Sakthi Finance
Since 1955

SFL:BSE:AGM2026:082:2026-27 1 September 2026

BSE Limited
(Scrip Code : 511066)
Floor 25, P J Towers
Dalal Street, Fort
Mumbai - 400 001

On-line submission through Listing Centre
ISIN: INE302E01014
Total no of pages :195

Dear Sir / Madam,

Intimation under Regulations 30, 34, 53 and 58 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 ("Listing Regulations") - Notice of the 69th Annual General Meeting ("AGM") and Annual Report for the financial year ended 31 March 2026

1. We request you to refer our letter No. SFL:BSEBM:073:2026-27 dated 14 August 2026 regarding the convening of the 69th Annual General Meeting **("AGM")** of the Company on **Saturday, 26 September 2026** at **11.30 a.m.** through Video Conferencing **("VC")** / Other Audio-Visual Means (**"OAVM"**) in compliance with the applicable General Circulars issued by the Ministry of Corporate Affairs (**"MCA"**) and Securities and Exchange Board of India (**"SEBI"**), the applicable provisions of the Companies Act 2013 **("the Act")** and the Listing Regulations.

2. In terms of Regulations 30, 34, 53 and 58 of the Listing Regulations, we submit / enclose an electronic copy of the AGM Notice along with the Annual Report for the Financial Year 2025-26 containing the documents, reports and disclosures as required under Regulation 34(2) and 58(1) of the Listing Regulations, for convening the 69th AGM of the Company.

3. In terms of Regulation 46 of the Listing Regulations, the AGM Notice along with Annual Report 2026 for the Financial Year 2025-26 will also be made available on the website of the Company and can be accessed at below mentioned link: **https://sakthifinance.com/annual-reports/.**

4. Further, in accordance with the applicable circulars issued by MCA and SEBI, the AGM Notice and the Annual Report for the financial year 2025-26 is being sent through electronic mode only to all the members holding shares in dematerialized form and whose e-mail addresses are registered with their respective Depository Participants **("DP")** as well as to the members holding shares in physical form, whose e-mail addresses are registered with the Company/ Registrar and Share Transfer Agent of the Company for communication purposes. The soft copy of Annual Report 2026 is being sent / circulated to all the Preference Shareholders and Public Issue Listed Non-Convertible Debenture Holders **("NCDs")** also.

5. In view of the exemptions provided by MCA / SEBI, no physical or hard copies of the AGM Notice and the Annual Report 2026 are circulated to the members.

S VENKATESH Digitally signed by S VENKATESH
Date: 2026.09.01 17:06:54 +05'30'

Sakthi Finance Limited
62, Dr. Nanjappa Road, Coimbatore - 641 018, Tamilnadu, India.
Ph : (0422) 2231471 - 474, 4236200 Fax : (0422) 2231915 | www.sakthifinance.com | CIN : L65910TZ1955PLC000145

6. Further, in accordance with Regulation 36(1)(b) and 58(1)(b) of the Listing Regulations, the company will be sending a letter to members (both Equity and Preference Shareholders) and debenture holders whose e-mail addresses are not registered with the Company / RTA/DPs providing the weblink including the exact path where the complete details of Annual Report 2026 is available and also a QR Code to download the Annual Report 2026.

7. Members of the Company who have not registered their e-mail addresses with the Company were informed by a public notice in newspapers dated **Monday, 24 August 2026** about the process for registration of their e-mail address to receive the AGM Notice, Annual Report 2026 and the log-in credentials for participating in the AGM through VC/OAVM facility. Detailed instructions are also given in the AGM Notice.

8. As per Section 108 of the Companies Act 2013 (**"the Act"**) read with Rule 20 of the Companies (Management and Administration) Rules 2014, as amended from time to time and in terms of Regulation 44 of the Listing Regulations, members have been provided with the facility to cast their votes electronically through the e-Voting services provided by Central Depository Services (India) Limited **("CDSL")** on all Resolutions set out in the Notice. The facility for voting will also be made available during the AGM and members attending the Meeting who have not cast their vote(s) by remote e-Voting will be able to vote during the AGM through CDSL's remote e-Voting facility.

9. In terms of SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020, Members (individuals holding shares in demat mode) can avail remote e-Voting facility, by using a single log-in credential in the websites of Depositories / Depository Participants **("DPs").** The process and manner of remote e-voting in terms of above SEBI Circular is set out in the AGM Notice.

10. Members are being provided with a facility to attend the AGM through VC platform provided by CDSL. Members who do not have the credentials for e-Voting or have forgotten the Password can retrieve it by following the remote e-Voting instructions contained in the AGM Notice.

Key details at a glance

Particulars	Details
Mode	VC / OAVM
Time and date of 69th AGM	Saturday, 26 September 2026 at 11.30 a.m.
Helpline number for VC Participation	Toll free number of CDSL - 1800 21 09911
Dividend record date	Saturday, 19 September 2026
Dividend payment date	On or after 26 September 2026 but within the stipulated time
Cut-off date for e-voting	Saturday, 19 September 2026
Remote e-voting commencing date and time	Wednesday, 23 September 2026
Remote e-voting concluding date and time	Friday, 25 September 2026
Remote e-voting website of CDSL	www.evotingindia.com

S VENKATESH Digitally signed by S VENKATESH Date: 2026.09.01 17:07:15 +05'30'

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Since 1955

11. For any further information or clarification, members can write to **investors@sakthifinance.com.**

12. We now request you to take the documents / information on record.

Yours faithfully
For Sakthi Finance Limited

S VENKATESH Digitally signed by S VENKATESH Date: 2026.09.01 17:07:30 +05'30'

S Venkatesh
Company Secretary and
Chief Compliance Officer
FCS 7012

Encl: (2)

Sakthi Finance Limited
62, Dr. Nanjappa Road, Coimbatore - 641 018, Tamilnadu, India.
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Sakthi Finance
Since 1955

SAKTHI FINANCE LIMITED

CIN : L65910TZ1955PLC000145

REGISTERED OFFICE: 62, Dr. Nanjappa Road, Coimbatore - 641 018
Phone : (0422) 4236200
E-mail : sakthif_info@sakthifinance.com
investors@sakthifinance.com
Website : www.sakthifinance.com

NOTICE TO MEMBERS

NOTICE is hereby given that the Sixty Ninth (69th) Annual General Meeting (**"AGM"**) of the members of the Company will be held on **Saturday, 26 September 2026** at **11.30 a.m** through Video Conference (**"VC"**) / Other Audio Visual Means (**"OAVM"**) to transact the following business.

You are requested to make it convenient to attend the meeting.

ORDINARY BUSINESS

1. **Adoption of Audited Financial Statements**

   To consider and if thought fit, to pass the following resolution, as an **Ordinary Resolution:**

   RESOLVED THAT the Audited Financial Statements for the financial year ended 31 March 2026 and the attached Reports of the Board of Directors and Auditors be and are hereby considered and adopted.

2. **Confirmation of Interim Dividend on Redeemable, Cumulative, Preference Shares as Final Dividend**

   To consider and if thought fit, to pass the following resolution, as an **Ordinary Resolution:**

   RESOLVED THAT in terms of Section 123(3) of the Companies Act 2013 (**"the Act"**), an Interim Dividend of ₹ 9 per share (9 per cent) on 29,21,400 Redeemable, Cumulative, Preference Shares of ₹ 100 each amounting to ₹ 235.34 lakhs (including tax deduction of ₹ 6.15 lakhs), declared by the Board of Directors at their meeting held on 10 March 2026 for the financial year ended 31 March 2026, on *pro rata* basis, wherever applicable and paid out of the profits of the company, be and is hereby confirmed as final dividend.

3. **Declaration of dividend on Equity Shares**

   To consider and if thought fit, to pass the following resolution, as an **Ordinary Resolution:**

   RESOLVED THAT a dividend of ₹ 0.80 (8 per cent) per equity share, as recommended by the Board of Directors, be declared for the financial year ended 31 March 2026 on 6,47,05,882 equity shares of ₹ 10 each amounting to ₹ 517.65 lakhs (including tax deducted at source as may be applicable) to be paid out of the profits of the company for the said financial year and the said dividend be paid to those eligible equity shareholders, as on the record date i.e., **Saturday, 19 September 2026**.

4. **Re-appointment of Dr Mahalingam Manickam (DIN: 00102233), Director retiring by rotation, as a Director being eligible, offers himself for re-appointment**

   To consider and if thought fit, to pass the following resolution, as an **Ordinary Resolution:**

   RESOLVED THAT Dr Mahalingam Manickam, holding DIN: 00102233, who retires by rotation and being eligible for re-appointment, be and is hereby reappointed as a Director of the Company.

SPECIAL BUSINESS

5. **To consider and approve payment of commission to Dr Sundaraswamy Veluswamy (DIN: 05314999), Non-Executive, Non-Independent Director of the Company**

   To consider and if thought fit, to pass the following resolutions as **Special Resolutions:**

   RESOLVED THAT in accordance with Sections 197, 198 and other applicable provisions, if any, of the Companies Act 2013 (**"the Act"**) and the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014 read with Regulations 17(6)(a) and 17(6)(ca) and other applicable regulations, if any, of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015 (including any statutory modification(s) or amendment(s) or re-enactment(s) thereof for the time being in force) (**"Listing Regulations"**), such other approval(s), permission(s) and sanction(s) as may be necessary and based on the recommendations of the Nomination and Remuneration Committee, Audit Committee and as approved by the Board of Directors, the approval of the Members of the Company be and is hereby accorded for payment of commission of one (1) per cent on the net profits of the Company computed in the manner referred to in Section 198 of the Act to Dr Sundaraswamy Veluswamy (DIN : 05314999), Non-Executive, Non-Independent Director of the Company, payable in such form, manner or proportions and in all respects as may be determined by the Board of Directors of the Company for the financial year 2026-27, i.e. from 1st April 2026 to 31st March 2027.

   RESOLVED FURTHER THAT the above commission shall be exclusive of any fees payable to him for attending the meetings of the Board and the Committees thereof.

   RESOLVED FURTHER THAT the Board of Directors of the Company (including any Committee thereof) be and is hereby authorized to do all such acts, deeds, matters and things and to take all such steps, including to settle any questions, difficulties or doubts, as may be necessary, proper or expedient to give effect to the resolution.

6. **Issue of Redeemable, Cumulative, Preference Shares ("RCPS") on Private Placement basis for an amount not exceeding the Authorised Preference Share Capital of the Company, i.e. ₹ 50 crores.**

   To consider and if thought fit, to pass the following resolutions as **Special Resolutions:**

   RESOLVED THAT in accordance with Sections 42, 55 and any other applicable provisions, if any, of the Act read with the Companies (Prospectus and Allotment of Securities) Rules 2014 and the Companies (Share Capital and Debentures) Rules 2014 (including any amendment(s), statutory modification(s) or re-enactment(s) thereof), the Memorandum and Articles of Association of the Company, any other applicable laws for the time being in force and subject to such other approvals as may be required from regulatory authorities from time to time, approval of the Company be and is hereby given to the Board of Directors (**"the Board"**) (which term shall be deemed to include any Committee thereof which the Board may have constituted or may hereinafter constitute to exercise its powers including the powers conferred by this resolution) to offer, issue and allot, in one or more tranches, 50,00,000 Redeemable, Cumulative, Preference Shares (**"RCPS"**) of the face value of ₹ 100 each for cash at par for an amount not exceeding the Authorised Preference Share Capital of ₹ 50 crores, on private placement basis to persons identified by the Board of Directors in their absolute discretion, whether or not such persons are members of the Company, on such terms and conditions as may be decided by the Board and subject to the following rights:

a. The Preference Shares shall rank for dividend and in repayment of capital in priority to the equity shares for the time being of the Company. The payment of dividend shall be reckoned on a cumulative basis.
b. The said shares shall carry a fixed cumulative preference dividend to be determined by the Board of Directors at the time of issue of preference shares on the capital for the time being paid-up thereon.
c. The said shares shall, on winding up, be entitled to rank as regards repayment of capital and arrears of dividend, whether declared or not, up to the date of commencement of the winding up in priority to the equity shares but shall not be entitled to any further participation in the profits or surplus assets or surplus funds.
d. The said shares will not be converted into equity shares.
e. The voting rights of the persons holding the said shares shall be in accordance with the provisions of Section 47(2) of the Act.
f. The said shares shall be redeemable not later than the date determined by the Board of Directors at the time of issue or such other date as may be determined by the Board of Directors provided that it does not exceed twenty years.

RESOLVED FURTHER THAT the Board of Directors be and are hereby authorized to delegate all or any of the powers conferred by this resolution to any Director(s) or Committee of Directors or any Officer(s) of the Company, as it may consider appropriate to give effect to the resolution up to the date of next Annual General Meeting.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized on behalf of the Company to do all such acts, deeds and matters and things as they may, at their discretion, deem necessary or desirable for such purpose and with power on behalf of the Company to settle any questions, difficulties or doubts that may arise in this regard as they may, in their absolute discretion, deem fit and proper to give effect to the resolution.

NOTES:

1. **CONVENING OF ANNUAL GENERAL MEETING THROUGH VIDEO CONFERENCING ("VC")/ OTHER AUDIO-VISUAL MEANS ("OAVM") FACILITY**

   The Ministry of Corporate Affairs (**"MCA"**) has, by its General Circular dated 22 September 2025 read together with earlier circulars dated 8 April 2020, 13 April 2020, 5 May 2020, 13 January 2021, 8 December 2021, 14 December 2021, 5 May 2022, 28 December 2022, 25 September 2023 and 19 September 2024 (collectively referred to as **"MCA Circulars"**), permitted convening the Annual General Meeting (**"AGM" / "Meeting"**) through Video Conferencing (**"VC"**) or Other Audio-Visual Means **("OAVM")** without physical presence of the members at a common venue. In accordance with the MCA Circulars and applicable provisions of the Companies Act 2013 (**"the Act"**) read with Rules made thereunder and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015 (**"Listing Regulations"**), in this regard, the 69th AGM of the Company is being held through VC/OAVM. The deemed venue for the 69th AGM shall be the Registered Office of the company situated at 62, Dr Nanjappa Road, Coimbatore – 641 018, Tamilnadu, India.

   Since the AGM will be held through VC / OAVM in accordance with the MCA, the route map is not attached to the Notice.

2. The Board of Directors have considered and decided to include the Item Nos 5 and 6, given above as Special Business in the AGM Notice as they are considered necessary for the conduct of the Company's Business.

3. **STATEMENT UNDER SECTION 102 OF THE ACT**

   The relevant Statement as required under Section 102 of the Act setting out the material facts in respect of Special Business under Item Nos. 5 and 6 are annexed.

4. The relevant details of Director seeking retirement by rotation under Item No. 4 as per Regulation 36(3) of the Listing Regulations as required under Secretarial Standard-2 on General Meetings issued by the Institute of Company Secretaries of India is set out in **Annexure-1**.

5. **PROXY(IES)**

   In terms of the provisions of the Act, a Member entitled to attend and vote at the AGM is entitled to appoint a Proxy to attend and vote on behalf of the members and the Proxy need not be a Member of the Company. Since the AGM is conducted through VC/ OAVM only, the requirement of physical attendance of the members at the AGM has been dispensed with. Hence the facility for appointment of Proxy by members will not be available for this AGM and accordingly, the Proxy Form and Attendance Slip are not annexed to this Notice. However, the Body Corporates are entitled to appoint Authorised Representatives to attend the AGM through VC / OAVM and participate in AGM and cast their votes through e-voting.

6. **QUORUM**

The attendance of the members attending the AGM through VC / OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Act. Since the ensuing AGM is being held through VC / OAVM, physical attendance of Members has been dispensed with.

7. **CORPORATE REPRESENTATIONS**

Members of the Company under the category of Institutional Investors, if any, are encouraged to attend and vote at the AGM through VC / OAVM. Corporate members intending to authorize their representatives to participate and vote at the AGM are requested to send a duly certified copy of the board resolution authorizing their representatives to attend and vote on their behalf at the AGM to the scrutinizer at **r.sivasubramanian@rediffmail.com.**

8. **ELECTRONIC DISPATCH OF THE AGM NOTICE AND THE ANNUAL REPORT ("AR") 2026**

In terms of Sections 101 and 136 of the Act read with the rules made thereunder and Regulation 36 of the Listing Regulations and in compliance of MCA and SEBI Circulars, the Financial Statements (including Board's Report, Independent Auditor's Report and other documents required to be attached) for the financial year ended 31 March 2026 is being sent by electronic mode only to those members whose e-mail addresses are registered with the Company / Depository Participants **("DP")**.

Further, in accordance with Regulation 36(1)(b) of the Listing Regulations, a letter is being sent to those members whose e-mail addresses are not registered with the Company / DP, providing a web-link, including the exact path and QR Code, for accessing the Annual Report 2025-26. Members can request for a physical copy of the Annual Report 2026 by sending a request to the mail, **investors@sakthifinance.com.** Members may also note that the Notice of 69th AGM along with the Annual Report for the financial year 2026 will also be made available on the Company's website, **https://sakthifinance.com/annual-reports/ and** BSE Limited website, **https://www.bseindia.com/** for their download.

9. **UPDATION OF PAN, KYC AND OTHER DETAILS**

SEBI has, by its amendment to the Listing Regulations on 18th November 2025, mandated the payment of dividends, interest, redemption or repayment amounts to be made only in electronic mode. It has made it mandatory for all companies to use the bank account details of the shareholders provided by the Depositories and the bank account details maintained by the RTA for payment of dividend to Members electronically. The Company makes electronic credit of dividend directly to the respective bank accounts of the Member(s) through the Electronic Clearing Service (**"ECS"**) / National Electronic Clearing Service (**"NECS"**) / National Electronic Fund Transfer (**"NEFT"**) / Real Time Gross Settlement (**"RTGS"**) / Direct Credit, etc.

The procedure for updation of mandate for receiving dividends directly in bank account through electronic clearing system or any other means in a timely manner is given below:

In case Equity Shares are held in physical form

In accordance with SEBI Master Circular No. HO/38/13/(4)2026-MIRSDPOD/I/4298/2026 dated 6 February 2026 (**"SEBI-MD-RTA"**), security holders holding securities in physical form are requested to ensure that their KYC details are duly updated. Upon completion of the requisite KYC formalities, all payments, including dividend, interest, or redemption proceeds, will be processed through electronic mode only.

<table>
<tr><th>Type of Holder</th><th colspan="3">Process to be followed</th></tr>
<tr><td rowspan="3">Shareholders holding shares in physical form</td><td colspan="3">Send a written request in the prescribed form to MUFG Intime India Private Limited either by e-mail (duly e-signed) at investor.helpdesk@in.mpms.mufg.com or by post (Self attested and dated) to MUFG Intime India Private Limited, "Surya", 35, May Flower Avenue, Behind Senthil Nagar, Sowripalayam Road, Coimbatore - 641 028.</td></tr>
<tr><td>To register PAN, e-mail address, bank details and other KYC details or updation therein</td><td>Form ISR-1</td><td rowspan="2">For forms, please refer Company's website at https://sakthifinance.com/kyc-updation/ and RTA website, https://web.in.mpms.mufg.com/KYC-downloads.html</td></tr>
<tr><td>To update signature of securities holder along with below documents:
a. Copy of Bank Statement with Bank Name, Bank Account Number and IFS Code attested by Bank Manager or
b. Original cancelled cheque bearing the name of the Member or first holder, in case shares are held jointly;
c. Self-attested PAN Card copy of all holders; and
d. Self-attested photocopy of any document (such as Aadhaar Card, Driving License, Election Identity Card, Passport) in support of the address of the First holder as registered with the Company.</td><td>Form ISR-2</td></tr>
</table>

Type of Holder	Process to be followed		
Shareholders holding shares in physical form	Declaration to opt out nomination	Form ISR-3	For forms, please refer Company's website at **https://sakthifinance.com/kyc-updation/** and RTA website, **https://web.in.mpms.mufg.com/KYC-downloads.html**
	Form for requesting issue of Duplicate Certificate and other service requests for securities held in physical mode	Form ISR-4	
	For nomination as provided in the Rule 19(1) of the Companies (Share Capital and debenture) Rules 2014	Form SH-13	
	Cancellation of nomination by the holder(s) (along with ISR-3)/ Change of Nominee	Form SH-14	

Members are requested to send the above documents in original to MUFG Intime India Private Limited, "Surya", 35, May Flower Avenue, Behind Senthil Nagar, Sowripalayam Road, Coimbatore - 641 028 for change in / updation of bank details.

On completion of above KYC, the RTA shall, *suo moto,* generate request to the Company's bankers to pay electronically, all the monies of/payments to the holder that were previously unclaimed/unsuccessful.

In case Equity Shares are held in electronic form

Members holding securities in demat form are requested to submit/update their KYC details with their respective Depository Participants.

10. RECORD DATE AND DIVIDEND

Saturday, 19 September 2026 has been fixed as the Record Date for payment of dividend to the equity shareholders.

The dividend on equity shares for the year ended 31 March 2026, as recommended by the Board of Directors and if declared at the AGM, will be paid/credited by the Company, through permitted modes, on or after **Saturday, 26 September 2026** to those shareholders or their mandatees:

a. whose names appear as Members in the Register of Members of the Company as at the end of the business hours on **Saturday, 19 September 2026** in respect of the shares held in physical form, after giving effect to valid request(s) received for transmission/ transposition of shares and lodged with the Company or Registrar and Transfer Agent on or before **Saturday, 19 September 2026**; and

b. whose names appear as Beneficial Owners as at the end of the business hours on **Saturday, 19 September 2026** in the list of Beneficial Owners to be provided by National Securities Depository Limited and Central Depository Services (India) Limited in respect of the shares held in dematerialised form.

11. TAX DEDUCTED AT SOURCE ON DIVIDEND

In terms of the Income-tax Act 2025 (**"IT Act 2025"**), as amended by the Finance Act 2026, dividend income is taxable in the hands of shareholders and therefore, the Company shall be required to deduct Tax at Source (**"TDS"**) from dividends paid to shareholders at the prescribed rates. For the prescribed rates applicable for Financial Year (**"FY"**) 2026-27 (Tax Year), shareholders are requested to refer to the relevant provisions of the IT Act 2025 read with the applicable Finance Act and related amendments. Shareholders are requested to update their PAN with the Company/MUFG (in case of shares held in physical mode) and the Depositories (in case of shares held in demat mode) on or before **Saturday, 19 September 2026.**

In case the tax on dividend is deducted at a higher rate in the absence of receipt of the above details / documents from the Members, there would still be an option available with the Members to file the return of income and claim an appropriate refund, if found eligible.

No communication on the tax determination / deduction shall be entertained post **Saturday, 19 September 2026**. In the event of any income tax demand (including interest, penalty, etc.) arising from any misrepresentation, inaccuracy or omission of information provided by the shareholder, such shareholder will be responsible to indemnify the Company and also provide the Company with all information/documents and co-operation in any appellate proceedings.

TDS provisions and documents required as applicable for the relevant category of shareholders are set out in the **Annexure 2** forming part of this notice.

12. NOMINATION DETAILS

Members can avail of the Nomination facility as per Section 72 of the Act read with Rule 19(1) of the Companies (Share Capital and Debentures) Rules 2014. Members holding shares in physical form desiring to avail of this facility may send their nomination in the prescribed Form No. SH-13 duly filled in to MUFG Intime India Private Limited, "Surya", 35, May Flower Avenue, Behind Senthil Nagar, Sowripalayam Road, Coimbatore - 641 028.

Members desiring to opt out or cancel the earlier nomination and record a fresh nomination, may submit the same in Form ISR-3 or SH-14 as the case may be. Above forms are available on the Company's website at **https://sakthifinance.com/kyc-updation/** and RTA's website at **https://web.in.mpms.mufg.com/KYC-downloads.html.** Members holding shares in demat form may contact their respective DPs for availing this facility.

13. TRANSFER AND TRANSMISSION OF SHARES

As per Regulation 40 of the Listing Regulations, as amended from time to time, securities of listed companies can be transferred only in dematerialized form. Further, SEBI has, by its Master Circular for RTAs, mandated listed companies to issue securities in dematerialized form while processing service request for issue of duplicate securities certificate/ claim from unclaimed suspense account/renewal/exchange/endorsement/sub-division/splitting/consolidation/transmission/transposition of securities etc.

