Executive Director	21-Apr-25	275,000
Ms Rachana Parikh	Independent Director	27-Mar-24	295,000
Mr.Mallikarjuna Rao	Independent Director	18-Mar-25	306,500
Dr.Rajeev Uberoi	Independent Director	4-Aug-25	170,000
Col.Vinod Shah	Independent Director	20-Aug-25	200,000

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Notes to financial statements for the year ended March 31, 2026
(Currency : INR in lakhs)

37 Related Party Disclosure (continued)
b. Transaction with related parties:

Name of related party	ure of transac	For the FY 2025					For the FY 2026			
		As at March 31, 2024	Transaction value for the year ended March 31, 2025	Received During the year	Paid During The year	As at March 31, 2025	Transaction value for the year ended March 31, 2026	Received During the year	Paid During the Year	As at March 31, 2026
Key management personnel										
Prabhat Chaturvedi	Salary	-	94.36	-	94.36	-	170.52	-	170.52	-
Atul Khirwarkar	Salary	-	20.15	-	20.15	-	-	-	-	-
Padmabhushan Bahadure	Salary	-	-	-	-	-	45.26	-	45.26	-
Hetal Faldu	Salary	-	97.18	-	97.18	-	40.56	-	40.56	-
Pranav Desai	Salary	-	-	-	-	-	60.91	-	60.91	-
Franky Arora	Salary	-	1.69	-	1.69	-	-	-	-	-
Nyra Hardik Hinduja	Salary	-	2.38	-	2.38	-	0.59	-	0.59	-
Vikas Tarekar	Salary	-	-	-	-	-	31.51	-	31.51	-
Sumit Hans	Salary	-	-	-	-	-	18.98	-	18.98	-

#As the provision for gratuity is made for the Company as a whole, the amount pertaining to the Key Management Personnel is not specifically identified and hence is not included

(Currency : INR in lakhs)

38 Disclosure pursuant to Master Direction-RBI/DOR/2025-26/359 DOR.ACC.REC.No.278/21.04.018/2025-26 Reserve Bank of India (Non-Banking Financial Companies – The said disclosures are Not Applicable to the Company

39 RBI Disclosures

The following additional information is disclosed in the terms of RBI/DOR/2025-26/359 DOR.ACC.REC.No.278/21.04.018/2025-26 Reserve Bank of India (Non-Banking Financial Companies – Financial Statements: Presentation and Disclosures) Directions, 2025 dated November 28, 2025 as amended

39.01 Capital to Risk Asset Ratio (CRAR)

Particulars	As at March 31, 2026	As at March 31, 2025
Tier I Capital	29,997.00	10,265.88
Tier II Capital	-	-
Total Capital	29,997.00	10,265.88
Total Risk Weighted Assets	7,686.73	487.38
CRAR (%)	390.24%	2106.32%
CRAR - Tier I Capital (%)	390.24%	2106.32%
CRAR - Tier II Capital (%)	0.00%	0.00%
Amount of subordinated debt raised as Tier - II Capital	-	-
Amount raised by issue of perpetual debt Instruments	-	-

"Tier I Capital", "Tier II Capital", "Owned Fund" and the "Capital Adequacy Ratio" are computed in accordance with the applicable prudential norms and regulatory guidelines issued by the Reserve Bank of India and are disclosed in accordance with the provisions of the Master Direction – Reserve Bank of India (Non-Banking Financial Companies – Financial Statements: Presentation and Disclosures) Directions, 2025, vide Notification No. RBI/DOR/2025-26/359, DOR.ACC.REC.No.278/21.04.018/2025-26 dated November 28, 2025, as amended.