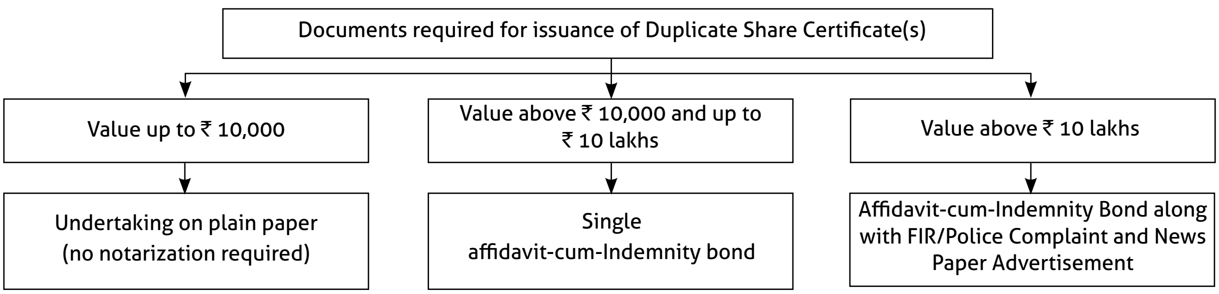
In view of the above and to eliminate the risks associated with physical shares and to avail of various benefits of dematerialization, Members are advised to dematerialize their shares held in physical form.

SEBI has, by its Master Circular for RTAs, has dispensed with the requirements of issuance of Letter of Confirmation (**"LoC"**) with effect from 2 April 2026, by the Company / RTA while processing the above investor service requests. Accordingly, the securities will be credited directly to the shareholder's demat account upon submission of valid demat accounts details along with the demat conversion request form and Client Master List not older than two months duly attested by the Depository Participant.

14. SIMPLIFIED PROCEDURE FOR TRANSMISSION OF SECURITIES AND ISSUANCE OF DUPLICATE SHARE CERTIFICATES

SEBI has, by its Master Circular for RTAs, simplified the procedure and standardized the format of documents for transmission of securities and issuance of duplicate securities certificates by physical holders.

The documentation requirements have been standardised as below:



15. TRANSFER TO INVESTOR EDUCATION AND PROTECTION FUND ("IEPF")

As per Sections 124 and 125 of the Act read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules 2016, as amended **("the IEPF Rules")** and Regulation 61A of the Listing Regulations all unclaimed dividends, principal / maturity amount of debentures and deposits as well as interest accrued etc., which remained unclaimed for a period of seven consecutive years have been transferred to the Investor Education and Protection Fund **("IEPF")** of the Central Government. Members who have not encashed their dividend warrant(s) for the said years are requested to forward their claims by submitting Form **IEPF–5**, which is available on the website, **www.iepf.gov.in.**

Name, Designation and Address of the Nodal Officer

Sri S Venkatesh, Company Secretary and Chief Compliance Officer

Sakthi Finance Limited (CIN:L65910TZ1955PLC000145)

Regd Office : 62, Dr. Nanjappa Road, Post Box No.3745, Coimbatore - 641 018

Tel : (0422) 4236200

E-mail : investors@sakthifinance.com

Website : www.sakthifinance.com

UNCLAIMED DIVIDENDS AND INVESTOR EDUCATION AND PROTECTION FUND ("IEPF")

You are requested to claim the following Unclaimed amounts:

Dividends due for transfer to IEPF:

The dividends declared from 2018-19 to 2024-25 which remain unpaid / unclaimed and the underlying shares as on 31 March 2026 are given below.

Financial Year	Date of declaration of Dividend	Dividend declared per equity share	Total amount of Dividend paid (Gross) (₹ lakhs)	Dividend lying unpaid and unclaimed with the Company (₹ lakhs)	Number of shares on which Dividend is lying unpaid and unclaimed with the Company	Last date / due date for claiming unpaid and unclaimed Dividend
2024-25	27 Sep' 2025	₹ 0.80	517.65	34.59	53,93,480	1st Nov' 2032
2023-24	10 Sep' 2024	₹ 0.80	517.65	34.50	52,82,323	16th Oct' 2031
2022-23	21 Sep' 2023	₹ 0.70	452.94	2.95	4,22,728	28th Oct' 2030
2021-22	28 Sep' 2022	₹ 0.60	388.23	4.06	7,05,509	5th Nov' 2029
2020-21	30 Sep' 2021	₹ 0.60	388.23	2.88	4,83,369	4th Nov' 2028
2019-20	17 Dec' 2020	₹ 0.60	388.23	2.93	4,89,687	23rd Jan' 2028
2018-19	23 Sep' 2019	₹ 1.00	647.05	7.16	7,16,393	30th Oct' 2026

The Company urges all the Members to encash/claim their respective dividend(s) during the prescribed period. Members who have not encashed the dividend warrants so far in respect of the above periods are requested to make their claim to MUFG Intime India Private Limited well in advance of the above due dates.

The outstanding unclaimed / Unpaid dividends as on the due dates will be transferred to IEPF on the said due dates. The members may also note that in case dividend is not claimed for seven consecutive years, besides transfer of the unclaimed dividend to IEPF, the Company shall transfer the shares in respect of which the dividend was so unclaimed to the dematerialized account of IEPF under Section 124(5) of the Act and the IEPF Rules.

From the Financial year 2018-19 to 2025-26, the Company had transferred in total 6,38,272 equity shares of ₹10 each to the dematerialized account of IEPF authority out of which 1,600 equity shares were claimed during the financial year. As on 31 March 2026, 6,36,672 equity shares are in the dematerialized account of IEPF authority.

Reminder letters and Notice published by the Company prior to transfer of Shares to IEPF:

In accordance with the above IEPF Rules, physical letters were sent to Members of the Company at their latest available addresses, whose shares are liable to be transferred to the IEPF Authority during FY 2026-27 and had also published newspaper advertisements in this regard. Members are advised to claim their unclaimed/unpaid dividend on or before the latest due date of 30 October 2026, to avoid such transfer of shares to IEPF Authority. Intimations were also sent through email to those Members whose email addresses were registered with the Company / Depository Participants **("DP")**. Notice in this regard was published on Monday, 27 July 2026 in the newspapers, namely, Business Line (in English Language - PAN India) and The Hindu Tamil Thisai (in Tamil language). No claim shall lie against the Company in respect of the shares/unclaimed amounts so transferred.

Fixed Deposits placed with the Company: If you have placed fixed deposits with our Company, you are requested to claim the maturity and interest amounts thereon, paid by the Company, if unclaimed / unencashed by you, by sending the physical documents to the Companys' Registered Office at 62, Dr Nanjappa Road, Coimbatore – 641 018.

Non-Convertible Debentures ("NCDs"): If you have subscribed to Company's Unlisted Private Placement NCDs, you are requested to claim your maturity amount of NCDs and interest thereon, if any, paid by the Company, if unclaimed / unencashed by you, by sending the physical documents to the Companys' Registered Office at 62, Dr Nanjappa Road, Coimbatore – 641 018.

The details of such unclaimed dividends, shares, Deposits and Debentures for the financial years are available on the company's website at https:**//sakthifinance.com/investor-education-and-protection-fund/** and on the website of Ministry of Corporate Affairs at **https://www.iepf.gov.in.**

16. SPECIAL WINDOW FOR RE-LODGEMENT OF PHYSICAL SHARE TRANSFER REQUESTS

In terms of SEBI Master Circular No. HO/38/13/(4)2026-MIRSD-POD/I/4298/2026 dated 6th February 2026, a special window is opened till 4th February 2027 to facilitate re-lodgement of transfer requests executed before 1st April 2019 but were either not lodged for transfer or were lodged and subsequently rejected, returned or not attended due to deficiency in the documents.

Eligible shareholders are requested to submit the requisite documents before 4th February 2027 to Company / RTA. Securities transferred through this mechanism shall be credited only in dematerialized form and will remain under a one-year lock-in, during which they cannot be transferred, lien marked or pledged.

The Company has communicated the opening of this special window through newspaper advertisements which are available on the website at **https://sakthifinance.com/announcement-by-sfl/.**

17. GREEN INITIATIVE

Members are requested to support the Green Initiative by registering / updating their e-mail address, with the Depository

Participant (in case of shares held in dematerialized form) or with MUFG Intime India Private Limited (in case of equity shares are held in physical form) in order to receive the Notices, Annual Report, Dividend and Tax intimations and other communications in electronic mode.

18. PROCEDURE FOR INSPECTION OF REGISTERS AND DOCUMENTS

The Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Act and the Register of Contracts or Arrangements in which the directors are interested, maintained under Section 189 of the Act, Memorandum and Articles of Association and any other relevant documents referred to in the Notice shall be made available electronically for inspection without any fee by the members from the date of circulation of Notice till the date of the AGM. Members seeking to inspect such documents can send e-mail to **investors@sakthifinance.com.**

All documents referred to in the Notice are open for inspection at the Registered Office of the Company on all working days between 11.00 a.m and 1.00 p.m. up to the date of the AGM.

19. PERMANENT REGISTRATION OF MEMBER'S E-MAIL ADDRESS

Members are requested to register their e-mail address, in respect of electronic holdings with their Depository Participants concerned and in respect of physical holdings with the Company's RTA, MUFG Intime India Private Limited, "Surya", 35, Mayflower Avenue, Behind Senthil Nagar, Sowripalayam Road, Coimbatore – 641 028, **Phone:** (0422) 4958995, 2539835-836, **Fax:** (0422) 2539837, **E-mail:** investor.helpdesk@in.mpms.mufg.com.

Those Members who have already registered their e-mail address are requested to keep their e-mail address validated with their Depository Participants / MUFG Intime India Private Limited to facilitate servicing of notices/ documents / Annual Reports and other communications electronically to their e-mail address in future.

20. ON-LINE DISPUTE RESOLUTION ("ODR") MECHANISM

SEBI has established a common On-line Dispute Resolution Portal **("ODR Portal")** for resolution of disputes arising in the Indian Securities Market. In terms of this, after exhausting the option to resolve their grievances with RTA / Company directly and through existing SCORES platform, the investors can initiate dispute resolution through the **ODR Portal : https://smartodr.in/login** and it can also be accessed through the Company's website at **https://sakthifinance.com/online-dispute-resolution/.**

21. SCRUTINIZER

Sri. R. Sivasubramanian, Practicing Company Secretary, (ICSI Membership No. A22289), holding Certificate of Practice No. 12052, has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.

The Results declared along with Scrutinizer's Report shall be placed on the notice board of the Company, the Company's website, **https://sakthifinance.com/annual-reports/** and on the website of CDSL, **www.evotingindia.com** within two working days after the voting on the Resolutions at the Sixty Ninth (69th) AGM of the Company and communicated to BSE Limited, where the equity shares of the Company are listed.

To facilitate Members to receive this Notice electronically and cast their votes electronically, the Company has made special arrangement with MUFG Intime India Private Limited for registration of e-mail address in terms of the MCA Circulars. Eligible Members who have not submitted their e-mail address to MUFG Intime India Private Limited are required to provide their e-mail address to MUFG Intime India Private Limited on or before 5:00 p.m. **on Saturday, 19 September 2026.** This Notice and the procedure for remote e-Voting along with the log-in ID and password for remote e-Voting will be sent to the e-mail address provided by the member.

22. In case of any queries, Members may write to **investors@sakthifinance.com** or **helpdesk.evoting@cdslindia.com.**

23. INVESTOR GRIEVANCE REDRESSAL FRAMEWORK

The Company has adopted an Investor Grievance Redressal Framework with an objective to promote and build prompt investor grievance redressal mechanism and maintain investor friendly relations. It recognizes the investors' right to have contact address of persons concerned to enable them to send any query or record a grievance. This also enables the Company to use investors' views as a feedback mechanism.

The Company has an established mechanism for providing investor services and grievance handling with designated e-mail ID, **investors@sakthifinance.com** (for equity and NCD holders) and also with MUFG for handling investor grievances on which investor can send a complaint.

The Company has also constituted a Stakeholders' Relationship Committee which functions under the Chairmanship of a Director, to examine and redress complaints by investors. The policy is available on Company's website at **https://sakthifinance.com/policies/.**

THE INSTRUCTIONS TO MEMBERS FOR REMOTE E-VOTING AND JOINING VIRTUAL MEETINGS ARE GIVEN BELOW

As per Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 (as amended) and the Circulars issued by the Ministry of Corporate Affairs dated 13th January 2021, in continuation and read with its earlier Circulars dated 8th April 2020, 13th April 2020 and 5th May 2020, the Company is providing the facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited

("CDSL") for facilitating voting through electronic means, as the authorized e-Voting agency. The facility of casting votes by a member using remote e-voting as well as e-voting during the AGM will be provided by CDSL.

Members whose names are recorded in the Register of Members or in the Register of Beneficial Owners maintained by the Depositories as on the cut-off date i.e. **Saturday, 19 September 2026,** shall be entitled to avail the facility of remote e-voting as well as e-voting during the AGM. Any recipient of the Notice, who has no voting rights as on the cut-off date shall treat this Notice as an intimation only.

A person who has acquired the shares and has become a member of the Company after the dispatch of the Notice of the AGM and prior to the cut-off date i.e. **Saturday, 19 September 2026,** shall be entitled to exercise his / her vote either electronically i.e. remote e-voting or e-voting during the AGM by following the procedure mentioned in this part. The remote e-voting will commence on **Wednesday, 23 September 2026 at 9.00 a.m.** and will conclude on **Friday, 25 September 2026 at 5.00 p.m.** During this period, the members of the Company holding equity shares either in physical mode or in demat mode as on the cut-off date i.e. **Saturday, 19 September 2026,** may cast their vote electronically. The members will not be able to cast their vote electronically beyond the date and time mentioned above and the remote e-voting module shall be disabled for voting by CDSL thereafter.

Once the vote on a resolution is cast by the member, he/she shall not be allowed to change it subsequently or cast the vote again.

The voting rights of the members shall be in proportion to their shares on the paid up equity share capital of the Company as on the cut-off date i.e. **Saturday, 19 September 2026.**

The Company has appointed Sri. R. Sivasubramanian, Company Secretary in Practice, to act as the Scrutinizer for conducting the remote e-voting process as well as the e-voting during the AGM, in a fair and transparent manner.

PROCESS FOR THOSE SHAREHOLDERS WHOSE E-MAIL / MOBILE NUMBER ARE NOT REGISTERED WITH THE COMPANY / DEPOSITORIES

For members holding equity shares in Physical form:

Please provide necessary details like Folio No, Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy), Aadhaar (self-attested scanned copy) by e-mail to or **investor.helpdesk@in.mpms.mufg.com.**

For members holding equity shares in Demat form: Please update your e-mail id and mobile number with your respective Depository Participant **("DP").**

For Individual Demat Shareholders: Please update your email id and mobile number with your respective depository participant **("DP")** which is mandatory while e-Voting and joining virtual meetings through Depository.

THE INSTRUCTIONS FOR SHAREHOLDERS FOR REMOTE E-VOTING ARE GIVEN BELOW

Step 1: Access through Depositories CDSL/NSDL e-Voting system in case of individual shareholders holding equity shares in demat mode.

Step 2: Access through CDSL e-Voting system in case of shareholders holding equity shares in physical mode and non-individual shareholders in demat mode.

The remote e-voting period commences on **Wednesday, 23 September 2026 at 9.00 a.m.** and concludes on **Friday, 25 September 2026 at 5.00 p.m.** During this period, shareholders of the Company holding shares either in physical form or in dematerialized form, as on the cut-off date i.e., **Saturday, 19 September 2026,** may cast their votes electronically. The remote e-voting module shall be disabled by CDSL for voting thereafter.

a. Members who have already voted prior to the meeting date would not be entitled to vote during the Meeting.

b. As per SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 9 December 2020 and Regulation 44 of the Listing Regulations, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level.

c. Currently, there are multiple e-voting service providers **("ESPs")** providing e-voting facility to listed entities in India. This requires registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.

d. In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to all the demat account holders, by way of a single log-in credentials, through their demat accounts / websites of Depositories / Depository Participants. Demat account holders would be able to cast their votes without having to register again with ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

   Step 1: Access through Depositories CDSL/NSDL e-Voting system in case of individual shareholder holding shares in demat mode.

e. In terms of SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 9 December 2020 and in compliance with Regulation 44 of the SEBI Listing Regulations, the Company is required to provide remote e-voting facility to all shareholders for resolutions proposed at the General Meeting. Individual shareholders holding securities in demat mode may cast their votes directly through their demat accounts maintained with Depositories/DPs. Members are, therefore, advised to ensure that their mobile numbers and e-mail ids are updated in their demat accounts to access the e-voting facility.

f. As per the above SEBI Circular, log-in method for e-Voting and joining virtual meetings for Individual shareholders holding securities in Demat mode with CDSL / NSDL is given below:

Type of Member	Log-in Method
Individual Members holding securities in Demat mode with **CDSL**	1. Users who have opted for CDSL's Easi / Easiest facility, can log-in through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to log-in to Easi / **Easiest are https://web.cdslindia.com/myeasi/home/login** or visit **www.cdslindia.com** and click on log-in icon and select New System Myeasi. 2. After successful log-in, the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the e-Voting is in progress as per the information provided by the company. On clicking the e-Voting option, the user will be able to see e-Voting page of the e-Voting service provider for casting their vote during the remote e-Voting period or joining virtual meeting and voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers' website directly. 3. If the user is not registered for Easi / Easiest, option to register is available at **https://web.cdslindia.com/myeasi/Registration/EasiRegistration**. 4. Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from e-Voting link available in **www.cdslindia.com** home page or click on **https://evoting.cdslindia.com/Evoting/Evoting login**. The system will authenticate the user by sending OTP on registered Mobile and E-mail as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the e-Voting is in progress and also able to directly access the system of all e-Voting service providers.
Individual Members holding securities in Demat mode with **NSDL**	1. If you are already registered for **NSDL IDeAS facility**, please visit the e-Services website of NSDL. Open web browser by typing the following **URL: https://eservices.nsdl.com** either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Log-in" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting and voting during the meeting. 2. If the user is not registered for IDeAS e-Services, option to register is available at **https://eservices.nsdl.com.** Select "Register Online for IDeAS Portal" or click at **https://eservices.nsdl.com/ SecureWeb/ IdeasDirectReg. jsp**. 3. Visit the e-Voting website of NSDL. Open web browser by typing the following **URL:https://www.evoting.nsdl.com** either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Log-in" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen-digit demat account number held with NSDL), Password and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting and voting during the meeting. 4. For OTP based login, you can click on **https://eservices.nsdl.com/SecureWeb/evoting/evotinglogin.jsp.** You will have to enter your 8-digit DP ID, 8-digit Client Id, PAN No., Verification code and generate OTP. Enter the OTP received on the registered email id/mobile number and click on login. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on **company name or e-Voting service provider name** and you will be redirected to **e-Voting service provider website** for casting your vote during the remote e-Voting period or joining virtual meeting and voting during the meeting.

Type of Member	Log-in Method
Individual Members (holding securities in Demat mode) log-in through their Depository Participants	You can also log-in using the log-in credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After successful log-in, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider's website for casting your vote during the remote e-Voting period or joining virtual meeting and voting during the meeting.

Important note: Members who are unable to retrieve User ID/ Password are advised to use "Forgot User ID" and "Forgot Password" option available at respective websites.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to log-in through Depository i.e. CDSL and NSDL.

Log-in type	Helpdesk
Individual Members holding securities in Demat mode with **CDSL**	Members facing any technical issue in log-in can contact CDSL helpdesk by sending a request at **helpdesk.evoting@cdslindia.com** or contact at toll free no. 1800 21 09911
Individual Members holding securities in Demat mode with **NSDL**	Members facing any technical issue in log-in can contact NSDL helpdesk by sending a request at **evoting@nsdl.co.in or call at : 022 – 4886 7000 and 022 – 2499 7000**

Step 2 : Access through CDSL e-Voting system in case of shareholders holding shares in physical mode and non-individual shareholders in demat mode.

g. **Log-in method for e-Voting and joining virtual meeting for physical shareholders and shareholders other than individual shareholders holding securities in demat form:**

1. The shareholders should log on to the e-voting website, **www.evotingindia.com.**
2. Click on Shareholders.
3. Now Enter your User ID:
   a. For CDSL: 16 digits beneficiary ID
   b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID
   c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
4. Next enter the Image Verification as displayed and Click on Log-in.
5. If you are holding shares in demat form and had logged on to **www.evotingindia.com** and voted on an earlier e-Voting of any company, then your existing password is to be used.
6. If you are a first time user, follow the steps given below:

For Members and other than individual members holding shares in Demat Form	
PAN	Enter your 10-digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders). • Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number indicated/sent by the Company/RTA or contact Company/RTA.
Dividend Bank Details or Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to log-in • If both the details are not recorded with the depository or company, please enter the member id / folio number in the Dividend Bank details field.

h. After entering these details appropriately, click on **"SUBMIT"** tab.

i. Members holding shares in physical mode will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their log-in password in the new password field. Kindly note that this password is also to be used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

j. For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

k. Click on the EVSN of the Company, SAKTHI FINANCE LIMITED on which you choose to vote.

l. On the voting page, you will see **"RESOLUTION DESCRIPTION"** and against the same, the option "YES/ NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

m. Click on the **"RESOLUTIONS FILE LINK"** if you wish to view the entire Resolution details.

n. After selecting the resolution, you have decided to vote on, click on **"SUBMIT"**. A confirmation box will be displayed. If you wish to confirm your vote, click on **"OK",** else to change your vote, click on **"CANCEL"** and accordingly modify your vote.

o. Once you **"CONFIRM"** your vote on the resolution, you will not be allowed to modify your vote.

p. You can also take a print of the votes cast by clicking on **"Click here to print"** option on the Voting page.

q. If a demat account holder has forgotten the log-in password, then Enter the User ID and the image verification code and click on Forgot Password and enter the details as prompted by the system.

r. There is also an optional provision to upload Board Resolution / Power of Attorney, if any, uploaded which will be made available to scrutinizer for verification.

s. Additional facility for Non – Individual Members and Custodians - For remote e-voting only

- Non-Individual members (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to **www.evotingindia.com** and register themselves in the "Corporates" module.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be e-mailed to **helpdesk.evoting@cdslindia.com.**
- After receiving the log-in details, a Compliance User should be created using the admin login and password.
- The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the log-in will be mapped automatically and can be delinked in case of any wrong mapping.
- It is mandatory that a scanned copy of the Board Resolution and Power of Attorney **("POA")** which they have issued in favour of the Custodians, if any, should be uploaded in PDF format in the system for the scrutiniser to verify it.
- Alternatively, Non Individual members are required mandatorily to send the relevant Board Resolution/ Authority letter etc., together with attested specimen signature of the duly authorised signatory who are authorised to vote to the Scrutinizer and to the Company at the email address namely, **investors@sakthifinance.com**, if they have voted from individual tab and not uploaded the same in the CDSL e-voting system for the scrutinizer to verify it.

INSTRUCTIONS FOR MEMBERS ATTENDING THE ANNUAL GENERAL MEETING THROUGH VC / OAVM AND E-VOTING DURING THE MEETING ARE AS UNDER

1. The procedure for attending the meeting and e-voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
2. The link for VC/OAVM to attend the meeting will be available where the EVSN of Company will be displayed after successful log-in as per the instructions mentioned above for remote e-voting.
3. Members who have voted through remote e-voting will be eligible to attend the AGM. However, they will not be eligible to vote during the AGM.
4. Members are encouraged to join the Meeting through Laptops/IPads for better experience.
5. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
6. Please note that Participants connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to fluctuation in their respective network. It is, therefore, recommended to use stable Wi-Fi or LAN Connection to mitigate any kind of above glitches.
7. For ease of conduct, members who would like to ask questions may send their questions in advance at least 7 (Seven) days before AGM mentioning their name, demat account number / folio number, email id, mobile number to **investors@sakthifinance.com** and register themselves as a speaker.
8. Those Members who have registered themselves as a speaker will only be allowed to express their views/ask questions during the AGM.
9. Only those Members, who are present in the AGM through VC/OAVM facility and have not cast their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.

10. If any Votes are cast by the members through e-voting available during the AGM and if the same members have not participated in the meeting through VC/OAVM facility, then the votes cast by such members shall be considered invalid as the facility of e-voting during the meeting is available only to the members participating in the meeting.
11. The results declared along with the Scrutinizer's Report shall be placed on the Company's website, **https://sakthifinance.com/annual-reports/** and on the website of CDSL **i.e. www.cdslindia.com** within two working days of the passing of the Resolutions at the 69th Annual General Meeting of the Company and shall also be communicated to BSE Limited where the shares of the Company are listed.
12. Since the AGM will be held through VC/OAVM, the Route Map is not annexed in this Notice.
13. Contact Details:

Company	Sakthi Finance Limited CIN: L65910TZ1955PLC000145 **Regd. Office :** 62, Dr Nanjappa Road, Coimbatore – 641 018 **Phone** : (0422) 4236200 **E-mail ID** : sakthif_info@sakthifinance.com, investors@sakthifinance.com **Website** : www.sakthifinance.com
Registrar and Transfer Agent	MUFG Intime India Private Limited CIN: U67190MH1999PTC118368 "Surya", 35, Mayflower Avenue, Behind Senthil Nagar Sowripalayam Road, Coimbatore – 641 028 **Phone** : (0422) 4958995, 2539835-836 **E-mail ID** : investor.helpdesk@in.mpms.mufg.com **Website** : https://in.mpms.mufg.com/
e-Voting Agency	Central Depository Services (India) Limited CIN: L67120MH1997PLC112443 **E-mail ID** : helpdesk.evoting@cdslindia.com **Toll free no. :** 1800 21 09911
Scrutinizer	Sri. R. Sivasubramanian, Company Secretary in Practice

QUERIES

If you have any queries or issues regarding attending the AGM and e-Voting from the CDSL e-Voting system, you can write an e-mail to **helpdesk.evoting@cdslindia.com** or contact Toll free No.1800 21 09911.

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Senior Manager, Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compound, N M Joshi Marg, Lower Parel (East), Mumbai - 400 013 or send an e-mail to **helpdesk.evoting@cdslindia.com** or call Toll free No 1800 21 09911.

OTHERS

In case of joint holders attending the AGM, only such joint holder who is higher in order of name will only be entitled to vote.

Members seeking any information or clarification on the accounts or any other matter to be placed at AGM are requested to send written queries to the Company on **investors@sakthifinance.com**, at least 7 days before the date of the meeting to enable the management to respond quickly.

By Order of the Board
For Sakthi Finance Limited
S Venkatesh
Company Secretary and Chief Compliance Officer
FCS 7012

14 August 2026
Coimbatore-18

Registered Office:
62, Dr Nanjappa Road, Coimbatore – 641 018
CIN : L65910TZ1955PLC000145
Phone : (0422) 4236200
E-mail : investors@sakthifinance.com
Website : www.sakthifinance.com

STATEMENT OF MATERIAL FACTS UNDER SECTION 102 OF THE COMPANIES ACT 2013

The following Statement sets out all material facts relating to the business mentioned under Item Nos.5 and 6 of the accompanying Notice dated 14 August 2026.

SPECIAL BUSINESS

Item No.5

Payment of commission to Dr Sundaraswamy Veluswamy (DIN: 05314999), Non-Executive, Non-Independent Director of the Company

Dr Sundaraswamy Veluswamy (DIN: 05314999), Non-Executive, Non-Independent Director has been associated with our Company since November 1990. His oversight role directly impacts the Company's solvency and growth, particularly, in formulating capital adequacy frameworks, portfolio diversification strategies and the optimization of long-term debt structures, etc.

Considering his long and very eventful tenure spanning for more than three decades in various capacities held by him, the time devoted by him, his participation in strategic decision making, timely guidance provided by him to the Board on important policy matters, performance of the company and industry practices and in appreciation of it, the Board, based on the recommendations of the Nomination and Remuneration Committee and Audit Committee recommended a commission of one per cent on the net profits of the Company for the financial year 2025-26 which was approved by the members through Postal Ballot on 20 March 2026.

Similarly, as recommended by the Nomination and Remuneration Committee, Audit Committee and as approved by the Board of Directors of the Company, it is proposed to compensate him by way of a commission of one (1) per cent on the net profits of the Company for the financial year 2026-27, i.e. from 1st April 2026 to 31st March 2027, computed in the manner referred to in Section 198 of the Companies Act 2013 **("the Act")**, payable in such form, manner or proportions and in all respects. In terms of Regulation 17(6)(a) and 17(6)(ca) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 **("Listing Regulations")**, approval of the members is required for payment of commission to him.

Regulation 17(6)(ca) of the Listing Regulations also provides that where the annual remuneration payable to a single Non-Executive Director exceeds fifty per cent of the total annual remuneration payable to all Non-Executive Directors giving details of the remuneration thereof, such payment shall be approved by the members by a Special Resolution every year.

As the proposed remuneration to be payable to him may exceed fifty per cent of the total remuneration payable to other Non-Executive Directors of the Company for the financial year 2026-27, it is proposed to obtain the approval of members of the Company.

Dr Sundaraswamy Veluswamy's role in our Company is strictly Non-Executive and does not constitute a contract of employment. There is no "employer-employee" relationship in the Company. He does not exercise substantial powers of management or possess signing authority for daily operational or financial disbursements at SFL.

The Company has not defaulted in payment of dues to any bank or public financial institution or any other secured creditors or non-convertible debenture holders.

The Board recommends the Special Resolution as set out at Item No.5 for approval of the Members.

Dr Sundaraswamy Veluswamy (DIN: 05314999), Non-Executive, Non-Independent Director of the Company is only interested in Item No.5 and none of the other Directors and Key Managerial Personnel **("KMP")** of the Company, is concerned with or interested, financially or otherwise, in the Special Resolution as set out at Item No.5.

Item No. 6

Issue of Redeemable, Cumulative, Preference Shares ("RCPS") on Private Placement basis for an amount not exceeding the Authorised Preference Share Capital of the Company, i.e. ₹ 50 crores.

The present Authorised Share Capital of the Company is 10,00,00,000 (10 crores) equity shares of ₹ 10 each and 50,00,000 (50 lakhs) Redeemable, Cumulative Preference Shares **("RCPS")** of ₹ 100 each, aggregating ₹ 150 crores.

To increase the net worth, to strengthen the Capital Adequacy Ratio, to meet the Working Capital requirements of the Company and to use the proceeds for redemption of Preference Shares, it intends to issue, in one or more tranches, Redeemable, Cumulative, Preference Shares **("RCPS")** of ₹ 100 each for an amount not exceeding the Authorised Preference Share Capital of ₹ 50 crores, on private placement basis to such person(s) identified by the Board of Directors of the Company (hereinafter referred to as **"the Board"** which term shall be deemed to include any duly constituted / to be constituted Committee of the Board thereof to exercise its powers including powers conferred by this resolution) in their absolute discretion whether or not such persons are members of the Company on such terms and conditions as may be decided by the Board of Directors at their discretion.

The Special Resolution authorizing the Board of Directors to offer, issue and allot RCPS is, at their discretion, as detailed in the resolution, placed before the members for their approval.

The terms and conditions of the RCPS shall be subject to the provisions of the Act and the related rules as amended, under the Act and the Memorandum and Articles of Association of the Company.

Disclosures as required under Rule 9(3) of the Companies (Share Capital and Debentures) Rules 2014, the material facts in relation to the above issue of Preference Shares, Rule 13(2) of the Companies (Share Capital and Debentures) Rules 2014 and Rule 14 of the Companies (Prospectus and Allotment of Securities) Rules 2014 and any other rules and regulations, to the extent applicable, are given below:

<table>
<tr><td>a</td><td>Particulars of the offer including date of passing of Board resolution</td><td>Redeemable, Cumulative Preference Shares
Date of Board Meeting: 14 August 2026</td></tr>
<tr><td>b</td><td>Size of the issue and the number of preference shares to be issued and the nominal value of each share</td><td>The Company proposes to issue and allot not exceeding 50,00,000 Redeemable, Cumulative, Preference Shares ("RCPS") of the face value of ₹ 100 each for cash at par aggregating a nominal value not exceeding the Authorised Preference Share Capital of ₹ 50 crores, to various persons / entities identified by the Board of Directors of the Company (hereinafter referred to as "the Board", which term shall be deemed to include any duly constituted / to be constituted Committee of the Board thereof to exercise its powers including powers conferred by this resolution) and whether or not they are members of the Company.</td></tr>
<tr><td>c</td><td>Nature of such shares. i.e. cumulative or non-cumulative, participating or non-participating, convertible or non-convertible</td><td>Redeemable, Cumulative, Non-participating and Non-Convertible Preference Shares</td></tr>
<tr><td>d</td><td>Objectives of the issue</td><td>To increase the net worth, to strengthen the Capital Adequacy Ratio and to meet the working capital requirements of the Company and to make repayment on the date of redemption of preference shares</td></tr>
<tr><td>e</td><td>Manner of issue of shares</td><td>On private placement basis</td></tr>
<tr><td>f</td><td>Price at which such shares are proposed to be issued</td><td>₹ 100 each, being the face value of RCPS</td></tr>
<tr><td>g</td><td>Basis on which the price has been arrived at</td><td>None</td></tr>
<tr><td>h</td><td>name and address of valuer who performed valuation</td><td>Not applicable.</td></tr>
<tr><td>i</td><td>Terms of issue, including terms and rate of dividend on each share etc</td><td>As mentioned in the resolution in Item No 6, the rate of dividend will be decided by the Board of Directors at the time of issue.</td></tr>
<tr><td>j</td><td>Terms of redemption, including the tenure of redemption, if any, redemption of shares at premium and if the preference shares are convertible, the terms of conversion</td><td>The period of redemption will be decided by the Board of Directors but in no case shall exceed a period of 20 years from the date of issue. Redemption of preference shares at premium is not applicable and there is no conversion of shares</td></tr>
<tr><td>k</td><td>Manner and modes of redemption</td><td>Out of profits and /or out of the fresh issue of capital, as the case may be.</td></tr>
<tr><td>l</td><td>Current shareholding pattern of the Company</td><td>Equity shareholding pattern as on 30 June 2026:
<table>
<tr><th>Category</th><th>No of Shares</th><th>% of equity capital</th></tr>
<tr><td>Promoter and Promoter Group</td><td>4,33,63,007</td><td>67.02</td></tr>
<tr><td>Banks, Financial Institutions and Mutual Funds</td><td>900</td><td>0.00</td></tr>
<tr><td>Bodies Corporate including Overseas Corporate Body</td><td>1,56,01,795</td><td>24.11</td></tr>
<tr><td>Non-Resident Indians</td><td>33,073</td><td>0.05</td></tr>
<tr><td>Resident Individuals and Others</td><td>57,07,107</td><td>8.82</td></tr>
<tr><td>Total</td><td>6,47,05,882</td><td>100.00</td></tr>
</table>
Detailed shareholding pattern is available on the website of the Company i.e. https://sakthifinance.com/share-holding-pattern/ and also available on the website of the BSE Ltd i.e., www.bseindia.com.</td></tr>
<tr><td>m</td><td>Expected dilution in equity share capital upon conversion of preference shares</td><td>Not applicable</td></tr>
<tr><td>n</td><td>Contribution being made by the promoters or directors either as part of the offer or separately in furtherance of such objects</td><td>Promoters or Directors may subscribe to the offer</td></tr>
</table>

Accordingly, the Board of Directors recommend the Special Resolution set out in Item No. 6 of the accompanying Notice for the consideration and approval of the members.

None of the Directors or Key Managerial Personnel or their relatives is concerned or interested, financially or otherwise, in the passing of the Special Resolution.

By Order of the Board
For Sakthi Finance Limited
S Venkatesh
Company Secretary and Chief Compliance Officer
FCS 7012

14 August 2026
Coimbatore-18

Registered Office:

62, Dr Nanjappa Road, Coimbatore – 641 018
CIN : L65910TZ1955PLC000145
Phone : (0422) 4236200
E-mail : investors@sakthifinance.com
Website : www.sakthifinance.com

Annexure-1

DETAILS OF DIRECTOR SEEKING RETIREMENT BY ROTATION AT THE SIXTY NINTH ANNUAL GENERAL MEETING
(Pursuant to Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 and Secretarial Standard 2 on General Meetings)

Name of the Director	**Dr Mahalingam Manickam**
Item No	4
Director Identification Number **("DIN")**	00102233
Date of birth and age	24 March 1956, 70 years
Date of first appointment on the Board	11 December 1990
Designation and Category of Director	Non-Executive, Non-Independent Director
Qualifications	Master's Degree in Statistics from Madras University and a Master's Degree in Business Administration from the University of Michigan in the United States
No of Board Meetings attended out of 9 meetings held during the financial year 2025-26	5
Expertise in specific functional areas	He has over 46 years of experience in the business and industrial fields with expertise in Manufacturing, Business Management, Operational, Technical, Strategic Planning, Project Management, Financial planning, Commercial Management and Agricultural development.
Directorships held in other Companies	**A. Public Limited Companies** 1. A B T Limited 2. Sakthi Auto Component Limited 3. Sakthi Properties (Coimbatore) Limited 4. Sakthi Sugars Limited 5. Sri Chamundeswari Sugars Limited 6. The Gounder and Company Auto Limited **B. Private Limited Companies** 1. A B T Business Solutions Private Limited 2. A B T Supply Chain Solutions Private Limited 3. Akash Sakthi Aviation Private Limited 4. Akash Sakthi Dynamic Technologies Private Limited 5. Anamallais Bus Transport Private Limited 6. Nachimuthu Industrial Association 7. Sakthi Aircraft Industry Private Limited 8. Sakthi Aviation and Defence Systems Private Limited
Memberships / Chairmanships of committee across public companies	**Listed Companies** **Stakeholder's Relationship Committee** 1. Sakthi Finance Limited – Chairman 2. Sakthi Sugars Limited – Member **Unlisted Public Companies** **CSR Committee** 1. ABT Limited – Chairman 2. Sakthi Auto Component Limited – Chairman **Nomination and Remuneration Committee** 1. Sakthi Auto Component Limited – Member **Finance Committee** 1. Sakthi Auto Component Limited – Chairman
Name of the Listed entity from which the Director has resigned during past three (3) years	Retired from Kovai Medical Center and Hospital Limited on completion of his second term of appointment as an Independent Director in the year 2024

Terms and Conditions of re-appointment and details of remuneration sought	Dr Mahalingam Manickam shall be entitled to sitting fees for attending the meetings of the Board of Directors and Committees thereof within the limits prescribed under the Act, re-imbursement for expenses incurred in connection with attending Board / Committee meetings
No of equity shares held	92,813
Justification for appointment and skills and capabilities required for the role and the manner in which the proposed person meets such requirements in case of Independent Directors	Not applicable as he is a Promoter and Non-Executive, Non-Independent Director of the Company
Details of last drawn remuneration (including sitting fees) from the Company	₹ 2.65 lakhs
Relationship with other Directors	Brother of Sri Balasubramaniam Mahalingam, Vice Chairman and Managing Director and Sri. Mahalingam Srinivaasan, Director. None of the other Directors are related to him.

Annexure-2

TDS INSTRUCTIONS ON DIVIDEND

1. Declaration of Dividend

We are pleased to inform you that the Board of Directors (**"the Board"**) of the company have, at their meeting held on Saturday, 23 May 2026, recommended an equity dividend at ₹ 0.80 per equity share (8 per cent) on the face value of ₹ 10 each, for the Financial Year ended 31 March 2026.

The Record Date for dividend has been fixed as **Saturday, 19 September 2026.**

The Dividend, if declared, at the ensuing 69th Annual General Meeting (**"AGM"**) scheduled to be held on **Saturday, 26 September 2026** will be paid within the time allowed under the law.

2. Taxability of Dividend Income

As per Income Tax Act 2025 (**''the Act''**) dividend paid and distributed by a company is taxable in the hands of shareholders. Thus, companies paying dividend are required to withhold tax (**"TDS"**) on dividend paid to Resident and Non-Resident shareholders at the rates applicable and prescribed in the Act or Tax Treaty, as the case may be.

The required details are given below.

A. For Resident shareholders

TDS is applicable in terms of Section 393(1) of the Act.

The dividend will be paid to a resident shareholder after deducting the tax at source as detailed below:

Particulars	Tax Deduction Rate	Documents / Action required from shareholder (if any) / Exemption applicability
1. Individuals (if aggregate dividend exceeds ₹ 10,000) / HUF / Indian Company / AOP / BOI / Trust (except as specified in (2) below):		
With PAN	10%	--
Without PAN/ Invalid PAN/ Inoperative PAN/	20%	--
Resident individual claiming exemption from	NIL	Self-attested copies of: 1. Declaration in Form 121 2. PAN card
2. Others		
An Insurance Company as specified under Section 393(4) Sl. No. 10 of the Act (Section 194 of Income Tax Act, 1961 (**''the old Act''**)	NIL	Self-attested copies of: 1. Declaration in the format prescribed by the company that the insurance company is the beneficial owner of shares. 2. PAN Card; and Registration certificate issued by IRDAI
Mutual Fund specified under Sch. VII (20) of the Act (Section 10(23D) of the old Act)	NIL	Self-attested copies of: 1. Declaration in the format prescribed by the company that the Mutual Fund is governed by the provision of Sch. VII (20) of the Act (Section 10(23D) of the Old Act); 2. PAN card Registration certificate issued by SEBI.
Alternative Investment Fund **("AIF")** established in India under Sch. V (1) of the Act (Section 10(23FBA) of the old Act)	NIL	Self-attested copies of: 1. Declaration in the format prescribed by the company that the AIF's income is exempt under Sch. V(1) of the Act (Section 10(23FBA) of the old Act) and that it is established as Category I or II AIF under the SEBI regulations; 2. PAN card Registration certificate issued by SEBI.

New Pension System Trust governed by Sch. VII(41) of the Act [Section 400(1) read with Section 536(2)(j) of the Act read with CBDT Circular No. 18/2017] (Section 10(44) read with Section 197A(1E) of the old Act)	NIL	Self-attested copies of: 1. Declaration in the format prescribed by the company that the NPS is governed by the Sch. VII(41) of the Act (Section 10(44) read with Section 197A(1E) of the old Act); 2. PAN card Registration certificate issued by PFRDA
Corporation established by or under a Central Act governed by Section 393(5) of the Act (Section 196 of the old Act)	NIL	Appropriate documentary evidence (including but not limited to certificate of Registration) that the corporation is covered u/s 393(5) of the Act.

B. For Non-Resident shareholders

TDS is applicable as per Section 393(2) of the Act. The dividend will be paid to a non-resident shareholder after deducting the tax at source as detailed below:

Particulars	Tax Deduction Rate	Documents/Action required from shareholder (if any)
Foreign Institutional Investors (FIIs) / Foreign Portfolio Investors (FPIs)	20% (plus applicable surcharge and cess)	Self-attested copies of: 1. Declaration, in the format prescribed by the Company, that the investment in shares has been made under the general FDI route or under the FPI route. 2. Self-attested copy of SEBI Registration certificate
Other Non-resident shareholders	20% (plus applicable surcharge and cess)	--
Lower rate prescribed under the tax treaty which applies to the non-resident shareholder/FPI/FII	Tax Treaty Rate (DTAA)	Self-attested copies of: 1. Tax Residency Certificate valid for the period from 1st April 2026 to 31st March 2027 obtained from the tax authorities of the Country of which the shareholder is a resident. 2. Acknowledgement of Form 41 under Income Tax Rules 2026 (Form 10F under Income Tax Rules 1962) submitted electronically at Income Tax Portal. Self-declaration primarily covering the following: - Eligibility to claim tax treaty benefits based on the tax residential status of the shareholder, including having regard to the Principal Purpose Test (if any), introduced in the applicable tax treaty with India. - Shareholder receiving the dividend income is the beneficial owner of such income. - Shareholder does not have Permanent Establishment / fixed base in India in accordance with the applicable tax treaty or Dividend income is not attributable/ effectively connected to any Permanent Establishment and fixed base in India.

Please note that the Forms as mentioned above can be accessed and downloaded from the website of the Company at the weblink https://sakthifinance.com/forms/ and submit the applicable Forms to the Company's e-mail id, investors@sakthifinance.com, on or before Saturday, 19 September 2026.

3. **Lower withholding tax certificate**

   As per Section 395 of the Act (Section 197 of the old Act), if lower withholding tax certificate is obtained by a shareholder from Indian Income Tax Department, tax will be deducted at the rate specified in the said certificate, subject to the shareholder furnishing a self-attested copy of the certificate. The certificate should be valid from 1st April 2026 to 31st March 2027 and should cover income from dividend and name of the Company.

4. **Eligible unit in IFSC (Gift City)**

   As per Section 400(1) read with Section 536(2)(j) of the Act, together with CBDT Circular No. 18/2017 (Sections 197A(1F) and 80LA of the old Act), tax is not required to be deducted at source on dividend received by an eligible unit in

IFSC (Gift City). Self-attested copies of Form 1, as notified by CBDT on 1st April 2024 by notification No. 28/2024, duly filled, must be furnished.

5. **Shareholders holding shares in multiple accounts under different status / category**

   Shareholders holding shares in multiple demat accounts under different status/categories, but under a single PAN, shall be subject to TDS at the higher of the tax rates applicable to each such status/category. Accordingly, the higher applicable rate will be applied on the aggregate shareholding held across all demat accounts linked to the same PAN.

6. **Transferring credit to the beneficial owner**

   In cases where the shareholder is merely a custodian of the shares and accordingly, not the beneficial owner of the dividend payable in respect thereof, then, in order to effect TDS to the credit of the beneficial owner of dividend income, the custodian shareholder may provide a declaration prescribed under Rule 203 of the Income Tax Rules, 2026 (Rule 37BA of the Income Tax Rules, 1962). The above declaration shall contain- (i) name, address, PAN and residential status of the person to whom credit is to be given (ii) payment in relation to which credit is to be given; and (iii) the reason for giving credit to such person. Any declaration received after the last date of submission mentioned hereinafter cannot be considered by the Company.

7. **Updation of PAN, Bank Account details, Mobile Number, E-mail Id, Address and Other details**

   7.1. As per the latest information available with the Depositories (NSDL / CDSL) or with the Registrar and Transfer Agent (**"RTA"**) (MUFG Intime India Private Limited), shareholders will be classified either as Resident or Non-Resident and also sub-classified as Individual / Company / Firm / HUF / AOP / Trust / other entity based on their Permanent Account Number (**"PAN"**).

   7.2. Shareholders, holding shares in dematerialized mode, are requested to update their records such as tax residential status, legal entity status, PAN, registered email addresses, mobile numbers and other details with their relevant depositories through their depository participants and shareholders holding shares in physical mode are requested to furnish details to the Company's RTA, MUFG Intime India Private Limited.

   7.3. Shareholders are requested to submit/update bank account details with your depository participant, in case shares are held in dematerialized mode, to receive dividend credit directly in the bank account. In case of physical shareholding, shareholders are required to send the letter duly signed by the first shareholder, along with duly filled in and signed Form ISR 1, ISR 2 and SH 13 with necessary attachments and a self-attested copy of PAN card to the Company's RTA.

   7.4. In terms of amendment to Regulation 12 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, as amended, effective from 19 November 2025, the Company has to pay dividends through NEFT, RTGS etc only to the shareholders bank account. Accordingly, shareholders are requested to register their Bank account details with the DP in case shares are held in demat form or with the RTA in case of shares are held in physical form by submitting Forms ISR 1, ISR 2 and SH 13 along with requisite documents.

Considering the large volumes and to effect prompt disbursement of the dividend to the shareholders, last date for submission of documents/ details/ declarations as applicable and/or required, in terms of para 1 to 6 above, is Saturday, 19 September 2026. No communication on the tax determination / deduction shall be considered, if received beyond the said timeline. In the event of any income tax demand (including interest, penalty, etc.) arising from any misrepresentation, inaccuracy or omission of information provided by the shareholder, such shareholder will be responsible to indemnify the Company and provide the Company with all information/documents and co-operation in any relevant proceedings that may arise. Shareholders will also be able to see the credit of TDS in Form 26AS, which can be downloaded from their e-filing account at https://www.incometax.gov.in/iec/foportal.