39.02 Investments

Particulars	As at March 31, 2026	As at March 31, 2025
(a) Value of Investments		
(I) Gross value of investments	**18,003.87**	**7,439.17**
(a) In India	18,003.87	7,439.17
(a) Outside India	-	-
(II) Provisions for Depreciation		
(a) In India	-	-
(a) Outside India	-	-
(III) Net value of investments	**18,003.87**	**7,439.17**
(a) In India	**18,003.87**	**7,439.17**
(a) Outside India	-	-
(b) Movements of provisions held towards impairment on investments		
(I) Opening balance	-	-
(II) Add : Provisions made during the year	-	-
(III) Less : Write-off/ Written- back of excess provisions during the year	-	-
(IV) Closing balance	**-**	**-**

39.03 Registration from Other Financial Sector Regulators

The Company is registered with following other financial sector regulators (Financial regulators as described by Ministry of Finance):
i. R.B.I. - N-14.03609
ii. Ministry of Corporate Affairs - U65990DL2020PLC363322

39.04 Provisions

Particulars	As at March 31, 2026	As at March 31, 2025
1. Provisions towards income tax	(13.13)	3.45
2. Provisions towards loans	-	-
3. Provisions towards undrawn commitments	-	-
4. Provisions for others	59.34	11.43
5. Provisions towards trade receivables	-	-

Particulars	As at March 31, 2026	As at March 31, 2025
1. Provisions for depreciation on investment	-	-
2. Provisions made towards income tax	(13.13)	3.45
3. Provisions for standard assets#	-	-
4. Other provision and contingencies	**-**	**-**
Gratuity	7.58	3.09
Compensated absence	4.25	5.61
Provision for expenses	47.51	2.74

** Represents impairment loss allowance on stage 3 loans.*
 # Represents impairment loss allowance on stage 1 and stage 2 loans.

39.05 Area of Operation

The Company operates in India and does not have any joint ventures and overseas subsidiaries. Hence this disclosure is not applicable.

39.06 Transactions with Non-Executive Directors

Name of Non-Executive Director	Transaction Type	For the year ended 31st March 2026 (INR)	For the year ended 31st March 2025 (INR)
Mr.H K Patil	Payment of Sitting Fees	20,000.00	20,000.00
Mr Sunil Saudagar	Payment of Sitting Fees	275,000.00	-
Ms Rachana Parikh	Payment of Sitting Fees	295,000.00	180,000.00
Mr. M Rao	Payment of Sitting Fees	306,500.00	20,000.00
Dr Rajeev Uberoi	Payment of Sitting Fees	170,000.00	-
Col Vinod Shah	Payment of Sitting Fees	200,000.00	-
Mr. Krishnakumar Subramanyam	Payment of Sitting Fees	-	140,000.00
Mr. Ajai Kumar	Payment of Sitting Fees	-	220,000.00
Mr. Radha Binod Barman	Payment of Sitting Fees	-	160,000.00

National Urban Co-operative Finance and Development Corporation Limited
Notes to financial statements for the year ended March 31, 2026
(Currency : INR in lakhs)

39.07 Asset liability management

Maturity pattern of certain items of asset and liabilities - As at March 31, 2026

Pattern	1 day to 7 days	8 day to 14 days	15 day to 30-31 days	Over 1 month to 2 months	Over 2 months upto 3 months	Over 3 to 6 months	Over 6 months to 1 year	Over 1 to 3 years	Over 3 to 5 years	Over 5 years	Total
Liabilities*											
Borrowings from banks	-	-	-	-	-	-	-	-	-	-	**-**
Other Borrowings	-	-	-	-	-	-	-	-	-	-	**-**
Market Borrowings	-	-	-	-	-	-	-	-	-	-	**-**
Assets											
Advances*	-	-	-	-	-	-	-	-	-	-	**-**
Investments	6,626.25	-	-	-	-	5,002.02	5,875.14	-	-	500.00	**18,003.41**

Maturity pattern of certain items of asset and liabilities - As at March 31, 2025

Pattern	1 day to 7 days	8 day to 14 days	15 day to 30-31 days	Over 1 month to 2 months	Over 2 months upto 3 months	Over 3 to 6 months	Over 6 months to 1 year	Over 1 to 3 years	Over 3 to 5 years	Over 5 years	Total
Liabilities*											
Borrowings from banks	-	-	-	-	-	-	-	-	-	-	**-**
Other Borrowings	-	-	-	-	-	-	-	-	-	-	**-**
Market Borrowings	-	-	-	-	-	-	-	-	-	-	**-**
Assets											
Advances*	-	-	-	-	-	-	-	-	-	-	**-**
Investments	-	-	-	-	4,669.65	2,043.33	726.19	-	-	-	**7,439.17**

*The amount appearing above for gross loans and borrowings excludes the impact of EIR.