INFORMATION AT GLANCE FOR 69TH ANNUAL GENERAL MEETING

Sl No	Particulars	Details
1	Day, Date and Time of Annual General Meeting **("AGM")**	Saturday, 26 September 2026 at 11.30 a.m.
2	Mode	Video Conferencing / Other Audio-Visual means
3	Participation through Video Conferencing **("VC")**	Members can log-in from 11.15 a.m. **("IST")** onwards on the date of AGM at **www.evotingindia.com**
4	Helpline Number for VC participation	Toll free number of CDSL - 1800 21 09911
5	Submission of questions/queries before AGM	Questions/queries can be submitted on before **Saturday, 19 September 2026, 5.00 p.m**. by following methods: Email to **investors@sakthifinance.com** mentioning name, DP ID and Client ID / folio number and mobile number, etc.,
6	Speaker Registration before AGM	Send an e-mail from registered e-mail id along with DP ID and Client ID No / Folio Number and Mobile Number to the Company's investor e-mail ID: **investors@sakthifinance.com** on or before **Saturday, 19 September 2026, 5.00 p.m.**
7	Dividend for FY 2026 recommended by Board	₹ 0.80 per Equity Share (i.e., 8 per cent) on the face value of ₹ 10 each
8	Record Date for Dividend Entitlement	Saturday, 19 September 2026
9	Dividend payment date	On or after Saturday, 26 September 2026 but within the stipulated time.
10	Information of tax on Dividend for FY 2025-26	Refer Page no. 5 of Notice to Members of 69th Annual General Meeting
11	Cut-off date for e-voting	Saturday, 19 September 2026
12	Remote e-voting start time and date	Wednesday, 23 September 2026 at 9.00 a.m.
13	Remote e-voting end time and date	Friday, 25 September 2026 at 5.00 p.m.
14	Remote e-voting website of CDSL and NSDL	https://www.evotingindia.com/homepage.jsp and https://eservices.nsdl.com/
15	Name, address and contact details of e-voting service provider and Registrar and Transfer Agent	Mr. Rakesh Dalvi, Senior Manager Central Depository Services (India) Limited A Wing, 25th Floor, Marathon Futurex Mafatlal Mill Compound, N M Joshi Marg Lower Parel (East), Mumbai - 400 013 or send an email to helpdesk.evoting@cdslindia.com or call Toll free No 1800 21 09911 and MUFG Intime India Private Limited "Surya", 35, May Flower Avenue Behind Senthil Nagar Sowripalayam Road Coimbatore - 641 028 Contact details - (0422) 4958995 E-mail: **investor.helpdesk@in.mpms.mufg.com**
16	E-mail Registration and contact updation process	Demat Shareholders – contact your Depository Participant(s) Physical Shareholders – contact MUFG by sending duly filled and signed Form ISR-1

69th ANNUAL REPORT 2025-26

Sakthi Finance
Since 1955

FIND PURPOSE.
SAKTHI WILL FOLLOW.

Sakthi Finance
Since 1955

BOARD OF DIRECTORS

Dr. M Manickam, Chairman
Sri M Balasubramaniam
Vice Chairman and Managing Director
Sri M Srinivaasan
Smt Priya Bhansali *(up to 27 September 2025)*
Sri K P Ramakrishnan *(up to 27 September 2025)*
Dr. S Veluswamy
Sri Advait Kurlekar
Sri K V Ramachandran *(from 4 July 2025)*
Smt Susheela Balakrishnan *(from 14 August 2025)*
Sri S Shivram *(from 1 September 2025)*
Sri S Chandrasekhar *(from 1 September 2025)*
Sri Saurabh Jain *(from 27 September 2025)*

CHIEF OPERATING OFFICER

Sri B Senthilnathan

CHIEF FINANCIAL OFFICER

Sri K Sundaramurthy

COMPANY SECRETARY AND CHIEF COMPLIANCE OFFICER

Sri S Venkatesh

REGISTERED OFFICE

SAKTHI FINANCE LIMITED
CIN : L65910TZ1955PLC000145
62, Dr. Nanjappa Road, Coimbatore - 641 018
Phone : (0422) 4236200
E-mail : sakthif_info@sakthifinance.com
investors@sakthifinance.com
Website : www.sakthifinance.com

REGISTRAR AND SHARE TRANSFER AGENTS

MUFG INTIME INDIA PRIVATE LIMITED
CIN: U67190MH1999PTC118368
Branch Office at :
"Surya", 35, May Flower Avenue, Behind Senthil Nagar
Sowripalayam Road, Coimbatore - 641 028
Phone : (0422) 4958995, 2539835-836
E-mail : investor.helpdesk@in.mpms.mufg.com
Website : https://in.mpms.mufg.com

BANKERS

The Karur Vysya Bank Limited
Central Bank of India
The Karnataka Bank Ltd

STATUTORY AUDITORS

M/s. P N Raghavendra Rao & Co
Chartered Accountants
Coimbatore

INTERNAL AUDITOR

Sri B Muralidharan FCA
Chartered Accountant
Coimbatore

SECRETARIAL AUDITOR

R Dhanasekaran FCS
Company Secretary in Practice
Coimbatore

DEBENTURE TRUSTEE

CATALYST TRUSTEESHIP LIMITED
CIN: U74999PN1997PLC110262
"GDA House", First Floor
Plot No. 85, Bhusari Colony (Right)
Paud Road, Kothrud, Pune - 411 038
Phone : (020) 66807200
Fax : (022) 49220505
E-mail : dt@ctltrustee.com
Website : www.catalysttrustee.com

Scan this QR Code or visit us at
https://sakthifinance.com/annual_reports/

NOTICE TO MEMBERS

NOTICE is hereby given that the Sixty Ninth (69th) Annual General Meeting (**"AGM"**) of the members of the Company will be held on **Saturday, 26 September 2026** at **11.30 a.m** through Video Conference (**"VC"**) / Other Audio Visual Means (**"OAVM"**) to transact the following business.

You are requested to make it convenient to attend the meeting.

ORDINARY BUSINESS

1. **Adoption of Audited Financial Statements**

   To consider and if thought fit, to pass the following resolution, as an **Ordinary Resolution:**

   RESOLVED THAT the Audited Financial Statements for the financial year ended 31 March 2026 and the attached Reports of the Board of Directors and Auditors be and are hereby considered and adopted.

2. **Confirmation of Interim Dividend on Redeemable, Cumulative, Preference Shares as Final Dividend**

   To consider and if thought fit, to pass the following resolution, as an **Ordinary Resolution:**

   RESOLVED THAT in terms of Section 123(3) of the Companies Act 2013 (**"the Act"**), an Interim Dividend of ₹ 9 per share (9 per cent) on 29,21,400 Redeemable, Cumulative, Preference Shares of ₹ 100 each amounting to ₹ 235.34 lakhs (including tax deduction of ₹ 6.15 lakhs), declared by the Board of Directors at their meeting held on 10 March 2026 for the financial year ended 31 March 2026, on *pro rata* basis, wherever applicable and paid out of the profits of the company, be and is hereby confirmed as final dividend.

3. **Declaration of dividend on Equity Shares**

   To consider and if thought fit, to pass the following resolution, as an **Ordinary Resolution:**

   RESOLVED THAT a dividend of ₹ 0.80 (8 per cent) per equity share, as recommended by the Board of Directors, be declared for the financial year ended 31 March 2026 on 6,47,05,882 equity shares of ₹ 10 each amounting to ₹ 517.65 lakhs (including tax deducted at source as may be applicable) to be paid out of the profits of the company for the said financial year and the said dividend be paid to those eligible equity shareholders, as on the record date i.e., **Saturday, 19 September 2026**.

4. **Re-appointment of Dr Mahalingam Manickam (DIN: 00102233), Director retiring by rotation, as a Director being eligible, offers himself for re-appointment**

   To consider and if thought fit, to pass the following resolution, as an **Ordinary Resolution:**

   RESOLVED THAT Dr Mahalingam Manickam, holding DIN: 00102233, who retires by rotation and being eligible for re-appointment, be and is hereby reappointed as a Director of the Company.

SPECIAL BUSINESS

5. **To consider and approve payment of commission to Dr Sundaraswamy Veluswamy (DIN: 05314999), Non-Executive, Non-Independent Director of the Company**

   To consider and if thought fit, to pass the following resolutions as **Special Resolutions:**

   RESOLVED THAT in accordance with Sections 197, 198 and other applicable provisions, if any, of the Companies Act 2013 (**"the Act"**) and the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014 read with Regulations 17(6)(a) and 17(6)(ca) and other applicable regulations, if any, of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015 (including any statutory modification(s) or amendment(s) or re-enactment(s) thereof for the time being in force) (**"Listing Regulations"**), such other approval(s), permission(s) and sanction(s) as may be necessary and based on the recommendations of the Nomination and Remuneration Committee, Audit Committee and as approved by the Board of Directors, the approval of the Members of the Company be and is hereby accorded for payment of commission of one (1) per cent on the net profits of the Company computed in the manner referred to in Section 198 of the Act to Dr Sundaraswamy Veluswamy (DIN : 05314999), Non-Executive, Non-Independent Director of the Company, payable in such form, manner or proportions and in all respects as may be determined by the Board of Directors of the Company for the financial year 2026-27, i.e. from 1st April 2026 to 31st March 2027.

   RESOLVED FURTHER THAT the above commission shall be exclusive of any fees payable to him for attending the meetings of the Board and the Committees thereof.

   RESOLVED FURTHER THAT the Board of Directors of the Company (including any Committee thereof) be and is hereby authorized to do all such acts, deeds, matters and things and to take all such steps, including to settle any questions, difficulties or doubts, as may be necessary, proper or expedient to give effect to the resolution.

6. **Issue of Redeemable, Cumulative, Preference Shares ("RCPS") on Private Placement basis for an amount not exceeding the Authorised Preference Share Capital of the Company, i.e. ₹ 50 crores.**

   To consider and if thought fit, to pass the following resolutions as **Special Resolutions:**

   RESOLVED THAT in accordance with Sections 42, 55 and any other applicable provisions, if any, of the Act read with the Companies (Prospectus and Allotment of Securities) Rules 2014 and the Companies (Share Capital and Debentures) Rules 2014 (including any amendment(s), statutory modification(s) or re-enactment(s) thereof), the Memorandum and Articles of Association of the Company, any other applicable laws for the time being in force and subject to such other approvals as may be required from regulatory authorities from time to time, approval of the Company be and is hereby given to the Board of Directors (**"the Board"**) (which term shall be deemed to include any Committee thereof which the Board may have constituted or may hereinafter constitute to exercise its powers including the powers conferred by this resolution) to offer, issue and allot, in one or more tranches, 50,00,000 Redeemable, Cumulative, Preference Shares (**"RCPS"**) of the face value of ₹ 100 each for cash at par for an amount not exceeding the Authorised Preference Share Capital of ₹ 50 crores, on private placement basis to persons identified by the Board of Directors in their absolute discretion, whether or not such persons are members of the Company, on such terms and conditions as may be decided by the Board and subject to the following rights:

a. The Preference Shares shall rank for dividend and in repayment of capital in priority to the equity shares for the time being of the Company. The payment of dividend shall be reckoned on a cumulative basis.
b. The said shares shall carry a fixed cumulative preference dividend to be determined by the Board of Directors at the time of issue of preference shares on the capital for the time being paid-up thereon.
c. The said shares shall, on winding up, be entitled to rank as regards repayment of capital and arrears of dividend, whether declared or not, up to the date of commencement of the winding up in priority to the equity shares but shall not be entitled to any further participation in the profits or surplus assets or surplus funds.
d. The said shares will not be converted into equity shares.
e. The voting rights of the persons holding the said shares shall be in accordance with the provisions of Section 47(2) of the Act.
f. The said shares shall be redeemable not later than the date determined by the Board of Directors at the time of issue or such other date as may be determined by the Board of Directors provided that it does not exceed twenty years.

RESOLVED FURTHER THAT the Board of Directors be and are hereby authorized to delegate all or any of the powers conferred by this resolution to any Director(s) or Committee of Directors or any Officer(s) of the Company, as it may consider appropriate to give effect to the resolution up to the date of next Annual General Meeting.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized on behalf of the Company to do all such acts, deeds and matters and things as they may, at their discretion, deem necessary or desirable for such purpose and with power on behalf of the Company to settle any questions, difficulties or doubts that may arise in this regard as they may, in their absolute discretion, deem fit and proper to give effect to the resolution.

NOTES:

1. **CONVENING OF ANNUAL GENERAL MEETING THROUGH VIDEO CONFERENCING ("VC")/ OTHER AUDIO-VISUAL MEANS ("OAVM") FACILITY**

   The Ministry of Corporate Affairs (**"MCA"**) has, by its General Circular dated 22 September 2025 read together with earlier circulars dated 8 April 2020, 13 April 2020, 5 May 2020, 13 January 2021, 8 December 2021, 14 December 2021, 5 May 2022, 28 December 2022, 25 September 2023 and 19 September 2024 (collectively referred to as **"MCA Circulars"**), permitted convening the Annual General Meeting (**"AGM" / "Meeting"**) through Video Conferencing (**"VC"**) or Other Audio-Visual Means **("OAVM")** without physical presence of the members at a common venue. In accordance with the MCA Circulars and applicable provisions of the Companies Act 2013 (**"the Act"**) read with Rules made thereunder and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015 (**"Listing Regulations"**), in this regard, the 69th AGM of the Company is being held through VC/OAVM. The deemed venue for the 69th AGM shall be the Registered Office of the company situated at 62, Dr Nanjappa Road, Coimbatore – 641 018, Tamilnadu, India.

   Since the AGM will be held through VC / OAVM in accordance with the MCA, the route map is not attached to the Notice.

2. The Board of Directors have considered and decided to include the Item Nos 5 and 6, given above as Special Business in the AGM Notice as they are considered necessary for the conduct of the Company's Business.

3. **STATEMENT UNDER SECTION 102 OF THE ACT**

   The relevant Statement as required under Section 102 of the Act setting out the material facts in respect of Special Business under Item Nos. 5 and 6 are annexed.

4. The relevant details of Director seeking retirement by rotation under Item No. 4 as per Regulation 36(3) of the Listing Regulations as required under Secretarial Standard-2 on General Meetings issued by the Institute of Company Secretaries of India is set out in **Annexure-1**.

5. **PROXY(IES)**

   In terms of the provisions of the Act, a Member entitled to attend and vote at the AGM is entitled to appoint a Proxy to attend and vote on behalf of the members and the Proxy need not be a Member of the Company. Since the AGM is conducted through VC/ OAVM only, the requirement of physical attendance of the members at the AGM has been dispensed with. Hence the facility for appointment of Proxy by members will not be available for this AGM and accordingly, the Proxy Form and Attendance Slip are not annexed to this Notice. However, the Body Corporates are entitled to appoint Authorised Representatives to attend the AGM through VC / OAVM and participate in AGM and cast their votes through e-voting.

6. **QUORUM**

The attendance of the members attending the AGM through VC / OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Act. Since the ensuing AGM is being held through VC / OAVM, physical attendance of Members has been dispensed with.

7. **CORPORATE REPRESENTATIONS**

Members of the Company under the category of Institutional Investors, if any, are encouraged to attend and vote at the AGM through VC / OAVM. Corporate members intending to authorize their representatives to participate and vote at the AGM are requested to send a duly certified copy of the board resolution authorizing their representatives to attend and vote on their behalf at the AGM to the scrutinizer at **r.sivasubramanian@rediffmail.com.**

8. **ELECTRONIC DISPATCH OF THE AGM NOTICE AND THE ANNUAL REPORT ("AR") 2026**

In terms of Sections 101 and 136 of the Act read with the rules made thereunder and Regulation 36 of the Listing Regulations and in compliance of MCA and SEBI Circulars, the Financial Statements (including Board's Report, Independent Auditor's Report and other documents required to be attached) for the financial year ended 31 March 2026 is being sent by electronic mode only to those members whose e-mail addresses are registered with the Company / Depository Participants **("DP")**.

Further, in accordance with Regulation 36(1)(b) of the Listing Regulations, a letter is being sent to those members whose e-mail addresses are not registered with the Company / DP, providing a web-link, including the exact path and QR Code, for accessing the Annual Report 2025-26. Members can request for a physical copy of the Annual Report 2026 by sending a request to the mail, **investors@sakthifinance.com.** Members may also note that the Notice of 69th AGM along with the Annual Report for the financial year 2026 will also be made available on the Company's website, **https://sakthifinance.com/annual-reports/ and** BSE Limited website, **https://www.bseindia.com/** for their download.

9. **UPDATION OF PAN, KYC AND OTHER DETAILS**

SEBI has, by its amendment to the Listing Regulations on 18th November 2025, mandated the payment of dividends, interest, redemption or repayment amounts to be made only in electronic mode. It has made it mandatory for all companies to use the bank account details of the shareholders provided by the Depositories and the bank account details maintained by the RTA for payment of dividend to Members electronically. The Company makes electronic credit of dividend directly to the respective bank accounts of the Member(s) through the Electronic Clearing Service (**"ECS"**) / National Electronic Clearing Service (**"NECS"**) / National Electronic Fund Transfer (**"NEFT"**) / Real Time Gross Settlement (**"RTGS"**) / Direct Credit, etc.

The procedure for updation of mandate for receiving dividends directly in bank account through electronic clearing system or any other means in a timely manner is given below:

In case Equity Shares are held in physical form

In accordance with SEBI Master Circular No. HO/38/13/(4)2026-MIRSDPOD/I/4298/2026 dated 6 February 2026 (**"SEBI-MD-RTA"**), security holders holding securities in physical form are requested to ensure that their KYC details are duly updated. Upon completion of the requisite KYC formalities, all payments, including dividend, interest, or redemption proceeds, will be processed through electronic mode only.

<table>
<tr><th>Type of Holder</th><th colspan="3">Process to be followed</th></tr>
<tr><td rowspan="3">Shareholders holding shares in physical form</td><td colspan="3">Send a written request in the prescribed form to MUFG Intime India Private Limited either by e-mail (duly e-signed) at investor.helpdesk@in.mpms.mufg.com or by post (Self attested and dated) to MUFG Intime India Private Limited, "Surya", 35, May Flower Avenue, Behind Senthil Nagar, Sowripalayam Road, Coimbatore - 641 028.</td></tr>
<tr><td>To register PAN, e-mail address, bank details and other KYC details or updation therein</td><td>Form ISR-1</td><td rowspan="2">For forms, please refer Company's website at https://sakthifinance.com/kyc-updation/ and RTA website, https://web.in.mpms.mufg.com/KYC-downloads.html</td></tr>
<tr><td>To update signature of securities holder along with below documents:
a. Copy of Bank Statement with Bank Name, Bank Account Number and IFS Code attested by Bank Manager or
b. Original cancelled cheque bearing the name of the Member or first holder, in case shares are held jointly;
c. Self-attested PAN Card copy of all holders; and
d. Self-attested photocopy of any document (such as Aadhaar Card, Driving License, Election Identity Card, Passport) in support of the address of the First holder as registered with the Company.</td><td>Form ISR-2</td></tr>
</table>

Type of Holder	Process to be followed		
Shareholders holding shares in physical form	Declaration to opt out nomination	Form ISR-3	For forms, please refer Company's website at **https://sakthifinance.com/kyc-updation/** and RTA website, **https://web.in.mpms.mufg.com/KYC-downloads.html**
	Form for requesting issue of Duplicate Certificate and other service requests for securities held in physical mode	Form ISR-4	
	For nomination as provided in the Rule 19(1) of the Companies (Share Capital and debenture) Rules 2014	Form SH-13	
	Cancellation of nomination by the holder(s) (along with ISR-3)/ Change of Nominee	Form SH-14	

Members are requested to send the above documents in original to MUFG Intime India Private Limited, "Surya", 35, May Flower Avenue, Behind Senthil Nagar, Sowripalayam Road, Coimbatore - 641 028 for change in / updation of bank details.

On completion of above KYC, the RTA shall, *suo moto,* generate request to the Company's bankers to pay electronically, all the monies of/payments to the holder that were previously unclaimed/unsuccessful.

In case Equity Shares are held in electronic form

Members holding securities in demat form are requested to submit/update their KYC details with their respective Depository Participants.

10. RECORD DATE AND DIVIDEND

Saturday, 19 September 2026 has been fixed as the Record Date for payment of dividend to the equity shareholders.

The dividend on equity shares for the year ended 31 March 2026, as recommended by the Board of Directors and if declared at the AGM, will be paid/credited by the Company, through permitted modes, on or after **Saturday, 26 September 2026** to those shareholders or their mandatees:

a. whose names appear as Members in the Register of Members of the Company as at the end of the business hours on **Saturday, 19 September 2026** in respect of the shares held in physical form, after giving effect to valid request(s) received for transmission/ transposition of shares and lodged with the Company or Registrar and Transfer Agent on or before **Saturday, 19 September 2026**; and

b. whose names appear as Beneficial Owners as at the end of the business hours on **Saturday, 19 September 2026** in the list of Beneficial Owners to be provided by National Securities Depository Limited and Central Depository Services (India) Limited in respect of the shares held in dematerialised form.

11. TAX DEDUCTED AT SOURCE ON DIVIDEND

In terms of the Income-tax Act 2025 (**"IT Act 2025"**), as amended by the Finance Act 2026, dividend income is taxable in the hands of shareholders and therefore, the Company shall be required to deduct Tax at Source (**"TDS"**) from dividends paid to shareholders at the prescribed rates. For the prescribed rates applicable for Financial Year (**"FY"**) 2026-27 (Tax Year), shareholders are requested to refer to the relevant provisions of the IT Act 2025 read with the applicable Finance Act and related amendments. Shareholders are requested to update their PAN with the Company/MUFG (in case of shares held in physical mode) and the Depositories (in case of shares held in demat mode) on or before **Saturday, 19 September 2026.**

In case the tax on dividend is deducted at a higher rate in the absence of receipt of the above details / documents from the Members, there would still be an option available with the Members to file the return of income and claim an appropriate refund, if found eligible.

No communication on the tax determination / deduction shall be entertained post **Saturday, 19 September 2026**. In the event of any income tax demand (including interest, penalty, etc.) arising from any misrepresentation, inaccuracy or omission of information provided by the shareholder, such shareholder will be responsible to indemnify the Company and also provide the Company with all information/documents and co-operation in any appellate proceedings.

TDS provisions and documents required as applicable for the relevant category of shareholders are set out in the **Annexure 2** forming part of this notice.

12. NOMINATION DETAILS

Members can avail of the Nomination facility as per Section 72 of the Act read with Rule 19(1) of the Companies (Share Capital and Debentures) Rules 2014. Members holding shares in physical form desiring to avail of this facility may send their nomination in the prescribed Form No. SH-13 duly filled in to MUFG Intime India Private Limited, "Surya", 35, May Flower Avenue, Behind Senthil Nagar, Sowripalayam Road, Coimbatore - 641 028.

Members desiring to opt out or cancel the earlier nomination and record a fresh nomination, may submit the same in Form ISR-3 or SH-14 as the case may be. Above forms are available on the Company's website at **https://sakthifinance.com/kyc-updation/** and RTA's website at **https://web.in.mpms.mufg.com/KYC-downloads.html.** Members holding shares in demat form may contact their respective DPs for availing this facility.

13. TRANSFER AND TRANSMISSION OF SHARES

As per Regulation 40 of the Listing Regulations, as amended from time to time, securities of listed companies can be transferred only in dematerialized form. Further, SEBI has, by its Master Circular for RTAs, mandated listed companies to issue securities in dematerialized form while processing service request for issue of duplicate securities certificate/ claim from unclaimed suspense account/renewal/exchange/endorsement/sub-division/splitting/consolidation/transmission/transposition of securities etc.

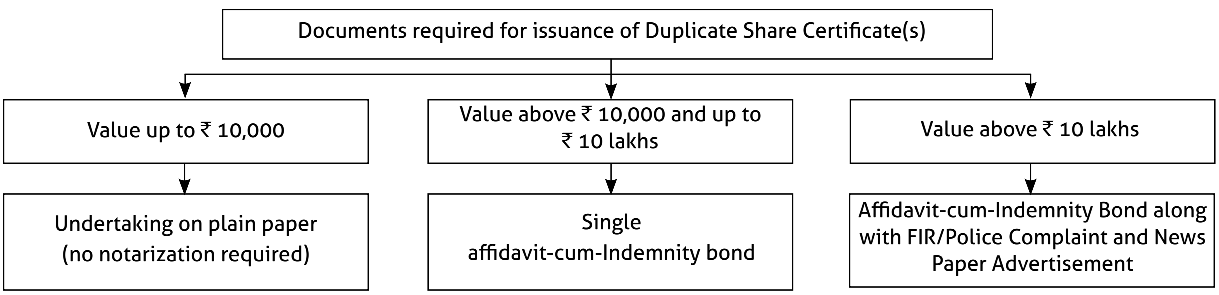
In view of the above and to eliminate the risks associated with physical shares and to avail of various benefits of dematerialization, Members are advised to dematerialize their shares held in physical form.

SEBI has, by its Master Circular for RTAs, has dispensed with the requirements of issuance of Letter of Confirmation (**"LoC"**) with effect from 2 April 2026, by the Company / RTA while processing the above investor service requests. Accordingly, the securities will be credited directly to the shareholder's demat account upon submission of valid demat accounts details along with the demat conversion request form and Client Master List not older than two months duly attested by the Depository Participant.