(Currency : INR in lakhs)

39.08 Liquidity Disclosure pursuant to Master Direction-RBI/DOR/2025-26/359 DOR.ACC.REC.No.278/21.04.018/2025-26 Reserve Bank of India (Non-Banking Financial Companies – Financial Statements: Presentation and Disclosures) Directions, 2025 dated November 28, 2025 as amended

i) Stock Ratios

Sr. No.	Particulars	31 March, 2026	31 March, 2025
1	Commercial Papers to Total Liabilities	-	-
2	Commercial Papers to Total Assets	-	-
3	NCDs (Original Maturity < 1 year) to Total Liabilities	-	-
4	NCDs (original Maturity < 1 year) to Total Assets	-	-
5	Other Short Term Liabilities # to Total Liabilities*	-	-
6	Other Short Term Liabilities # to Total Assets	-	-

40 First time adoption

These financial statements, for the year ended March 31, 2026, are the first annual financial statements the Company has prepared in accordance with Ind AS on Voluntary Basis. For years up to and including the year ended March 31, 2025, the Company prepared its financial statements in accordance with Accounting Standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 and guidelines issued by RBI (Indian GAAP or Previous GAAP).

Accordingly, the Company has prepared financial statements which comply with Ind AS applicable for years ending on March 31, 2026, together with the comparative year data as at and for the year ended March 31, 2025, as described in the summary of significant accounting policies. In preparing these financial statements, the Company's opening balance sheet was prepared as at April 1, 2024, the Company's date of transition to Ind AS. This note explains the principal adjustments made by the Company in restating its Indian GAAP financial statements, including the balance sheet as at April 1, 2024 and the financial statements as at and for the year ended March 31, 2025. The adjustments arising on transition to Ind AS have been accounted for retrospectively in accordance with Ind AS 101 and the resultant impact has been recognised in equity and presented under "Ind AS Transition Reserve" as at the date of transition.

41 Reconciliation of Profits as per IND AS and IGAAP

For the purposes of reporting as set out in note 2, the Company has transitioned its basis of accounting from Previous GAAP to Ind AS.

i. Reconciliation of Total Equity

Particulars	**As At March 31, 2025**	**As at April 01, 2024**
Total equity (Shareholders Funds) under previous GAAP	13,537.78	11,773.64
Summary of IND AS Adjustments:		
Prelimiary expenses w/off	(218.60)	(159.53)
ROU Adjustments	(13.03)	-
Total IND AS Adjustments	**(231.63)**	**(159.53)**
Equity reported under IND AS	13,306.16	11,614.11

ii. Reconciliation of Net Profit under Previous GAAP to Total Comprehensive Income under Ind AS

Particulars	**As At March 31, 2025**
Net Profit as per Previous GAAP	(143.20)
Summary of IND AS Adjustments:	
Preliminary expenses	64.62
ROU Adjustments	(13.03)
Total IND AS Adjustments	**51.59**
Net Profit for the year as per IND AS	**(91.61)**
Total Comprehensive Income under IND AS	**(91.61)**

42 Previous year's information have been regrouped/reclassified wherever necessary to correspond with current year's classification/disclosure.

Signatures to Notes on Accounts

For Mukund M Chitale& Co
Chartered Accountants
ICAI Firm registration number : 106655W

Nilesh Joshi
Partner
Membership No.114749
Place: Mumbai
Date: 29th June 2026

For and on behalf of the Board of Directors of
National Urban Co-operative Finance and Development Corporation Ltd
CIN: U65990DL2020PLC363322

Jyotindra Mehta
Chairman
DIN: 00387212

Prabhat Kumar Chaturvedi
Chief Executive Officer

Pranav Desai
Chief Financial Officer

Vikas Tarekar
Company Secretary
M.No. A31670

Place: Mumbai
Date: 29th June 2026

National Urban Co-operative Finance and Development Corporation Limited

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

(Currency : INR in lakhs)

Schedule to Balance Sheet in terms of Master Direction – RBI/DOR/2025-26/359 DOR.ACC.REC.No.278/21.04.018/2025-26 Reserve Bank of India (Non-Banking Financial Companies – Financial Statements: Presentation and Disclosures) Directions, 2025 dated November 28, 2025 as amended