14. SIMPLIFIED PROCEDURE FOR TRANSMISSION OF SECURITIES AND ISSUANCE OF DUPLICATE SHARE CERTIFICATES

SEBI has, by its Master Circular for RTAs, simplified the procedure and standardized the format of documents for transmission of securities and issuance of duplicate securities certificates by physical holders.

The documentation requirements have been standardised as below:



15. TRANSFER TO INVESTOR EDUCATION AND PROTECTION FUND ("IEPF")

As per Sections 124 and 125 of the Act read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules 2016, as amended **("the IEPF Rules")** and Regulation 61A of the Listing Regulations all unclaimed dividends, principal / maturity amount of debentures and deposits as well as interest accrued etc., which remained unclaimed for a period of seven consecutive years have been transferred to the Investor Education and Protection Fund **("IEPF")** of the Central Government. Members who have not encashed their dividend warrant(s) for the said years are requested to forward their claims by submitting Form **IEPF–5**, which is available on the website, **www.iepf.gov.in.**

Name, Designation and Address of the Nodal Officer

Sri S Venkatesh, Company Secretary and Chief Compliance Officer

Sakthi Finance Limited (CIN:L65910TZ1955PLC000145)

Regd Office : 62, Dr. Nanjappa Road, Post Box No.3745, Coimbatore - 641 018

Tel : (0422) 4236200

E-mail : investors@sakthifinance.com

Website : www.sakthifinance.com

UNCLAIMED DIVIDENDS AND INVESTOR EDUCATION AND PROTECTION FUND ("IEPF")

You are requested to claim the following Unclaimed amounts:

Dividends due for transfer to IEPF:

The dividends declared from 2018-19 to 2024-25 which remain unpaid / unclaimed and the underlying shares as on 31 March 2026 are given below.

Financial Year	Date of declaration of Dividend	Dividend declared per equity share	Total amount of Dividend paid (Gross) (₹ lakhs)	Dividend lying unpaid and unclaimed with the Company (₹ lakhs)	Number of shares on which Dividend is lying unpaid and unclaimed with the Company	Last date / due date for claiming unpaid and unclaimed Dividend
2024-25	27 Sep' 2025	₹ 0.80	517.65	34.59	53,93,480	1st Nov' 2032
2023-24	10 Sep' 2024	₹ 0.80	517.65	34.50	52,82,323	16th Oct' 2031
2022-23	21 Sep' 2023	₹ 0.70	452.94	2.95	4,22,728	28th Oct' 2030
2021-22	28 Sep' 2022	₹ 0.60	388.23	4.06	7,05,509	5th Nov' 2029
2020-21	30 Sep' 2021	₹ 0.60	388.23	2.88	4,83,369	4th Nov' 2028
2019-20	17 Dec' 2020	₹ 0.60	388.23	2.93	4,89,687	23rd Jan' 2028
2018-19	23 Sep' 2019	₹ 1.00	647.05	7.16	7,16,393	30th Oct' 2026

The Company urges all the Members to encash/claim their respective dividend(s) during the prescribed period. Members who have not encashed the dividend warrants so far in respect of the above periods are requested to make their claim to MUFG Intime India Private Limited well in advance of the above due dates.

The outstanding unclaimed / Unpaid dividends as on the due dates will be transferred to IEPF on the said due dates. The members may also note that in case dividend is not claimed for seven consecutive years, besides transfer of the unclaimed dividend to IEPF, the Company shall transfer the shares in respect of which the dividend was so unclaimed to the dematerialized account of IEPF under Section 124(5) of the Act and the IEPF Rules.

From the Financial year 2018-19 to 2025-26, the Company had transferred in total 6,38,272 equity shares of ₹10 each to the dematerialized account of IEPF authority out of which 1,600 equity shares were claimed during the financial year. As on 31 March 2026, 6,36,672 equity shares are in the dematerialized account of IEPF authority.

Reminder letters and Notice published by the Company prior to transfer of Shares to IEPF:

In accordance with the above IEPF Rules, physical letters were sent to Members of the Company at their latest available addresses, whose shares are liable to be transferred to the IEPF Authority during FY 2026-27 and had also published newspaper advertisements in this regard. Members are advised to claim their unclaimed/unpaid dividend on or before the latest due date of 30 October 2026, to avoid such transfer of shares to IEPF Authority. Intimations were also sent through email to those Members whose email addresses were registered with the Company / Depository Participants **("DP")**. Notice in this regard was published on Monday, 27 July 2026 in the newspapers, namely, Business Line (in English Language - PAN India) and The Hindu Tamil Thisai (in Tamil language). No claim shall lie against the Company in respect of the shares/unclaimed amounts so transferred.

Fixed Deposits placed with the Company: If you have placed fixed deposits with our Company, you are requested to claim the maturity and interest amounts thereon, paid by the Company, if unclaimed / unencashed by you, by sending the physical documents to the Companys' Registered Office at 62, Dr Nanjappa Road, Coimbatore – 641 018.

Non-Convertible Debentures ("NCDs"): If you have subscribed to Company's Unlisted Private Placement NCDs, you are requested to claim your maturity amount of NCDs and interest thereon, if any, paid by the Company, if unclaimed / unencashed by you, by sending the physical documents to the Companys' Registered Office at 62, Dr Nanjappa Road, Coimbatore – 641 018.

The details of such unclaimed dividends, shares, Deposits and Debentures for the financial years are available on the company's website at https:**//sakthifinance.com/investor-education-and-protection-fund/** and on the website of Ministry of Corporate Affairs at **https://www.iepf.gov.in.**

16. SPECIAL WINDOW FOR RE-LODGEMENT OF PHYSICAL SHARE TRANSFER REQUESTS

In terms of SEBI Master Circular No. HO/38/13/(4)2026-MIRSD-POD/I/4298/2026 dated 6th February 2026, a special window is opened till 4th February 2027 to facilitate re-lodgement of transfer requests executed before 1st April 2019 but were either not lodged for transfer or were lodged and subsequently rejected, returned or not attended due to deficiency in the documents.

Eligible shareholders are requested to submit the requisite documents before 4th February 2027 to Company / RTA. Securities transferred through this mechanism shall be credited only in dematerialized form and will remain under a one-year lock-in, during which they cannot be transferred, lien marked or pledged.

The Company has communicated the opening of this special window through newspaper advertisements which are available on the website at **https://sakthifinance.com/announcement-by-sfl/.**

17. GREEN INITIATIVE

Members are requested to support the Green Initiative by registering / updating their e-mail address, with the Depository

Participant (in case of shares held in dematerialized form) or with MUFG Intime India Private Limited (in case of equity shares are held in physical form) in order to receive the Notices, Annual Report, Dividend and Tax intimations and other communications in electronic mode.

18. PROCEDURE FOR INSPECTION OF REGISTERS AND DOCUMENTS

The Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Act and the Register of Contracts or Arrangements in which the directors are interested, maintained under Section 189 of the Act, Memorandum and Articles of Association and any other relevant documents referred to in the Notice shall be made available electronically for inspection without any fee by the members from the date of circulation of Notice till the date of the AGM. Members seeking to inspect such documents can send e-mail to **investors@sakthifinance.com.**

All documents referred to in the Notice are open for inspection at the Registered Office of the Company on all working days between 11.00 a.m and 1.00 p.m. up to the date of the AGM.

19. PERMANENT REGISTRATION OF MEMBER'S E-MAIL ADDRESS

Members are requested to register their e-mail address, in respect of electronic holdings with their Depository Participants concerned and in respect of physical holdings with the Company's RTA, MUFG Intime India Private Limited, "Surya", 35, Mayflower Avenue, Behind Senthil Nagar, Sowripalayam Road, Coimbatore – 641 028, **Phone:** (0422) 4958995, 2539835-836, **Fax:** (0422) 2539837, **E-mail:** investor.helpdesk@in.mpms.mufg.com.

Those Members who have already registered their e-mail address are requested to keep their e-mail address validated with their Depository Participants / MUFG Intime India Private Limited to facilitate servicing of notices/ documents / Annual Reports and other communications electronically to their e-mail address in future.

20. ON-LINE DISPUTE RESOLUTION ("ODR") MECHANISM

SEBI has established a common On-line Dispute Resolution Portal **("ODR Portal")** for resolution of disputes arising in the Indian Securities Market. In terms of this, after exhausting the option to resolve their grievances with RTA / Company directly and through existing SCORES platform, the investors can initiate dispute resolution through the **ODR Portal : https://smartodr.in/login** and it can also be accessed through the Company's website at **https://sakthifinance.com/online-dispute-resolution/.**

21. SCRUTINIZER

Sri. R. Sivasubramanian, Practicing Company Secretary, (ICSI Membership No. A22289), holding Certificate of Practice No. 12052, has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.

The Results declared along with Scrutinizer's Report shall be placed on the notice board of the Company, the Company's website, **https://sakthifinance.com/annual-reports/** and on the website of CDSL, **www.evotingindia.com** within two working days after the voting on the Resolutions at the Sixty Ninth (69th) AGM of the Company and communicated to BSE Limited, where the equity shares of the Company are listed.

To facilitate Members to receive this Notice electronically and cast their votes electronically, the Company has made special arrangement with MUFG Intime India Private Limited for registration of e-mail address in terms of the MCA Circulars. Eligible Members who have not submitted their e-mail address to MUFG Intime India Private Limited are required to provide their e-mail address to MUFG Intime India Private Limited on or before 5:00 p.m. **on Saturday, 19 September 2026.** This Notice and the procedure for remote e-Voting along with the log-in ID and password for remote e-Voting will be sent to the e-mail address provided by the member.

22. In case of any queries, Members may write to **investors@sakthifinance.com** or **helpdesk.evoting@cdslindia.com.**

23. INVESTOR GRIEVANCE REDRESSAL FRAMEWORK

The Company has adopted an Investor Grievance Redressal Framework with an objective to promote and build prompt investor grievance redressal mechanism and maintain investor friendly relations. It recognizes the investors' right to have contact address of persons concerned to enable them to send any query or record a grievance. This also enables the Company to use investors' views as a feedback mechanism.

The Company has an established mechanism for providing investor services and grievance handling with designated e-mail ID, **investors@sakthifinance.com** (for equity and NCD holders) and also with MUFG for handling investor grievances on which investor can send a complaint.

The Company has also constituted a Stakeholders' Relationship Committee which functions under the Chairmanship of a Director, to examine and redress complaints by investors. The policy is available on Company's website at **https://sakthifinance.com/policies/.**

THE INSTRUCTIONS TO MEMBERS FOR REMOTE E-VOTING AND JOINING VIRTUAL MEETINGS ARE GIVEN BELOW

As per Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 (as amended) and the Circulars issued by the Ministry of Corporate Affairs dated 13th January 2021, in continuation and read with its earlier Circulars dated 8th April 2020, 13th April 2020 and 5th May 2020, the Company is providing the facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited

("CDSL") for facilitating voting through electronic means, as the authorized e-Voting agency. The facility of casting votes by a member using remote e-voting as well as e-voting during the AGM will be provided by CDSL.

Members whose names are recorded in the Register of Members or in the Register of Beneficial Owners maintained by the Depositories as on the cut-off date i.e. **Saturday, 19 September 2026,** shall be entitled to avail the facility of remote e-voting as well as e-voting during the AGM. Any recipient of the Notice, who has no voting rights as on the cut-off date shall treat this Notice as an intimation only.

A person who has acquired the shares and has become a member of the Company after the dispatch of the Notice of the AGM and prior to the cut-off date i.e. **Saturday, 19 September 2026,** shall be entitled to exercise his / her vote either electronically i.e. remote e-voting or e-voting during the AGM by following the procedure mentioned in this part. The remote e-voting will commence on **Wednesday, 23 September 2026 at 9.00 a.m.** and will conclude on **Friday, 25 September 2026 at 5.00 p.m.** During this period, the members of the Company holding equity shares either in physical mode or in demat mode as on the cut-off date i.e. **Saturday, 19 September 2026,** may cast their vote electronically. The members will not be able to cast their vote electronically beyond the date and time mentioned above and the remote e-voting module shall be disabled for voting by CDSL thereafter.

Once the vote on a resolution is cast by the member, he/she shall not be allowed to change it subsequently or cast the vote again.

The voting rights of the members shall be in proportion to their shares on the paid up equity share capital of the Company as on the cut-off date i.e. **Saturday, 19 September 2026.**

The Company has appointed Sri. R. Sivasubramanian, Company Secretary in Practice, to act as the Scrutinizer for conducting the remote e-voting process as well as the e-voting during the AGM, in a fair and transparent manner.

PROCESS FOR THOSE SHAREHOLDERS WHOSE E-MAIL / MOBILE NUMBER ARE NOT REGISTERED WITH THE COMPANY / DEPOSITORIES

For members holding equity shares in Physical form:

Please provide necessary details like Folio No, Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy), Aadhaar (self-attested scanned copy) by e-mail to or **investor.helpdesk@in.mpms.mufg.com.**

For members holding equity shares in Demat form: Please update your e-mail id and mobile number with your respective Depository Participant **("DP").**

For Individual Demat Shareholders: Please update your email id and mobile number with your respective depository participant **("DP")** which is mandatory while e-Voting and joining virtual meetings through Depository.

THE INSTRUCTIONS FOR SHAREHOLDERS FOR REMOTE E-VOTING ARE GIVEN BELOW

Step 1: Access through Depositories CDSL/NSDL e-Voting system in case of individual shareholders holding equity shares in demat mode.

Step 2: Access through CDSL e-Voting system in case of shareholders holding equity shares in physical mode and non-individual shareholders in demat mode.

The remote e-voting period commences on **Wednesday, 23 September 2026 at 9.00 a.m.** and concludes on **Friday, 25 September 2026 at 5.00 p.m.** During this period, shareholders of the Company holding shares either in physical form or in dematerialized form, as on the cut-off date i.e., **Saturday, 19 September 2026,** may cast their votes electronically. The remote e-voting module shall be disabled by CDSL for voting thereafter.

a. Members who have already voted prior to the meeting date would not be entitled to vote during the Meeting.

b. As per SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 9 December 2020 and Regulation 44 of the Listing Regulations, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level.

c. Currently, there are multiple e-voting service providers **("ESPs")** providing e-voting facility to listed entities in India. This requires registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.

d. In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to all the demat account holders, by way of a single log-in credentials, through their demat accounts / websites of Depositories / Depository Participants. Demat account holders would be able to cast their votes without having to register again with ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

   Step 1: Access through Depositories CDSL/NSDL e-Voting system in case of individual shareholder holding shares in demat mode.

e. In terms of SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 9 December 2020 and in compliance with Regulation 44 of the SEBI Listing Regulations, the Company is required to provide remote e-voting facility to all shareholders for resolutions proposed at the General Meeting. Individual shareholders holding securities in demat mode may cast their votes directly through their demat accounts maintained with Depositories/DPs. Members are, therefore, advised to ensure that their mobile numbers and e-mail ids are updated in their demat accounts to access the e-voting facility.

f. As per the above SEBI Circular, log-in method for e-Voting and joining virtual meetings for Individual shareholders holding securities in Demat mode with CDSL / NSDL is given below:

Type of Member	Log-in Method
Individual Members holding securities in Demat mode with **CDSL**	1. Users who have opted for CDSL's Easi / Easiest facility, can log-in through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to log-in to Easi / **Easiest are https://web.cdslindia.com/myeasi/home/login** or visit **www.cdslindia.com** and click on log-in icon and select New System Myeasi. 2. After successful log-in, the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the e-Voting is in progress as per the information provided by the company. On clicking the e-Voting option, the user will be able to see e-Voting page of the e-Voting service provider for casting their vote during the remote e-Voting period or joining virtual meeting and voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers' website directly. 3. If the user is not registered for Easi / Easiest, option to register is available at **https://web.cdslindia.com/myeasi/Registration/EasiRegistration**. 4. Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from e-Voting link available in **www.cdslindia.com** home page or click on **https://evoting.cdslindia.com/Evoting/Evoting login**. The system will authenticate the user by sending OTP on registered Mobile and E-mail as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the e-Voting is in progress and also able to directly access the system of all e-Voting service providers.
Individual Members holding securities in Demat mode with **NSDL**	1. If you are already registered for **NSDL IDeAS facility**, please visit the e-Services website of NSDL. Open web browser by typing the following **URL: https://eservices.nsdl.com** either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Log-in" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting and voting during the meeting. 2. If the user is not registered for IDeAS e-Services, option to register is available at **https://eservices.nsdl.com.** Select "Register Online for IDeAS Portal" or click at **https://eservices.nsdl.com/ SecureWeb/ IdeasDirectReg. jsp**. 3. Visit the e-Voting website of NSDL. Open web browser by typing the following **URL:https://www.evoting.nsdl.com** either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Log-in" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen-digit demat account number held with NSDL), Password and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting and voting during the meeting. 4. For OTP based login, you can click on **https://eservices.nsdl.com/SecureWeb/evoting/evotinglogin.jsp.** You will have to enter your 8-digit DP ID, 8-digit Client Id, PAN No., Verification code and generate OTP. Enter the OTP received on the registered email id/mobile number and click on login. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on **company name or e-Voting service provider name** and you will be redirected to **e-Voting service provider website** for casting your vote during the remote e-Voting period or joining virtual meeting and voting during the meeting.

Type of Member	Log-in Method
Individual Members (holding securities in Demat mode) log-in through their Depository Participants	You can also log-in using the log-in credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After successful log-in, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider's website for casting your vote during the remote e-Voting period or joining virtual meeting and voting during the meeting.

Important note: Members who are unable to retrieve User ID/ Password are advised to use "Forgot User ID" and "Forgot Password" option available at respective websites.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to log-in through Depository i.e. CDSL and NSDL.

Log-in type	Helpdesk
Individual Members holding securities in Demat mode with **CDSL**	Members facing any technical issue in log-in can contact CDSL helpdesk by sending a request at **helpdesk.evoting@cdslindia.com** or contact at toll free no. 1800 21 09911
Individual Members holding securities in Demat mode with **NSDL**	Members facing any technical issue in log-in can contact NSDL helpdesk by sending a request at **evoting@nsdl.co.in or call at : 022 – 4886 7000 and 022 – 2499 7000**

Step 2 : Access through CDSL e-Voting system in case of shareholders holding shares in physical mode and non-individual shareholders in demat mode.

g. **Log-in method for e-Voting and joining virtual meeting for physical shareholders and shareholders other than individual shareholders holding securities in demat form:**

1. The shareholders should log on to the e-voting website, **www.evotingindia.com.**
2. Click on Shareholders.
3. Now Enter your User ID:
   a. For CDSL: 16 digits beneficiary ID
   b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID
   c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
4. Next enter the Image Verification as displayed and Click on Log-in.
5. If you are holding shares in demat form and had logged on to **www.evotingindia.com** and voted on an earlier e-Voting of any company, then your existing password is to be used.
6. If you are a first time user, follow the steps given below:

For Members and other than individual members holding shares in Demat Form	
PAN	Enter your 10-digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders). • Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number indicated/sent by the Company/RTA or contact Company/RTA.
Dividend Bank Details or Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to log-in • If both the details are not recorded with the depository or company, please enter the member id / folio number in the Dividend Bank details field.

h. After entering these details appropriately, click on **"SUBMIT"** tab.

i. Members holding shares in physical mode will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their log-in password in the new password field. Kindly note that this password is also to be used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

j. For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

k. Click on the EVSN of the Company, SAKTHI FINANCE LIMITED on which you choose to vote.

l. On the voting page, you will see **"RESOLUTION DESCRIPTION"** and against the same, the option "YES/ NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

m. Click on the **"RESOLUTIONS FILE LINK"** if you wish to view the entire Resolution details.

n. After selecting the resolution, you have decided to vote on, click on **"SUBMIT"**. A confirmation box will be displayed. If you wish to confirm your vote, click on **"OK",** else to change your vote, click on **"CANCEL"** and accordingly modify your vote.

o. Once you **"CONFIRM"** your vote on the resolution, you will not be allowed to modify your vote.

p. You can also take a print of the votes cast by clicking on **"Click here to print"** option on the Voting page.

q. If a demat account holder has forgotten the log-in password, then Enter the User ID and the image verification code and click on Forgot Password and enter the details as prompted by the system.

r. There is also an optional provision to upload Board Resolution / Power of Attorney, if any, uploaded which will be made available to scrutinizer for verification.

s. Additional facility for Non – Individual Members and Custodians - For remote e-voting only

- Non-Individual members (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to **www.evotingindia.com** and register themselves in the "Corporates" module.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be e-mailed to **helpdesk.evoting@cdslindia.com.**
- After receiving the log-in details, a Compliance User should be created using the admin login and password.
- The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the log-in will be mapped automatically and can be delinked in case of any wrong mapping.
- It is mandatory that a scanned copy of the Board Resolution and Power of Attorney **("POA")** which they have issued in favour of the Custodians, if any, should be uploaded in PDF format in the system for the scrutiniser to verify it.
- Alternatively, Non Individual members are required mandatorily to send the relevant Board Resolution/ Authority letter etc., together with attested specimen signature of the duly authorised signatory who are authorised to vote to the Scrutinizer and to the Company at the email address namely, **investors@sakthifinance.com**, if they have voted from individual tab and not uploaded the same in the CDSL e-voting system for the scrutinizer to verify it.

INSTRUCTIONS FOR MEMBERS ATTENDING THE ANNUAL GENERAL MEETING THROUGH VC / OAVM AND E-VOTING DURING THE MEETING ARE AS UNDER

1. The procedure for attending the meeting and e-voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
2. The link for VC/OAVM to attend the meeting will be available where the EVSN of Company will be displayed after successful log-in as per the instructions mentioned above for remote e-voting.
3. Members who have voted through remote e-voting will be eligible to attend the AGM. However, they will not be eligible to vote during the AGM.
4. Members are encouraged to join the Meeting through Laptops/IPads for better experience.
5. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
6. Please note that Participants connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to fluctuation in their respective network. It is, therefore, recommended to use stable Wi-Fi or LAN Connection to mitigate any kind of above glitches.
7. For ease of conduct, members who would like to ask questions may send their questions in advance at least 7 (Seven) days before AGM mentioning their name, demat account number / folio number, email id, mobile number to **investors@sakthifinance.com** and register themselves as a speaker.
8. Those Members who have registered themselves as a speaker will only be allowed to express their views/ask questions during the AGM.
9. Only those Members, who are present in the AGM through VC/OAVM facility and have not cast their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.

10. If any Votes are cast by the members through e-voting available during the AGM and if the same members have not participated in the meeting through VC/OAVM facility, then the votes cast by such members shall be considered invalid as the facility of e-voting during the meeting is available only to the members participating in the meeting.
11. The results declared along with the Scrutinizer's Report shall be placed on the Company's website, **https://sakthifinance.com/annual-reports/** and on the website of CDSL **i.e. www.cdslindia.com** within two working days of the passing of the Resolutions at the 69th Annual General Meeting of the Company and shall also be communicated to BSE Limited where the shares of the Company are listed.
12. Since the AGM will be held through VC/OAVM, the Route Map is not annexed in this Notice.
13. Contact Details:

Company	Sakthi Finance Limited CIN: L65910TZ1955PLC000145 **Regd. Office :** 62, Dr Nanjappa Road, Coimbatore – 641 018 **Phone** : (0422) 4236200 **E-mail ID** : sakthif_info@sakthifinance.com, investors@sakthifinance.com **Website** : www.sakthifinance.com
Registrar and Transfer Agent	MUFG Intime India Private Limited CIN: U67190MH1999PTC118368 "Surya", 35, Mayflower Avenue, Behind Senthil Nagar Sowripalayam Road, Coimbatore – 641 028 **Phone** : (0422) 4958995, 2539835-836 **E-mail ID** : investor.helpdesk@in.mpms.mufg.com **Website** : https://in.mpms.mufg.com/
e-Voting Agency	Central Depository Services (India) Limited CIN: L67120MH1997PLC112443 **E-mail ID** : helpdesk.evoting@cdslindia.com **Toll free no. :** 1800 21 09911
Scrutinizer	Sri. R. Sivasubramanian, Company Secretary in Practice

QUERIES

If you have any queries or issues regarding attending the AGM and e-Voting from the CDSL e-Voting system, you can write an e-mail to **helpdesk.evoting@cdslindia.com** or contact Toll free No.1800 21 09911.

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Senior Manager, Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compound, N M Joshi Marg, Lower Parel (East), Mumbai - 400 013 or send an e-mail to **helpdesk.evoting@cdslindia.com** or call Toll free No 1800 21 09911.

OTHERS

In case of joint holders attending the AGM, only such joint holder who is higher in order of name will only be entitled to vote.

Members seeking any information or clarification on the accounts or any other matter to be placed at AGM are requested to send written queries to the Company on **investors@sakthifinance.com**, at least 7 days before the date of the meeting to enable the management to respond quickly.

By Order of the Board
For Sakthi Finance Limited
S Venkatesh
Company Secretary and Chief Compliance Officer
FCS 7012

14 August 2026
Coimbatore-18

Registered Office:
62, Dr Nanjappa Road, Coimbatore – 641 018
CIN : L65910TZ1955PLC000145
Phone : (0422) 4236200
E-mail : investors@sakthifinance.com
Website : www.sakthifinance.com

STATEMENT OF MATERIAL FACTS UNDER SECTION 102 OF THE COMPANIES ACT 2013

The following Statement sets out all material facts relating to the business mentioned under Item Nos.5 and 6 of the accompanying Notice dated 14 August 2026.

SPECIAL BUSINESS

Item No.5

Payment of commission to Dr Sundaraswamy Veluswamy (DIN: 05314999), Non-Executive, Non-Independent Director of the Company

Dr Sundaraswamy Veluswamy (DIN: 05314999), Non-Executive, Non-Independent Director has been associated with our Company since November 1990. His oversight role directly impacts the Company's solvency and growth, particularly, in formulating capital adequacy frameworks, portfolio diversification strategies and the optimization of long-term debt structures, etc.

Considering his long and very eventful tenure spanning for more than three decades in various capacities held by him, the time devoted by him, his participation in strategic decision making, timely guidance provided by him to the Board on important policy matters, performance of the company and industry practices and in appreciation of it, the Board, based on the recommendations of the Nomination and Remuneration Committee and Audit Committee recommended a commission of one per cent on the net profits of the Company for the financial year 2025-26 which was approved by the members through Postal Ballot on 20 March 2026.

Similarly, as recommended by the Nomination and Remuneration Committee, Audit Committee and as approved by the Board of Directors of the Company, it is proposed to compensate him by way of a commission of one (1) per cent on the net profits of the Company for the financial year 2026-27, i.e. from 1st April 2026 to 31st March 2027, computed in the manner referred to in Section 198 of the Companies Act 2013 **("the Act")**, payable in such form, manner or proportions and in all respects. In terms of Regulation 17(6)(a) and 17(6)(ca) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 **("Listing Regulations")**, approval of the members is required for payment of commission to him.

Regulation 17(6)(ca) of the Listing Regulations also provides that where the annual remuneration payable to a single Non-Executive Director exceeds fifty per cent of the total annual remuneration payable to all Non-Executive Directors giving details of the remuneration thereof, such payment shall be approved by the members by a Special Resolution every year.

As the proposed remuneration to be payable to him may exceed fifty per cent of the total remuneration payable to other Non-Executive Directors of the Company for the financial year 2026-27, it is proposed to obtain the approval of members of the Company.

Dr Sundaraswamy Veluswamy's role in our Company is strictly Non-Executive and does not constitute a contract of employment. There is no "employer-employee" relationship in the Company. He does not exercise substantial powers of management or possess signing authority for daily operational or financial disbursements at SFL.

The Company has not defaulted in payment of dues to any bank or public financial institution or any other secured creditors or non-convertible debenture holders.

The Board recommends the Special Resolution as set out at Item No.5 for approval of the Members.

Dr Sundaraswamy Veluswamy (DIN: 05314999), Non-Executive, Non-Independent Director of the Company is only interested in Item No.5 and none of the other Directors and Key Managerial Personnel **("KMP")** of the Company, is concerned with or interested, financially or otherwise, in the Special Resolution as set out at Item No.5.

Item No. 6

Issue of Redeemable, Cumulative, Preference Shares ("RCPS") on Private Placement basis for an amount not exceeding the Authorised Preference Share Capital of the Company, i.e. ₹ 50 crores.

The present Authorised Share Capital of the Company is 10,00,00,000 (10 crores) equity shares of ₹ 10 each and 50,00,000 (50 lakhs) Redeemable, Cumulative Preference Shares **("RCPS")** of ₹ 100 each, aggregating ₹ 150 crores.

To increase the net worth, to strengthen the Capital Adequacy Ratio, to meet the Working Capital requirements of the Company and to use the proceeds for redemption of Preference Shares, it intends to issue, in one or more tranches, Redeemable, Cumulative, Preference Shares **("RCPS")** of ₹ 100 each for an amount not exceeding the Authorised Preference Share Capital of ₹ 50 crores, on private placement basis to such person(s) identified by the Board of Directors of the Company (hereinafter referred to as **"the Board"** which term shall be deemed to include any duly constituted / to be constituted Committee of the Board thereof to exercise its powers including powers conferred by this resolution) in their absolute discretion whether or not such persons are members of the Company on such terms and conditions as may be decided by the Board of Directors at their discretion.

The Special Resolution authorizing the Board of Directors to offer, issue and allot RCPS is, at their discretion, as detailed in the resolution, placed before the members for their approval.

The terms and conditions of the RCPS shall be subject to the provisions of the Act and the related rules as amended, under the Act and the Memorandum and Articles of Association of the Company.

Disclosures as required under Rule 9(3) of the Companies (Share Capital and Debentures) Rules 2014, the material facts in relation to the above issue of Preference Shares, Rule 13(2) of the Companies (Share Capital and Debentures) Rules 2014 and Rule 14 of the Companies (Prospectus and Allotment of Securities) Rules 2014 and any other rules and regulations, to the extent applicable, are given below:

<table>
<tr><td>a</td><td>Particulars of the offer including date of passing of Board resolution</td><td>Redeemable, Cumulative Preference Shares
Date of Board Meeting: 14 August 2026</td></tr>
<tr><td>b</td><td>Size of the issue and the number of preference shares to be issued and the nominal value of each share</td><td>The Company proposes to issue and allot not exceeding 50,00,000 Redeemable, Cumulative, Preference Shares ("RCPS") of the face value of ₹ 100 each for cash at par aggregating a nominal value not exceeding the Authorised Preference Share Capital of ₹ 50 crores, to various persons / entities identified by the Board of Directors of the Company (hereinafter referred to as "the Board", which term shall be deemed to include any duly constituted / to be constituted Committee of the Board thereof to exercise its powers including powers conferred by this resolution) and whether or not they are members of the Company.</td></tr>
<tr><td>c</td><td>Nature of such shares. i.e. cumulative or non-cumulative, participating or non-participating, convertible or non-convertible</td><td>Redeemable, Cumulative, Non-participating and Non-Convertible Preference Shares</td></tr>
<tr><td>d</td><td>Objectives of the issue</td><td>To increase the net worth, to strengthen the Capital Adequacy Ratio and to meet the working capital requirements of the Company and to make repayment on the date of redemption of preference shares</td></tr>
<tr><td>e</td><td>Manner of issue of shares</td><td>On private placement basis</td></tr>
<tr><td>f</td><td>Price at which such shares are proposed to be issued</td><td>₹ 100 each, being the face value of RCPS</td></tr>
<tr><td>g</td><td>Basis on which the price has been arrived at</td><td>None</td></tr>
<tr><td>h</td><td>name and address of valuer who performed valuation</td><td>Not applicable.</td></tr>
<tr><td>i</td><td>Terms of issue, including terms and rate of dividend on each share etc</td><td>As mentioned in the resolution in Item No 6, the rate of dividend will be decided by the Board of Directors at the time of issue.</td></tr>
<tr><td>j</td><td>Terms of redemption, including the tenure of redemption, if any, redemption of shares at premium and if the preference shares are convertible, the terms of conversion</td><td>The period of redemption will be decided by the Board of Directors but in no case shall exceed a period of 20 years from the date of issue. Redemption of preference shares at premium is not applicable and there is no conversion of shares</td></tr>
<tr><td>k</td><td>Manner and modes of redemption</td><td>Out of profits and /or out of the fresh issue of capital, as the case may be.</td></tr>
<tr><td>l</td><td>Current shareholding pattern of the Company</td><td>Equity shareholding pattern as on 30 June 2026:
<table>
<tr><th>Category</th><th>No of Shares</th><th>% of equity capital</th></tr>
<tr><td>Promoter and Promoter Group</td><td>4,33,63,007</td><td>67.02</td></tr>
<tr><td>Banks, Financial Institutions and Mutual Funds</td><td>900</td><td>0.00</td></tr>
<tr><td>Bodies Corporate including Overseas Corporate Body</td><td>1,56,01,795</td><td>24.11</td></tr>
<tr><td>Non-Resident Indians</td><td>33,073</td><td>0.05</td></tr>
<tr><td>Resident Individuals and Others</td><td>57,07,107</td><td>8.82</td></tr>
<tr><td>Total</td><td>6,47,05,882</td><td>100.00</td></tr>
</table>
Detailed shareholding pattern is available on the website of the Company i.e. https://sakthifinance.com/share-holding-pattern/ and also available on the website of the BSE Ltd i.e., www.bseindia.com.</td></tr>
<tr><td>m</td><td>Expected dilution in equity share capital upon conversion of preference shares</td><td>Not applicable</td></tr>
<tr><td>n</td><td>Contribution being made by the promoters or directors either as part of the offer or separately in furtherance of such objects</td><td>Promoters or Directors may subscribe to the offer</td></tr>
</table>

Accordingly, the Board of Directors recommend the Special Resolution set out in Item No. 6 of the accompanying Notice for the consideration and approval of the members.

None of the Directors or Key Managerial Personnel or their relatives is concerned or interested, financially or otherwise, in the passing of the Special Resolution.

By Order of the Board
For Sakthi Finance Limited
S Venkatesh
Company Secretary and Chief Compliance Officer
FCS 7012

14 August 2026
Coimbatore-18

Registered Office:

62, Dr Nanjappa Road, Coimbatore – 641 018
CIN : L65910TZ1955PLC000145
Phone : (0422) 4236200
E-mail : investors@sakthifinance.com
Website : www.sakthifinance.com

Annexure-1

DETAILS OF DIRECTOR SEEKING RETIREMENT BY ROTATION AT THE SIXTY NINTH ANNUAL GENERAL MEETING
(Pursuant to Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 and Secretarial Standard 2 on General Meetings)

Name of the Director	**Dr Mahalingam Manickam**
Item No	4
Director Identification Number **("DIN")**	00102233
Date of birth and age	24 March 1956, 70 years
Date of first appointment on the Board	11 December 1990
Designation and Category of Director	Non-Executive, Non-Independent Director
Qualifications	Master's Degree in Statistics from Madras University and a Master's Degree in Business Administration from the University of Michigan in the United States
No of Board Meetings attended out of 9 meetings held during the financial year 2025-26	5
Expertise in specific functional areas	He has over 46 years of experience in the business and industrial fields with expertise in Manufacturing, Business Management, Operational, Technical, Strategic Planning, Project Management, Financial planning, Commercial Management and Agricultural development.
Directorships held in other Companies	**A. Public Limited Companies** 1. A B T Limited 2. Sakthi Auto Component Limited 3. Sakthi Properties (Coimbatore) Limited 4. Sakthi Sugars Limited 5. Sri Chamundeswari Sugars Limited 6. The Gounder and Company Auto Limited **B. Private Limited Companies** 1. A B T Business Solutions Private Limited 2. A B T Supply Chain Solutions Private Limited 3. Akash Sakthi Aviation Private Limited 4. Akash Sakthi Dynamic Technologies Private Limited 5. Anamallais Bus Transport Private Limited 6. Nachimuthu Industrial Association 7. Sakthi Aircraft Industry Private Limited 8. Sakthi Aviation and Defence Systems Private Limited
Memberships / Chairmanships of committee across public companies	**Listed Companies** **Stakeholder's Relationship Committee** 1. Sakthi Finance Limited – Chairman 2. Sakthi Sugars Limited – Member **Unlisted Public Companies** **CSR Committee** 1. ABT Limited – Chairman 2. Sakthi Auto Component Limited – Chairman **Nomination and Remuneration Committee** 1. Sakthi Auto Component Limited – Member **Finance Committee** 1. Sakthi Auto Component Limited – Chairman
Name of the Listed entity from which the Director has resigned during past three (3) years	Retired from Kovai Medical Center and Hospital Limited on completion of his second term of appointment as an Independent Director in the year 2024

Terms and Conditions of re-appointment and details of remuneration sought	Dr Mahalingam Manickam shall be entitled to sitting fees for attending the meetings of the Board of Directors and Committees thereof within the limits prescribed under the Act, re-imbursement for expenses incurred in connection with attending Board / Committee meetings
No of equity shares held	92,813
Justification for appointment and skills and capabilities required for the role and the manner in which the proposed person meets such requirements in case of Independent Directors	Not applicable as he is a Promoter and Non-Executive, Non-Independent Director of the Company
Details of last drawn remuneration (including sitting fees) from the Company	₹ 2.65 lakhs
Relationship with other Directors	Brother of Sri Balasubramaniam Mahalingam, Vice Chairman and Managing Director and Sri. Mahalingam Srinivaasan, Director. None of the other Directors are related to him.

Annexure-2

TDS INSTRUCTIONS ON DIVIDEND

1. Declaration of Dividend

We are pleased to inform you that the Board of Directors (**"the Board"**) of the company have, at their meeting held on Saturday, 23 May 2026, recommended an equity dividend at ₹ 0.80 per equity share (8 per cent) on the face value of ₹ 10 each, for the Financial Year ended 31 March 2026.

The Record Date for dividend has been fixed as **Saturday, 19 September 2026.**

The Dividend, if declared, at the ensuing 69th Annual General Meeting (**"AGM"**) scheduled to be held on **Saturday, 26 September 2026** will be paid within the time allowed under the law.

2. Taxability of Dividend Income

As per Income Tax Act 2025 (**''the Act''**) dividend paid and distributed by a company is taxable in the hands of shareholders. Thus, companies paying dividend are required to withhold tax (**"TDS"**) on dividend paid to Resident and Non-Resident shareholders at the rates applicable and prescribed in the Act or Tax Treaty, as the case may be.

The required details are given below.

A. For Resident shareholders

TDS is applicable in terms of Section 393(1) of the Act.

The dividend will be paid to a resident shareholder after deducting the tax at source as detailed below:

Particulars	Tax Deduction Rate	Documents / Action required from shareholder (if any) / Exemption applicability
1. Individuals (if aggregate dividend exceeds ₹ 10,000) / HUF / Indian Company / AOP / BOI / Trust (except as specified in (2) below):		
With PAN	10%	--
Without PAN/ Invalid PAN/ Inoperative PAN/	20%	--
Resident individual claiming exemption from	NIL	Self-attested copies of: 1. Declaration in Form 121 2. PAN card
2. Others		
An Insurance Company as specified under Section 393(4) Sl. No. 10 of the Act (Section 194 of Income Tax Act, 1961 (**''the old Act''**)	NIL	Self-attested copies of: 1. Declaration in the format prescribed by the company that the insurance company is the beneficial owner of shares. 2. PAN Card; and Registration certificate issued by IRDAI
Mutual Fund specified under Sch. VII (20) of the Act (Section 10(23D) of the old Act)	NIL	Self-attested copies of: 1. Declaration in the format prescribed by the company that the Mutual Fund is governed by the provision of Sch. VII (20) of the Act (Section 10(23D) of the Old Act); 2. PAN card Registration certificate issued by SEBI.
Alternative Investment Fund **("AIF")** established in India under Sch. V (1) of the Act (Section 10(23FBA) of the old Act)	NIL	Self-attested copies of: 1. Declaration in the format prescribed by the company that the AIF's income is exempt under Sch. V(1) of the Act (Section 10(23FBA) of the old Act) and that it is established as Category I or II AIF under the SEBI regulations; 2. PAN card Registration certificate issued by SEBI.

New Pension System Trust governed by Sch. VII(41) of the Act [Section 400(1) read with Section 536(2)(j) of the Act read with CBDT Circular No. 18/2017] (Section 10(44) read with Section 197A(1E) of the old Act)	NIL	Self-attested copies of: 1. Declaration in the format prescribed by the company that the NPS is governed by the Sch. VII(41) of the Act (Section 10(44) read with Section 197A(1E) of the old Act); 2. PAN card Registration certificate issued by PFRDA
Corporation established by or under a Central Act governed by Section 393(5) of the Act (Section 196 of the old Act)	NIL	Appropriate documentary evidence (including but not limited to certificate of Registration) that the corporation is covered u/s 393(5) of the Act.

B. For Non-Resident shareholders

TDS is applicable as per Section 393(2) of the Act. The dividend will be paid to a non-resident shareholder after deducting the tax at source as detailed below:

Particulars	Tax Deduction Rate	Documents/Action required from shareholder (if any)
Foreign Institutional Investors (FIIs) / Foreign Portfolio Investors (FPIs)	20% (plus applicable surcharge and cess)	Self-attested copies of: 1. Declaration, in the format prescribed by the Company, that the investment in shares has been made under the general FDI route or under the FPI route. 2. Self-attested copy of SEBI Registration certificate
Other Non-resident shareholders	20% (plus applicable surcharge and cess)	--
Lower rate prescribed under the tax treaty which applies to the non-resident shareholder/FPI/FII	Tax Treaty Rate (DTAA)	Self-attested copies of: 1. Tax Residency Certificate valid for the period from 1st April 2026 to 31st March 2027 obtained from the tax authorities of the Country of which the shareholder is a resident. 2. Acknowledgement of Form 41 under Income Tax Rules 2026 (Form 10F under Income Tax Rules 1962) submitted electronically at Income Tax Portal. Self-declaration primarily covering the following: - Eligibility to claim tax treaty benefits based on the tax residential status of the shareholder, including having regard to the Principal Purpose Test (if any), introduced in the applicable tax treaty with India. - Shareholder receiving the dividend income is the beneficial owner of such income. - Shareholder does not have Permanent Establishment / fixed base in India in accordance with the applicable tax treaty or Dividend income is not attributable/ effectively connected to any Permanent Establishment and fixed base in India.

Please note that the Forms as mentioned above can be accessed and downloaded from the website of the Company at the weblink https://sakthifinance.com/forms/ and submit the applicable Forms to the Company's e-mail id, investors@sakthifinance.com, on or before Saturday, 19 September 2026.

3. **Lower withholding tax certificate**

   As per Section 395 of the Act (Section 197 of the old Act), if lower withholding tax certificate is obtained by a shareholder from Indian Income Tax Department, tax will be deducted at the rate specified in the said certificate, subject to the shareholder furnishing a self-attested copy of the certificate. The certificate should be valid from 1st April 2026 to 31st March 2027 and should cover income from dividend and name of the Company.

4. **Eligible unit in IFSC (Gift City)**

   As per Section 400(1) read with Section 536(2)(j) of the Act, together with CBDT Circular No. 18/2017 (Sections 197A(1F) and 80LA of the old Act), tax is not required to be deducted at source on dividend received by an eligible unit in

IFSC (Gift City). Self-attested copies of Form 1, as notified by CBDT on 1st April 2024 by notification No. 28/2024, duly filled, must be furnished.

5. Shareholders holding shares in multiple accounts under different status / category

Shareholders holding shares in multiple demat accounts under different status/categories, but under a single PAN, shall be subject to TDS at the higher of the tax rates applicable to each such status/category. Accordingly, the higher applicable rate will be applied on the aggregate shareholding held across all demat accounts linked to the same PAN.

6. Transferring credit to the beneficial owner

In cases where the shareholder is merely a custodian of the shares and accordingly, not the beneficial owner of the dividend payable in respect thereof, then, in order to effect TDS to the credit of the beneficial owner of dividend income, the custodian shareholder may provide a declaration prescribed under Rule 203 of the Income Tax Rules, 2026 (Rule 37BA of the Income Tax Rules, 1962). The above declaration shall contain- (i) name, address, PAN and residential status of the person to whom credit is to be given (ii) payment in relation to which credit is to be given; and (iii) the reason for giving credit to such person. Any declaration received after the last date of submission mentioned hereinafter cannot be considered by the Company.

7. Updation of PAN, Bank Account details, Mobile Number, E-mail Id, Address and Other details

7.1. As per the latest information available with the Depositories (NSDL / CDSL) or with the Registrar and Transfer Agent (**"RTA"**) (MUFG Intime India Private Limited), shareholders will be classified either as Resident or Non-Resident and also sub-classified as Individual / Company / Firm / HUF / AOP / Trust / other entity based on their Permanent Account Number (**"PAN"**).

7.2. Shareholders, holding shares in dematerialized mode, are requested to update their records such as tax residential status, legal entity status, PAN, registered email addresses, mobile numbers and other details with their relevant depositories through their depository participants and shareholders holding shares in physical mode are requested to furnish details to the Company's RTA, MUFG Intime India Private Limited.

7.3. Shareholders are requested to submit/update bank account details with your depository participant, in case shares are held in dematerialized mode, to receive dividend credit directly in the bank account. In case of physical shareholding, shareholders are required to send the letter duly signed by the first shareholder, along with duly filled in and signed Form ISR 1, ISR 2 and SH 13 with necessary attachments and a self-attested copy of PAN card to the Company's RTA.

7.4. In terms of amendment to Regulation 12 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, as amended, effective from 19 November 2025, the Company has to pay dividends through NEFT, RTGS etc only to the shareholders bank account. Accordingly, shareholders are requested to register their Bank account details with the DP in case shares are held in demat form or with the RTA in case of shares are held in physical form by submitting Forms ISR 1, ISR 2 and SH 13 along with requisite documents.

Considering the large volumes and to effect prompt disbursement of the dividend to the shareholders, last date for submission of documents/ details/ declarations as applicable and/or required, in terms of para 1 to 6 above, is Saturday, 19 September 2026. No communication on the tax determination / deduction shall be considered, if received beyond the said timeline. In the event of any income tax demand (including interest, penalty, etc.) arising from any misrepresentation, inaccuracy or omission of information provided by the shareholder, such shareholder will be responsible to indemnify the Company and provide the Company with all information/documents and co-operation in any relevant proceedings that may arise. Shareholders will also be able to see the credit of TDS in Form 26AS, which can be downloaded from their e-filing account at https://www.incometax.gov.in/iec/foportal.

INFORMATION AT GLANCE FOR 69TH ANNUAL GENERAL MEETING

Sl No	Particulars	Details
1	Day, Date and Time of Annual General Meeting **("AGM")**	Saturday, 26 September 2026 at 11.30 a.m.
2	Mode	Video Conferencing / Other Audio-Visual means
3	Participation through Video Conferencing **("VC")**	Members can log-in from 11.15 a.m. **("IST")** onwards on the date of AGM at **www.evotingindia.com**
4	Helpline Number for VC participation	Toll free number of CDSL - 1800 21 09911
5	Submission of questions/queries before AGM	Questions/queries can be submitted on before **Saturday, 19 September 2026, 5.00 p.m**. by following methods: Email to **investors@sakthifinance.com** mentioning name, DP ID and Client ID / folio number and mobile number, etc.,
6	Speaker Registration before AGM	Send an e-mail from registered e-mail id along with DP ID and Client ID No / Folio Number and Mobile Number to the Company's investor e-mail ID: **investors@sakthifinance.com** on or before **Saturday, 19 September 2026, 5.00 p.m.**
7	Dividend for FY 2026 recommended by Board	₹ 0.80 per Equity Share (i.e., 8 per cent) on the face value of ₹ 10 each
8	Record Date for Dividend Entitlement	Saturday, 19 September 2026
9	Dividend payment date	On or after Saturday, 26 September 2026 but within the stipulated time.
10	Information of tax on Dividend for FY 2025-26	Refer Page no. 5 of Notice to Members of 69th Annual General Meeting
11	Cut-off date for e-voting	Saturday, 19 September 2026
12	Remote e-voting start time and date	Wednesday, 23 September 2026 at 9.00 a.m.
13	Remote e-voting end time and date	Friday, 25 September 2026 at 5.00 p.m.
14	Remote e-voting website of CDSL and NSDL	https://www.evotingindia.com/homepage.jsp and https://eservices.nsdl.com/
15	Name, address and contact details of e-voting service provider and Registrar and Transfer Agent	Mr. Rakesh Dalvi, Senior Manager Central Depository Services (India) Limited A Wing, 25th Floor, Marathon Futurex Mafatlal Mill Compound, N M Joshi Marg Lower Parel (East), Mumbai - 400 013 or send an email to helpdesk.evoting@cdslindia.com or call Toll free No 1800 21 09911 and MUFG Intime India Private Limited "Surya", 35, May Flower Avenue Behind Senthil Nagar Sowripalayam Road Coimbatore - 641 028 Contact details - (0422) 4958995 E-mail: **investor.helpdesk@in.mpms.mufg.com**
16	E-mail Registration and contact updation process	Demat Shareholders – contact your Depository Participant(s) Physical Shareholders – contact MUFG by sending duly filled and signed Form ISR-1

BOARD'S REPORT

To the Members,

Your Directors are pleased to present their Sixty Ninth Annual Report together with the audited financial statements of your Company for the year ended 31 March 2026.