			(Rs in Lakhs)
	Particulars	**31 March, 2026**	
Liabilities side		**Amount outstanding**	**Amount overdue**
(1)	**Loans and advances availed by the non- banking financial company inclusive of interest accrued thereon but not paid :**		
	(a) Debentures : Secured	-	-
	: Unsecured	-	-
	(other than falling within the meaning of public deposits*)		
	(b) Deferred Credits	-	-
	(c) Term Loans	-	-
	(d) Inter-corporate loans and borrowing	-	-
	(e) Commercial Paper	-	-
	(f) Public Deposits*	-	-
	* Please see Note 1 below		
(2)	**Break-up of (1)(f) above (Outstanding public deposits inclusive of interest accrued thereon but not paid) :**		
	(a) In the form of Unsecured debentures	-	-
	(b) In the form of partly secured debentures i.e. debentures where there is a	-	-
	(c) Other public deposits	-	-
	* Please see Note 1 below		
Assets side		**Amount outstanding**	
(3)	**Break-up of Loans and Advances including bills receivables [other than those included in (4) below] :**		
	(a) Secured		-
	(b) Unsecured		-
(4)	**Break up of Leased Assets and stock on hire and other assets counting towards**		
	(i) Lease assets including lease rentals		
	(a) Financial lease		-
	(b) Operating lease		160.79
	(ii) Stock on hire including hire charges		
	(a) Assets on hire		-
	(b) Repossessed Assets		-
	(iii) Other loans counting towards asset financing activities		
	(a) Loans where assets have been repossessed		-
	(b) Loans other than (a) above		-
(5)	**Break-up of Investments**		
	Current Investments		
	1. Quoted		
	(i) Shares		
	(a) Equity		-
	(b) Preference		-
	(ii) Debentures and Bonds		500.00
	(iii) Units of mutual funds		6,626.25
	(iv) Government Securities		10,877.62
	(v) Others (please specify)		-
	2. Unquoted		
	(i) Shares		
	(a) Equity		-
	(b) Preference		-
	(ii) Debentures and Bonds		-
	(iii) Units of mutual funds		-
	(iv) Government Securities		-

	(v) Others (please specify)	-
	Long Term investments	
	1. Quoted	
	(i) Share	
	(a) Equity	-
	(b) Preference	-
	(ii) Debentures and Bonds	-
	(iii) Units of mutual funds	-
	(iv) Government Securities	-
	(v) Others (please specify)	-
	2. Unquoted	
	(i) Shares	
	(a) Equity	-
	(b) Preference	-
	(ii) Debentures and Bonds	-
	(iii) Units of mutual funds	-
	(iv) Government Securities	-
	(v) Others (please specify)	

(6) **Borrower group-wise classification of assets financed as in (3) and (4) above :**

Please see Note 2 below

Category	Amount net of provisions	
	Secured	Unsecured
1. **Related Parties ****		
(a) Subsidiaries	-	-
(b) Companies in the same group	-	-
(c) Other related parties	-	-
2. Other than related parties	-	-
Total	-	-

(7) **Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted) :**

Please see note 3 below

Category	Market Value / Break up or fair value or NAV
1. Related Parties **	
(a) Subsidiaries	-
(b) Companies in the same group	-
(c) Other related parties	-
2. Other than related parties	-
Total	-

** As per Indian Accounting Standards of ICAI (Please see Note 3)

(8) **Other information**

Particulars	Amount
(i) Gross Non-Performing Assets	
(a) Related parties	-
(b) Other than related parties	-
(ii) Net Non-Performing Assets	
(a) Related parties	-
(b) Other than related parties	-
(iii) Assets acquired in satisfaction of debt	-

Notes :

1. As defined in the Reserve Bank of India (Non -Banking Financial Companies -Acceptance of Public Deposits)Directions , 2025.
2. Provisioning norms shall be applicable as prescribed in Indian Accounting Standards by MCA.
3. All Indian Accounting Standards and Guidance Notes issued by ICAI are applicable including for valuation of investments and other assets as also assets acquired in satisfaction of debt. However, market value in respect of quoted investments and break up / fair value / NAV in respect of unquoted investments shall be disclosed irrespective of whether they are classified as long term (Amortised cost in the case of Ind As) or current (fair value in the case of Ind As)in (5) above.