1. FINANCIAL PERFORMANCE

(₹ lakh)

Particulars	2025-26	2024-25
Total Income (A)	**21,089.53**	21,520.41
Less : Finance Costs	**12,601.99**	11,984.00
Other Expenditure	**5,528.37**	5,896.48
Depreciation, Amortization and Impairment	**619.11**	1,306.80
Total Expenses (B)	**18,749.47**	19,187.28
Profit before Exceptional Items and Taxes (A-B)	**2,340.06**	2,333.13
Exceptional Items	**-**	-
Profit before Tax	**2,340.06**	2,333.13
Less : Provision for Tax:		
- Current Tax	**402.62**	748.81
- Deferred Tax	**212.54**	(80.83)
Profit after tax for the year	**1,724.90**	1,665.15
Balance of profit brought forward from earlier years	**6,120.25**	5,340.94
Profit available for Appropriation	**7,845.15**	7,006.09
Add : Other Comprehensive Income / (Loss)	**(24.49)**	(35.16)
Appropriations:		
- Dividend paid on Equity Shares (2025 & 2024)	**517.65**	517.65
- Transfer to Statutory Reserve	**344.98**	333.03
Balance carried forward to Balance Sheet	**6,958.03**	6,120.25

2. BUSINESS

During the financial year ended 31 March 2026, your Company disbursed loans to the extent of ₹ **74,258** lakhs. The overall collection efficiency continues to be satisfactory. Your Directors hope to achieve better business disbursements and profitability during the current financial year.

3. CHANGE IN NATURE OF BUSINESS, IF ANY

During the year, there was no major change in the nature of business of your company.

4. DIVIDEND

a. PREFERENCE SHARES

Your Directors have, at their meeting held on 10 March 2026, declared an interim dividend (including *pro rata,* wherever applicable) of ₹ 9 per share on 9 per cent Redeemable, Cumulative, Preference Shares of ₹100 each for the financial year ended 31 March 2026, amounting to ₹ **235.34 lakhs**, after deduction of tax deducted at source of ₹ **6.09 lakhs**.

b. EQUITY SHARES

Your Directors are pleased to recommend a dividend of ₹ 0.80 per equity share (8 per cent on the face value of equity shares of ₹ 10 each) for the year ended 31 March 2026 amounting to ₹ 517.65 lakh, subject to deduction of tax, wherever applicable. The Equity Dividend recommended by the Board of Directors for the financial year 2025-26, if approved by the members, will be recognized as a liability during the financial year 2026-27. The dividend recommended complies with the Reserve Bank of India (Non-Banking Financial Companies - Prudential Norms on Declaration of Dividends) Directions 2025, as amended.

c. As amended by the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, as amended **("Listing Regulations")**, SEBI has dispensed with the provisions relating to issuance of 'payable-at-par' warrants / cheques with effect from 19 November 2025. Accordingly, all the dividend payments shall be made only through electronic modes of payment approved by the Reserve Bank of India and no payment of dividends will be made through physical modes. The Members who have not registered or updated their bank account are requested to register / update their bank account details so that they receive the dividend amount in time. For further details, please refer to the Notes to Notice of the AGM.

d. TAX ON DIVIDEND

In accordance with the provisions of the Income-tax Act 2025 **("the IT Act"),** the Company will make payment of dividend after deduction of tax at source **("TDS")** as per the prescribed rates, to those shareholders whose names appear as beneficial owner/ member in the list of beneficial owners to be provided by National Securities Depository Limited / Central Depository Services (India) Limited in case of shares held in dematerialised form or in the Register of Members in case of shares held in physical form, as at the close of business hours on **Saturday, 19 September 2026 (Record Date)**.

5. TRANSFER TO RESERVES

Your Company has transferred an amount of ₹ **344.98** lakhs to the Statutory Reserve, in compliance with Section 45-IC of the Reserve Bank of India (**"RBI"**) Act 1934. Further, the Board of Directors of your Company has decided to retain the balance amount in the retained earnings of the Company.

6. CAPITAL ADEQUACY

The Capital to Risk Assets Ratio **("CRAR")** of your Company as on 31 March 2026 stood at **20.45 per cent,** which is well above the minimum regulatory requirement of 15 per cent CRAR prescribed by the Reserve Bank of India. Out of the above CRAR, Tier I and Tier II capital stood at 16.73 per cent and 3.72 per cent respectively.

7. **CREDIT RATING**

The details of credit ratings obtained from the credit rating agency, ICRA Limited, are given in the Corporate Governance Report **(Refer Annexure 3)** which forms part of the Board's Report.

8. **CHANGE IN THE CAPITAL**

During the year, your Company allotted 7,66,250 9 per cent Redeemable, Cumulative, Preference Shares **("RCPS")** of ₹ 100 each on 25 August 2025, consequently, the total paid-up share capital has increased from ₹ 8,625.74 Lakhs to ₹ 9,391.99 Lakhs consisting of 6,47,05,882 equity shares of ₹ 10 each and 29,21,400, 9 per cent RCPS of ₹ 100 each.

9. **MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

As required under Regulation 34(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 **("Listing Regulations")**, a report on Management Discussion and Analysis, which forms part of this report, is set out in **Annexure 1.**

10. **RBI COMPLIANCES**

a. **RBI Directions applicable to NBFCs**

RBI has, on 28 November 2025, amended and issued several Master Directions **("MDs")** applicable to NBFCs. Based on the Reserve Bank of India (Non-Banking Financial Companies - Registration, Exemptions and Framework for Scale Based Regulation) Directions 2025, your Company has been classified as "NBFC-Middle Layer" **("ML")**. Your Company has complied with the various requirements specified under the NBFC Directions within the prescribed timelines.

b. **Nomination and Remuneration Policy**

During the financial year 2025-26, Nomination and Remuneration **("NR")** Policy was amended to be in conformity with RBI's current regulatory requirements. The Company's policy on Director's appointment and remuneration including the criteria for determining qualifications, positive attributes, independence of a director and other matters provided under Section 178(3) of the Companies Act 2013 **("the Act")** are covered in the Corporate Governance Report which forms part of the Board's Report. The amended NR Policy is available on the website of the Company at **https://sakthifinance.com/wp-content/uploads/2026/08/SFL_NRC-Charter-and-Remuneration-Policy-August-2026.pdf.**

The policy on remuneration is given in **Annexure 2.**

11. **PUBLIC ISSUE / REDEMPTION OF NON-CONVERTIBLE DEBENTURES**

a. **Public Issue of Secured, Redeemable, Non-Convertible Debentures for ₹ 15,000 lakh**

During the financial year 2025-26, your Company made a further Public Issue of Secured, Redeemable, Non-Convertible Debentures (**"NCDs"**) of ₹ 1,000 each for an amount not exceeding ₹ 7,500 lakh, with an option to retain over-subscription for an amount not exceeding ₹ 7,500 lakh, aggregating ₹ 15,000 lakhs. The NCD issue opened on 8 August 2025 and closed on 22 August 2025. Your Company received a valid subscription of ₹ 15,472.26 lakh and allotted 15,00,000 NCDs aggregating ₹ 15,000 lakh to the eligible allottees on 29 August 2025. The NCDs were listed and admitted for trading with BSE Limited with effect from 2 September 2025. The proceeds of the NCD issue were fully utilized in accordance with the objects stated in the Prospectus and there are no deviations in the utilisation of the NCD issue proceeds.

11. b. **Redemption of Secured, Redeemable, Non-Convertible Debentures ("NCDs")**

The following Public Issue NCDs were redeemed during the year and up to the date of this report, the details of which are given below:

(₹ lakh)

Sl No	Prospectus Date	Option(s)	Redemption Amount		Total amount redeemed	Date of redemption
			Principal	Interest		
1	25 June 2021	V	3,566.23	27.36	3,593.59	29 August 2025
2	25 June 2021	VI	2,106.90	1,047.13	3,154.03	29 August 2025
3	30 January 2024	I	1,101.82	7.06	1,108.88	27 February 2026
4	30 January 2024	II	1,412.80	275.26	1,688.06	27 February 2026
5	5 April 2022	V	227.64	1.57	229.21	29 April 2026
6	5 April 2022	VI	126.30	54.01	180.31	29 April 2026
7	10 April 2023	III	656.18	1.16	657.34	8 May 2026
8	10 April 2023	IV	1,540.08	486.14	2,026.22	8 May 2026
9	13 June 2024	I	884.28	1.74	886.02	9 July 2026
10	13 June 2024	II	805.95	157.02	962.97	9 July 2026

12. DEPOSITS

The total deposits held by company as at 31 March 2026 stood at ₹ **20,872.26** lakhs as compared to ₹ 18,336.79 lakhs as at the end of the previous financial year.

As at the end of the financial year 2025-26, 82 number of public deposits aggregating ₹ 91.90 lakhs (Principal) were due for repayment but remained unclaimed. The Company has been regularly reminding the depositors about the maturity and out of the said deposits, 35 number of deposits amounting to ₹ 44.86 lakhs have since been claimed and paid / renewed as per their instructions.

13. TRANSFER TO INVESTOR EDUCATION AND PROTECTION FUND ("IEPF")

During the financial year 2025-26, your Company has transferred unclaimed dividend, unclaimed matured deposits, debentures and subordinated bonds, including interest, amounting to ₹ 23.32 lakhs to IEPF. Further, the Company has also transferred 34,472 equity shares of ₹ 10 each in respect of which dividend has remained unclaimed for seven consecutive years to IEPF.

In accordance with the IEPF Rules, the Company has sent individual notices and also advertised in the newspapers seeking action from the shareholders who have not claimed their dividends for seven consecutive years or more. Based on this, your Company has transferred all such unpaid or unclaimed dividends to IEPF, the details of which are given below:

Dividend and the Year	Amount transferred to IEPF (₹)	Date of transfer to IEPF
Equity Dividend 2017-18	8,47,168	6 November 2025

Further, your Company transferred 34,472 equity shares to the demat account of IEPF during the year under review.

The shareholders / claimants whose shares or dividends that were transferred to the IEPF, may reclaim the shares or apply for refund from the IEPF Authority, by following the prescribed procedure in the IEPF Rules. The shareholders may request the Company for the issue of an Entitlement Letter by submitting all the required documents, before making an application to the IEPF Authority.

During the financial year 2026-27, the Company will transfer following unclaimed dividend and the underlying shares to IEPF, within statutory timelines:

Dividend Due date for transfer to IEPF

Dividend for the year ended 2019: 30 October 2026

The shareholders are requested to ensure that they claim the dividends and equity shares referred to above, before they are transferred to the said Fund. The details of the other unclaimed dividends that are due to be transferred to IEPF in coming years are provided in the Corporate Governance Report.

The Company has appointed a Nodal Officer under the provisions of the Rules, the details of which are available on the website at **https://sakthifinance.com/contact-information/**. Details of shares in respect of which dividend has not been claimed are uploaded on the website of the Company at **https://sakthifinance.com/investor-education-and-protection-fund/.**

The shareholders are encouraged to verify their records and claim their dividends of all the earlier seven years, if not claimed.

14. DIRECTORS AND KEY MANAGERIAL PERSONNEL

a. Retirement by rotation

In accordance with the provisions of Section 152(6) of the Act, Dr Mahalingam Manickam, (DIN: 00102233), Chairman and Non-Executive Director of the Company will retire by rotation at the ensuing AGM of the Company and being eligible, offers himself for re-appointment. Based on the recommendation of the Nomination and Remuneration Committee, the Board has also recommended his re-appointment to the members.

b. Retirement of Independent Directors

Smt. Priya Bhansali (DIN: 00195848) and Sri Kollengode Padmanabhan Ramakrishnan (DIN: 07029959), Independent Directors, completed their second term of office as Independent Directors of the Company on 27 September 2025 and hence ceased to be Independent Directors of the Company and also the Committees in which they served as Chairman / Members with effect from that date. The Board of Directors placed on record their sincere appreciation for the valuable guidance and contribution rendered by them, during their long association as Independent Directors of the Company.

c. Appointment of Independent Directors

Independent Director

Based on the recommendations of the Nomination and Remuneration Committee, the Board of Directors of the Company have, at their meeting held on 27 September 2025, approved the appointment of Sri Saurabh Jain (DIN: 02322422) as an Independent Director (Additional) of the Company for a period of five years with effect from 27 September 2025 to 26 September 2030, both days inclusive, subject to the approval of Members of the Company. The members approved his appointment as an Independent Director of the Company for the term as mentioned above by passing a Special Resolution through Postal Ballot on 4 November 2025.

d. Number of Meetings of the Board

Nine (9) meetings of the Board of Directors of the Company were held during the year. For details of the meetings, please refer to the Corporate Governance Report (Page No.37), which forms part of this Report. The intervening gap between any two meetings of the Board is well within the period of 120 days as per the Act and the Listing Regulations.

e. Key Managerial Personnel ("KMPs")

In terms of Section 203 of the Act, Sri Balasubramaniam Mahalingam (DIN: 00377053), Vice Chairman and Managing Director, Sri. K Sundaramurthy, Chief Financial Officer and Sri S Venkatesh, Company Secretary and Chief Compliance Officer are the Key Managerial Personnel **("KMPs")** of the Company.

Further, the Board of Directors have, at their meeting held on 6 December 2025, appointed Sri B Senthilnathan as Chief Operating Officer **("COO")** of the Company in place of Sri K S Venkitasubramanian, who has taken other responsibilities within the group. Sri B Senthilnathan has also been designated as one of the KMPs of the Company with effect from that date under Sections 2(51) and 203 of the Act.

f. Fit and Proper criteria and Non-Disqualification Declarations by Directors

In compliance of RBI's (NBFC- Governance) Directions dated 28 November 2025, as amended, all the Directors of the Company have confirmed that they satisfy the prescribed "Fit and Proper" criteria and that they are not disqualified from being appointed / continuing as Directors in terms of Section 164(1) and (2) of the Act.

g. Payment of Commission to Dr Sundaraswamy Veluswamy (DIN: 05314999), Non-Executive, Non-Independent Director of the company

Dr Sundaraswamy Veluswamy (DIN: 05314999), Non-Executive, Non-Independent Director has been associated with our Company since November 1990. His oversight role directly impacts the Company's solvency and growth, particularly, in formulating capital adequacy frameworks, portfolio diversification strategies and the optimization of long-term debt structures, etc.

Considering his long and very eventful tenure spanning for more than three decades in various capacities held by him, the time devoted by him, his participation in strategic decision making, timely guidance provided by him to the Board on important policy matters, performance of the company and industry practices and in appreciation of it, the Board of Directors, have, subject to the approval of members and based on the recommendations of the Nomination and Remuneration Committee, Audit Committee, approved payment of commission of one (1) per cent on the net profits of the Company computed in the manner referred to in Section 198 of the Act, payable in such form, manner or proportions for the financial year 2025-26, i.e. from 1st April 2025 to 31st March 2026.

The members also approved the Special Resolution for payment of commission to Dr Sundaraswamy Veluswamy through Postal Ballot on 20 March 2026.

h. Statement of declaration given by the Independent Directors

Sri. Advait Kurlekar, Chairman of Nomination and Remuneration Committee, Sri Korukkai Visweswaran Ramachandran, Chairman of Audit Committee, Smt. Balakrishnan Susheela, Sri Shivram Sethuraman and Sri Saurabh Jain are the Independent Directors of the Company as on the date of this report.

Based on the declarations received from the Independent Directors, the Board of Directors are of the opinion that they meet the independence criteria as prescribed under Section 149(6) of the Act read with the rules made under it and Regulation 16(1)(b) of the Listing Regulations and are Independent of the Management of the Company.

Further, in terms of Regulation 25(8) of the Listing Regulations, they have also confirmed that they are not aware of any circumstance or situation which exist or may reasonably be anticipated that could impair or impact their ability to discharge their duties with an objective independent judgement and without any external influence. The Directors have further confirmed that they are not debarred from holding the office of the director under any SEBI Order or any other such authority.

Your Board of Directors of the Company, after reviewing and assessing the veracity of the declarations / disclosures submitted by all the Independent Directors concluded that in the opinion of the Board, the Independent Directors of the Company possess the requisite skills, qualifications, expertise and experience (including proficiency) in terms of Section 150(1) of the Act and applicable rules made thereunder in the field of Information Technology, Banking and Finance, Finance and Accounting, Capital Market, Human Resources etc. to qualify and continue as Independent Directors and they also hold highest standards of integrity.

The Independent Directors of the Company have also complied with the Code for Independent Directors prescribed under Schedule IV to the Act.

In terms of Section 150 of the Act read with Rule 6 of the Companies (Appointment and Qualification of Directors) Rules 2014, as amended, Independent Directors of the Company have confirmed that they have registered themselves with the databank maintained by the Indian Institute of Corporate Affairs, Manesar (**"IICA"**) and the said registration is active as on the date of this report.

All the Independent Directors of the Company are either exempted from the requirement to undertake the on-line proficiency self-assessment test conducted by IICA or have passed the on-line proficiency self-assessment test, as applicable.

The details of familiarization programmes for the Independent Directors are given separately in the Corporate Governance Report.

Sri. Shanmugasundaram Chandrasekhar (DIN: 00011901) ceased to be an Independent Director of the Company with effect from 1 September 2025 and he continues on the Board as a Non-Executive, Non-Independent Director of the Company.

i. Code of Conduct for Directors and Senior Management

All the Directors and members of the Senior Management have confirmed compliance with the Code of Conduct of the Company. A declaration to this effect has been signed by Vice Chairman and Managing Director and forms part of the Annual Report.

j. *Inter se* relationship amongst Directors

Except Dr Mahalingam Manickam, Chairman, Sri Balasubramaniam Mahalingam, Vice Chairman and Managing Director and Sri Srinivaasan Mahalingam, Director, who are related to each other as brothers, none of the other Directors is related to each other within the meaning of the term "relative" as per Section 2(77) of the Act read with the Listing Regulations.

k. Annual Performance Evaluation

In terms of the requirements of the Act and Listing Regulations, the Board has carried out an annual performance evaluation of the individual Directors, Committees of the Board and the Board as a whole.

The evaluation was carried out based on a structured questionnaire which includes performance criteria such as performance of duties and obligations, independence of judgment, level of engagement and participation, contribution in increasing the Board's overall effectiveness etc. Your directors have expressed their complete satisfaction on the functioning and performance of Individual Directors, Board and its Committees.

15. BOARD AND ITS COMMITTEES

a. Board

Your Company's Board is well diversified and the Directors have rich experience and expertise in Information Technology, Banking and Finance, Accounting, Marketing, Human Resources, Strategy, Capital Market etc.

As on 31 March 2026, the Board's strength of your Company is ten (10) Directors consisting of one (1) Non-Executive Chairman, one (1) Executive Director, three (3) Non-Executive, Non-Independent Directors and five (5) Independent Directors of which, one is a Woman Director.

b. Committees constituted by the Board of Directors

The Board Committees are in compliance with the requirements of the relevant provisions of applicable laws and statutes.

The details of the Board Committees along with their composition, powers, terms of reference, etc. are given in the Corporate Governance Report which forms part of this Annual Report. During the year, all the recommendations of the Committees were accepted by the Board.

c. Audit Committee

During the year, the Audit Committee was reconstituted. The present Audit Committee has four non-executive directors as members, of which three are Independent Directors.

The composition of the Committee is given below:

a. Sri Bhaskar Madhanagopal, Chairman*

b. Sri Korukkai Visweswaran Ramachandran, Chairman**

c. Sri Kollengode Padmanabhan Ramakrishnan, Member***

d. Smt Priya Bhansali, Member***

e. Sri Srinivaasan Mahalingam, Member

f. Smt Balakrishnan Susheela, Member****

g. Sri Shivram Sethuraman, Member ****

* Up to 21 May 2025

** With effect from 4 July 2025

*** Up to 27 September 2025

**** With effect from 27 September 2025

The Audit Committee's composition has complied with the minimum requirements prescribed under the Act, Listing Regulations, as amended and the Reserve Bank of India (Non-Banking Financial Company – Governance) Directions 2025 of having a minimum of two-thirds of independent directors, including the Chairperson. All members of the Committee are non-executive directors possessing financial literacy and expertise in accounting or financial management related matters.

During the year under review, six (6) Audit Committee Meetings were held. During the year, all the recommendations of the Audit Committee were approved and accepted by the Board.

16. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

During the financial year 2025-26, the company has not given / provided any loans, guarantee and securities to parties mentioned in Section 185 of the Act. Hence the provisions of Section 186 of the Act is not applicable to the Company.

17. RELATED PARTY TRANSACTIONS

The Company has entered into contracts or arrangements with the related parties in the ordinary course of business and these are on arm's length basis only and has complied with the applicable provisions of the Act read with the rules made thereunder and Listing Regulations. There are no contract or arrangement entered into with Related Party(ies) during the year which requires to be disclosed in Form AOC-2 under Sections 188(1) and 134(h) of the Act for the financial year 2025-26 and hence does not form part of the Board's Report.

18. INTERNAL CONTROL

The information about internal controls is set out in the Management Discussion and Analysis Report which forms part of this Report.

19. RISK MANAGEMENT

The Risk Management is overseen by the Risk Management Committee of the Company. The Committee oversees the Company's processes and policies for determining risk tolerance against established levels. Major risks identified by the business and functions are systematically addressed through mitigating actions on a continuous basis. For details, please refer to the Management Discussion and Analysis Report which forms part of the Board's Report.

20. VIGIL MECHANISM (WHISTLE BLOWER POLICY)

The Company has formulated a Vigil Mechanism (Whistle Blower Policy) for Directors and employees to report their genuine concerns or grievances. The Vigil Mechanism (Whistle Blower Policy) is uploaded on the website of our Company at **https://sakthifinance.com/wp-content/uploads/2026/08/SFL_Vigil-Mechanism-Whistle-Blower-Policy_August-2026.pdf**.

During the year, no concerns or grievances has been received in this regard.

21. SUBSIDIARIES, ASSOCIATES AND JOINT VENTURE COMPANIES

The Company does not have any subsidiary, associate or joint venture Company. There was no Company which has become or ceased to be Company's subsidiary, joint venture or associate company during the financial year ended 31 March 2026.

22. CORPORATE GOVERNANCE REPORT

As required under Regulation 34(3) read with Schedule V to the Listing Regulations, a report on Corporate Governance Report and a certificate from the Statutory Auditors of the company regarding compliance of the conditions of Corporate Governance form part of the Annual Report and is set out in **Annexure 3.**

23. DISCLOSURE AS PER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT 2013

The Company has put in place a Sexual Harassment Prevention Policy in line with the requirements of The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act 2013. An Internal Compliance Committee **("ICC")** has been formed to redress complaints received regarding sexual harassment. All employees are covered under this Policy. During the calendar year 2025, no complaints were received in this regard by the ICC, the details of which are given below:

Sl. No	Particulars	Details
1	Number of complaints of sexual harassment received during the financial year.	Nil
2	Number of complaints disposed of during the year.	Nil
3	Number of cases pending for more than 90 days.	Nil
4	Number of complaints outstanding as at the end of the year	Nil

24. DISCLOSURES OF MATERNITY BENEFITS UNDER SOCIAL SECURITY CODE 2020

During the financial year 2025-26, your Company has complied with applicable provisions of the Maternity Benefits under Social Security Code 2020.

25. ADEQUACY OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENTS

The Company has put in place necessary internal financial controls which are adequate and are operating effectively. The controls are adequate for ensuring the orderly and efficient conduct of its business, completeness of accounting records and timely preparation of reliable financial information, besides adherence to the Company's policies, safeguarding of assets, prevention and detection of frauds and errors, accuracy, etc.

The Statutory Auditors of the Company, M/s. P N Raghavendra Rao & Co, Chartered Accountants, have also examined the internal financial controls of the Company and have submitted an unmodified opinion on the adequacy and operating effectiveness of the internal financial controls over financial reporting as on 31 March 2026.

26. DIRECTORS' RESPONSIBILITY STATEMENT

As required under Section 134(5) of the Act, your Directors confirm, to the best of their knowledge and belief, that:

a. in the preparation of the annual accounts, the applicable accounting standards have been followed and that there are no material departures;

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

c. they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

d. they have prepared the annual accounts on a going concern basis;

e. they have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and operating effectively; and

f. they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

27. CORPORATE SOCIAL RESPONSIBILITY ("CSR")

The CSR Policy of the Company and the details about the initiatives taken by the Company on CSR during the year as per the Companies (Corporate Social Responsibility Policy) Rules 2014 have been disclosed in **Annexure 4.** Further, details regarding composition of Corporate Social

Responsibility **("CSR")** Committee and other particulars are provided in the Corporate Governance Report which forms part of this report.

As the Company's CSR spending has exceeded ₹ 50 lakhs of the average net profits of the last preceding three years, your company held a CSR Committee Meeting on 10 March 2026 and the required CSR spending has been considered and approved by the Committee.

During the financial year 2025-26, your company is required to spend ₹ **50.52 lakhs** towards CSR expenses. Your Company has spent ₹ **50.68 lakhs** during the financial year 2025-26 (including set-off of an amount of ₹ **0.40 lakhs** excess spent during the financial year 2024-25).

28. AUDITORS

a. Appointment of Statutory Auditors

Members of the Company had, at the 67th Annual General Meeting (**"AGM"**) of the Company held on 10 September 2024, appointed M/s P N Raghavendra Rao & Co, Chartered Accountants as Statutory Auditors of the Company to hold office from the conclusion of the 67th AGM till the conclusion of the 70th AGM. The Statutory Auditors hold a valid peer review certificate as prescribed under the Listing Regulations.

The Statutory Auditors have given a confirmation on their eligibility and non-disqualification.

The Statutory Auditors of the Company have issued an unmodified Audit Report on the Audited Financial Statements for the financial year ended 31 March 2026.

The Audit Committee periodically assesses the independence and objectiveness of the Statutory Auditors and the effectiveness of the Audit process.

The Statutory Auditors attended the AGM of the Company.

b. Adoption of Policy for appointment of Statutory Auditors

In compliance with the RBI Guidelines, your company has adopted a Policy for appointment of Statutory Auditors of the Company, which has been hosted on the website of the Company, **https://www.sakthifinance.com/wp-content/uploads/2021/08/SFL_AuditorApptPolicy_14August2021.pdf.**

c. Secretarial Auditor

In terms of Regulation 24A of the Listing Regulations, at the 68th Annual General Meeting of the Company held on 27 September 2025, the members have appointed Sri R Dhanasekaran (ICSI Membership No. FCS 7070), Company Secretary in Practice (having Certificate of Practice No. 7745 and Peer Review No. 6739/2025) as the Secretarial Auditor of the Company to hold office for a period of 5 (Five) consecutive years from the conclusion of the 68th AGM till the conclusion of the 72nd AGM of the Company.

The Secretarial Auditor has issued the Secretarial Audit Report for the financial year 2026 which is set out in **Annexure 5**.

The Secretarial Auditor was present at the last AGM of the Company held on 27 September 2025.

d. Cost Records and Cost Audit

Maintenance of cost records and requirements of cost audit as prescribed under the provisions of Section 148(1) of the Act is not applicable for the business activities carried out by the Company.

e. Independent Auditor's Certificate on Corporate Governance and Secretarial Auditor's Report

With reference to the observation made by the Statutory Auditor in the Corporate Governance Compliance Certificate and by the Secretarial Auditor in the Secretarial Audit Report regarding the delay in obtaining prior shareholder approval under Regulation 17(1A) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (**"Listing Regulations"**) for the appointment of Smt. Susheela Balakrishnan (DIN: 07140637) as a Non-Executive Independent Director, the Board wishes to provide the following clarification:

Smt. Susheela Balakrishnan (DIN: 07140637) was appointed by the Board as an Additional Independent Director on 14th August 2025 and the Company has subsequently regularized her appointment by passing a Special Resolution at last AGM held on 27th September 2025 within the time line prescribed under Regulation 17(1C). The delay in obtaining prior shareholder approval by Special Resolution occurred due to an overlap in interpreting the timelines between Regulation 17(1A) (prior approval for appointment of any person as Non-Executive Director aged more than 75 years) and Regulation 17(1C) (3-month window to approve the appointment of a person on the Board of Directors). This delay was purely technical and procedural, with no impact on corporate governance or the interests of shareholders.

However, the Management has taken note of the existing compliance framework and reaffirmed the company's commitment to strong corporate governance practices.

29. INDEPENDENT AUDITOR'S REPORT AND SECRETARIAL AUDITOR'S REPORT

There are no disqualifications, reservations, adverse remarks or disclaimers in the Independent Auditor's Report and Secretarial Auditor's Report. The Statutory Auditors of the Company have not reported any fraud as specified under the second proviso of Section 143(12) of the Act (including any statutory modification(s) or re-enactment(s) thereof for the time being in force).

30. PARTICULARS REQUIRED UNDER SECTION 134 OF THE ACT

Particulars as required under Section 134(3)(m) of the Act read with Companies (Accounts) Rules 2014 are given below:

a. The Company has no activity involving conservation of energy or technology absorption;

b. (i) The Foreign Exchange Earnings : Nil

(ii) Foreign Exchange Outgo : ₹ **2.43 lakh**

31. PARTICULARS OF EMPLOYEES AND REMUNERATION

The Company had 659 permanent employees on its rolls as on 31 March 2026.

The Information required under Section 197(12) of the Act read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014 is provided in **Annexure 6** to this Report.

The statement containing the names of top ten employees in terms of remuneration drawn and the particulars of employees as required under Section 197(12) of the Act read with Rule 5(2) and (3) of the above Rules forms integral part of this Report. However, in terms of the proviso to Section 136(1) of the Act, the Annual Report is being sent to the Members excluding the above statement. The said statement is open for inspection and any Member interested in obtaining a copy of it may write to the Company Secretary of the Company at **investors@sakthifinance.com.**

32. ORDERS PASSED BY THE REGULATORS OR COURT

There were no significant and material orders passed by the Regulators or Courts or Tribunals affecting the going concern status of your Company and its future operations.

33. MATERIAL CHANGES AND COMMITMENTS

There were no material changes and commitments which occurred between the end of the financial year of the Company and the date of this report affecting the Company's financial position.

34. ANNUAL RETURN

In terms of Sections 92(3), 134(3)(a) read with Rule 12 of the Companies (Management and Administration) Rules 2014, the Annual Return in Form MGT-7 for financial year 2026 will be made available on the website of the Company at **https://sakthifinance.com/annual-return/.**

35. PECUNIARY RELATIONSHIP OR TRANSACTIONS OF NON-EXECUTIVE DIRECTORS

During the year, the Non-Executive Directors except Dr Sundarasamy Veluswamy, Non-Executive, Non-Independent Director of the Company, had no pecuniary relationship or transactions with the Company, other than sitting fees and reimbursement of expenses incurred by them for the purpose of attending meetings of the Board/Committees of the Board and any other transactions as approved by the Audit Committee or Board which are disclosed in the Notes to the financial statements.

36. SECRETARIAL STANDARDS COMPLIANCE

Your Directors confirm that the Company has complied with the applicable Secretarial Standards issued by the Institute of Company Secretaries of India in relation to Board and General Meetings.

37. OTHER DISCLOSURES

In terms of applicable provisions of the Act and Listing Regulations, your Company discloses that during the financial year under review there was :

a. no issue of shares with differential rights in relation to dividend, voting or otherwise;

b. no issue of shares (including sweat equity shares) to Directors or employees of the Company;

c. no scheme for provision of money for the purchase of its own shares by employees or by trustees for the benefit of employees;

d. no revision of financial Statements and the Board's Report of the Company;

e. no failure to implement any corporate action;

f. no deviation or variation in connection with certain terms of public issue, rights issue, preferential issue, etc;

g. no suspension of the Company's securities;

h. no subsidiary or holding company and hence the Managing Director of the Company did not receive any remuneration or commission during the year from them.

i. no application which was made under the Insolvency and Bankruptcy Code 2016 and hence the requirement to disclose 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 is not applicable; and

j. no requirement to disclose the details of difference between amount of the valuation done at the time of one-time settlement and the valuation done while taking loan from the Banks or Financial Institutions along with the reasons thereof.

38. ACKNOWLEDGEMENT

Your Directors wish to place on record the valuable guidance and excellent co-operation extended by the members, banks, financial institutions, rating agencies, Reserve Bank of India and other regulatory authorities. The Board of Directors wish to convey their sincere thanks to the depositors and debenture holders of the Company for their continued patronage. They also wish to appreciate the excellent services rendered by the employees of the Company.

We pray the Goddess SAKTHI to continue to shower her blessings and to guide us in all our endeavours.

For and on behalf of the Board

Mahalingam Manickam
Chairman
DIN: 00102233

14 August 2026
Coimbatore - 18

Annexure 1

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

INDIAN ECONOMY

During the Financial Year **("FY")** 2026, the Indian economy grew by a better-than-expected 7.8 per cent in the March 2026 quarter from a year earlier, belying fears of West Asia war hurting the economy, lifting the India's Gross Domestic Product **("GDP")** growth to 7.7 per cent. The GDP growth in March 2026 quarter is due to growth in consumption and investment.

The retail inflation touched 4.04 per cent in June 2026, an 18 month high and has crossed the RBI's 4 per cent target. This reflects persistent inflationary pressures arising from global geopolitical uncertainties and supply chain disruptions. It is expected that inflation would increase in July 2026 also due to increase in retail food prices.

The Indian Automobile sector, one of the indicators of our economy, has registered a broad-based 13.30 per cent year-on-year growth in FY 2026, with Commercial Vehicle segment registering a growth of 11.7 per cent. The strong contributors to this growth have been the positive sentiments created through GST 2.0 reforms and multiple repo-rate cuts during this year.

OPPORTUNITIES AND THREATS

The outlook for the automobile sector for FY 2026-27 looks promising, which is supported by strong macroeconomic fundamentals and healthy domestic demand. However, the geopolitical developments in Middle East continue to pose risks through their supply chain impact, vehicle products, commodity prices, freight increase etc. An early resolution to Middle East conflict would bring growth momentum to this sector.

As our company has been involved in financing of pre-owned Commercial vehicles only, the impact will not be much in the coming years.

FORECAST ECONOMY IN FINANCIAL YEAR 2026-27

The International Monetary Fund **("IMF")** has projected India's FY 2027 growth outlook to be 6.4 per cent, however, the country remains among the world's fastest-growing major economies. The IMF attributed this to India's resilience and to strong private consumption and services activities. India is also expected to post the highest growth among advanced economies as well as emerging markets and developing economies in the current and next fiscal year.

KEY REGULATORY CHANGES

RBI has, on 28 November 2025, amended and issued several Master Directions **("MDs")** applicable to NBFCs.

Based on the Reserve Bank of India (Non-Banking Financial Companies - Registration, Exemptions and Framework for Scale Based Regulation) Directions 2025, your Company has been classified under "Middle Layer" **("ML")**. Your Company has complied with the various requirements specified under the NBFC Directions within the prescribed timelines.

PERFORMANCE AND FINANCIAL REVIEW

For the financial year ended 31 March 2026, your company disbursed Loans to the extent of ₹ **74,258 lakhs.** As on 31st March 2026, the total deposits held by your company stood at ₹ **20,872.26 lakhs** as compared to ₹ **18,336.79 lakhs** as at the end of last year. The total income for the financial year 2025-26 stood at ₹ **21,089.53** lakhs and the net profit after tax for the year at ₹ **1,724.90 lakhs,** being 3.59 per cent higher than the previous year, mainly due to decrease in current tax expenses. The company accounted for depreciation, amortization and impairment of an amount of ₹ **619.11 lakhs** in the statement of profit and loss.

KEY FINANCIAL RATIOS

The Key Financial Ratios of the Company for the financial year 2025-26 as compared to the financial year 2024-25 are given below:

Ratios	31st March 2026 (%)	31st March 2025 (%)
Return on Net Worth	**8.30**	8.16
Capital to Risk Adjusted Ratio ("CRAR"):		
- Tier I Capital	**16.73**	14.95
- Tier II Capital	**3.72**	3.68
Net Interest Income / Average Total Asset	**5.97**	6.76
Profit Before Tax / Average Total Assets	**1.67**	1.67
Total Debt / Net Worth	**5.47**	5.53
Interest Coverage Ratio	**1.19**	1.25
Gross Stage 3 Asset / Average Total Assets	**3.81**	4.37
Net Stage 3 Asset / Average Total Assets	**1.76**	2.07

Note: There is no significant change in the above ratios (25 per cent or more) as compared to the previous financial year.

RISKS AND CONCERNS

Your Company, like any other NBFC, has been subject to normal industry risks such as credit, market, interest and operational risks. Your company always proactively takes prudent risk management practices to mitigate the above risks.

Risk Management Committee and Audit Committee of the Board also periodically reviews the policies in relation to risk so that they are in line with your Company's strategic needs.

INTERNAL CONTROL SYSTEM AND ITS ADEQUACY

Your company has sound and adequate system of internal controls to monitor and regulate all the activities. Further, your company adheres strictly with all internal control policies and procedures and other regulatory requirements. The Company's external Internal Auditor submits his report directly to the Audit Committee on a periodical basis. Suitable action, wherever necessary, is promptly taken to rectify the deficiencies, if any.

PROSPECTS

The prospects for growth depends on several factors. Internal demand drivers are expected to remain steady with rural and urban consumption, sustained public capital expenditure and a gradual revival in private investment which will augur well for India's economy.

By increased presence in our operational areas with new branch network, your Company hopes to increase its business operations and profitability in the coming years.

HUMAN RESOURCES DEVELOPMENT

Your Company had a very harmonious and cordial relationship with all its employees during the financial year ended 2025-26. 659 permanent employees were on the rolls of the company as on 31st March 2026. The human resources policy of the Company aims to establish and build a strong performance-oriented and competency-driven culture with higher sense of accountability and responsibility among all its employees. Your Company takes pro-active steps to strengthen the organizational competency through various training programmes at all levels on a regular basis to its employees.

For and on behalf of the Board

Mahalingam Manickam
Chairman
DIN : 00102233

14 August 2026
Coimbatore - 18

Cautionary Statement

Certain statements made in the Management Discussion and Analysis Report describing the Company's objectives, predictions may be "forward-looking statements" within the meaning of applicable laws and regulations. Actual results may vary significantly from forward-looking statements contained in this report due to various risks and uncertainties. These risks and uncertainties include the effect of economic and political conditions in India, change in interest rates, new regulations and Government policies that may impact the Company's business as well as its ability to implement the strategy.

Annexure 2

REMUNERATION POLICY

(Forming part of Nomination and Remuneration Committee Charter)

1.0 INTRODUCTION

1.1 This Remuneration Policy **("Remuneration Policy" or "this Policy")**, forming part of NRC Charter, provides the framework for remuneration of members of the Board of Directors, Key Managerial Personnel **("KMPs")**, Senior Management **("SM")** of Sakthi Finance Limited **("the Company" or "our Company")**.

1.2. This Policy is governed by the principles and objectives as prescribed in Section 178 of the Companies Act 2013 **("the Act")** and Regulation 19 read with Part D of Schedule II to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015 **("Listing Regulations")** towards payment of right remuneration to attract, retain and motivate competent persons, a clear relationship of remuneration to performance and a balance between rewarding short and long-term performance of the Company.

1.3. This Policy has also been formulated in conformity with the RBI's Scale Based Regulation **("SBR")** – A Revised Framework for NBFCs and RBI's Circular on "Guidelines on Compensation of KMP and Senior Management in NBFCs" so that the remuneration / compensation packages are in line with all statutory requirements.

1.4. This Policy provides the remuneration principles of our Company and considers that compensation and employment are aligned to performance and outcomes, risk profile of the role, rewards and retention.

1.5. The NR Committee will be responsible for review and implementation of the Remuneration Policy in line with Section 178 of the Act and Listing Regulations.

1.6. NR Committee shall work in co-ordination with Risk Management Committee to achieve effective alignment between compensation and risks. The NR Committee shall ensure that compensation levels are supported by the need to retain earnings of the Company and the need to maintain adequate capital based on the Internal Capital Adequacy Assessment Process **("ICAAP").** NR Committee also to ensure 'Fit and Proper' criteria of proposed / existing directors and that there is no conflict of interest in the appointment of directors on the Board of the company, KMPs and SM.

2.0 APPLICABILITY

2.1 This Policy is applicable to all Board of Directors (including Executive Directors or Managing Directors), KMPs and SM Personnel of the Company (collectively referred to as **"Applicable Employees"**).

3.0 DEFINITION(S)

3.1 **Key Managerial Personnel" ("KMPs")** as defined in Section 2(51) of the Companies Act 2013 (**"the Act"**) means:

3.1.1 the Chief Executive Officer or the Managing Director or Manager;

3.1.2 the Whole-time Director.

3.1.3 the Chief Financial Officer;

3.1.4 the Company Secretary;

3.1.5 such other officer, not more than one level below the Directors who is in whole-time employment, designated as KMP by the Board; and

3.1.6 such other officer as may be prescribed.

3.2. **"Senior Management"** shall mean officers / personnel of the Company who are members of its Core Management Team excluding Board of Directors and shall include all members of management one level below the Chief Executive Officer / Managing Director / Whole-Time Director (including Chief Executive Officer / Chief Operating Officer, in case they are not part of the Board) including the functional heads and shall specifically include the persons identified and designated as KMP, other than the Board of Directors, by the Company.

3.3. **Nomination and Remuneration Committee ("NR Committee")** shall mean a Committee of the Board having the constitution, powers, functions and duties as laid down in Section 178 of the Act, applicable provisions of Listing Regulations, RBI Guidelines and other applicable legal provisions.

3.4. A **"Malus"** arrangement shall mean where the Company prevents the vesting of all or part of the amount of a deferred remuneration.

3.5. A **"Claw back"** arrangement shall mean a contractual agreement between the Applicable Employees and the Company in which the Applicable Employees agree to return previously paid or vested remuneration to the Company under certain circumstances or empowers the Company to recover previously paid or vested remuneration by the company under certain circumstances.

4.0 REMUNERATION OF NON-EXECUTIVE DIRECTORS

4.1. Non-Executive Directors **("NEDs")** will be paid remuneration by way of Sitting Fees and Commission, if applicable. The remuneration/ commission/ compensation to the NEDs will be decided by the Board in accordance with this policy and subject to applicable conditions of Listing Regulations.

4.2. As approved by the members at their meeting, commission will be paid at a rate computed in accordance with Section 198 of the Act. The commission, if any, to be paid will be restricted to a fixed sum within the above limit annually on the basis of their tenor in office during the financial year.

4.3. The payment of the Commission, if any, to the NEDs will be placed before the Board every year for its consideration and approval. The sitting fee payable to the NEDs for attending the Board and NR Committee meetings will be fixed, subject to the statutory ceiling. The fee will be reviewed periodically in line with statutory requirements

4.4. Independent Directors will not be eligible to receive stock options under the employee stock option scheme/plan (**"ESOP"**), if any, formulated by the Company.

4.5. Where the annual remuneration payable to a single NED exceeds 50% of the total annual remuneration payable to NED, the approval of the members in the manner specified in applicable laws / regulations shall be obtained.

5.0 REMUNERATION OF EXECUTIVE DIRETOR(S) / MANAGING DIRECTOR

5.1 The compensation paid to the Executive Directors / Managing Director will be within the limits approved by the members. The elements of the total compensation, approved by the NR Committee, will be within the overall limits specified under the Act.

5.2. The fees or compensation payable to an Executive Director or Managing Director, who is a Promoter or member of Promoter Group, shall be subject to the approval of members in the manner prescribed under the applicable regulations, if the annual remuneration payable to such Executive Director or Managing Director exceeds the threshold limits as specified in applicable regulations and the approval so granted shall be valid till the expiry of the term of such Director.

For the purpose of this policy, the terms 'Promoter' and 'Promoter Group' shall have the meaning assigned to it under the SEBI (Issue of Capital and Disclosure Requirements) Regulations 2018, as amended.

5.3. The elements of compensation of the Executive Director / Managing Director include the elements as described below.

5.4. The NR Committee will determine the annual variable pay compensation, i.e commission, in the form of an annual incentive and annual increment for the Executive Director / Managing Director based on the company's and individual's performance.

5.5. In case of Company having no profit or inadequate profit in any financial year, the remuneration payable to the Executive Director / Managing Director shall be further subject to the relevant provisions of the Act.

5.6. Executive Director or Managing Director will not be paid sitting fees for any Board / Committee meetings attended by them.

6.0 REMUNERATION TO KEY MANAGERIAL PERSONNEL ("KMPs") / SENIOR MANAGEMENT ("SM")

6.1 Senior Management, for the purpose of this Remuneration Policy, shall mean personnel of the Company who are members of its core management team excluding Board of Directors including members of management one level below the Chief Executive Officer / Managing Director / Whole Time Director including any Functional Head. The Chief Executive Officer / Executive Director / Managing Director / Chief Operating Officer / Chief Financial Officer and Company Secretary of the Company shall be deemed to be Senior Management.

6.2. The Company's total compensation for KMPs / Senior Management as defined under the Act will consist of :

- Fixed compensation
- Variable compensation, in the form of incentive
- Benefits
- Work related facilities and perquisites and loans and advances in accordance with their service conditions
- Such other benefits/perquisites as may be periodically determined relevant by the HR policies of the Company.

6.3 The compensation of KMP and SM shall take into account all relevant factors including adherence to statutory requirements and industry practices. The compensation packages may comprise fixed and variable pay components aligned effectively with prudent risk taking to ensure that compensation is adjusted for all types of risks, the compensation outcomes are in line with the risk outcomes, compensation pay-outs are sensitive to the time horizon of the risks and the mix of cash and other forms of compensation are consistent with risk alignment.

6.4. The performance measures and their relation to remuneration packages shall be clearly defined at the beginning of the performance measurement period to ensure that the employees perceive the incentive mechanism.

6.5. The NR Committee shall recommend to the Board, all remuneration / compensation, in whatever form, payable to KMPs / SM.

6.6. The Company does not have Employee Stock Option Scheme/Plan.

7.0 PRINCIPLES OF FIXED PAY STRUCTURES

7.1. Fixed compensation will be determined on the basis of size and scope of the job typically as reflected by the level or grade of the job, trends in the market value of the job and the skills, experience and performance of the employee. Fixed compensation will include Basic Salary, Housing Allowance, Leave Travel Allowance, cash allowance, perquisites and contributions towards superannuation/retiral benefits, reimbursable perquisites and monetary equivalent of benefits of non-monetary nature etc. and/or as may be determined by NR Committee from time to time.

7.2. Based on the grade and seniority of employees, benefits for employees include:

7.2.1. Health related

7.2.2. Health (hospitalization) insurance

7.2.3. Accident and Life insurance

7.2.4. Retirement related

7.2.5. Contribution to a Superannuation Fund, if any (in addition to statutory benefits such as Provident Fund, Gratuity, etc.)

7.3 Employees will also be eligible for work related facilities and perquisites as may be determined through human resources policies issued from time to time based on the grade of the employee.

8.0 PRINCIPLES OF VARIABLE PAY STRUCTURES

8.1 The proportion of variable pay in total compensation shall commensurate with the role and prudent risk taking profile of KMPs / SM.

8.2. A formal annual performance management process will be applicable to all employees, including KMPs / SM. Annual increases in fixed and variable compensation of individual executives will be directly linked to the performance of individual employee.

9.0 MALUS / CLAW BACK PROVISIONS

9.1 Claw back provisions for deferred variable pay may be invoked by the Board based on the recommendation of NR Committee upon happening of any of the following events within a period of 3 years.

- Employee integrity issues linked to a pecuniary fraud / serious misconduct
- Convicted of complaint under Prevention of Sexual Harassment Act
- Convicted of any criminal complaint in relation to a fraud in the Company

10.0 DISCLOSURES

10.1. Disclosures of this Remuneration Policy as may be required under the Act and Listing Regulations may be made.

11.0 REVIEW / CHANGES

11.1 This Remuneration Policy and any changes will be approved by the Board of Directors as may be deemed fit by the Board.

11.2. The policy may be reviewed at such intervals as the Board or NR Committee may deem necessary.

For and on behalf of the Board

Mahalingam Manickam
Chairman
DIN : 00102233

14 August 2026
Coimbatore - 18

Annexure 3

CORPORATE GOVERNANCE REPORT

(As per Regulation 34(3) read with Schedule V to SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015) **("Listing Regulations")**

1. Company's Philosophy on Corporate Governance

Corporate Governance is a set of principles, processes and systems to be followed by Directors, Management and all the employees of the Company for enhancement of shareholders value, keeping in view the interest of all stakeholders. Integrity, transparency and compliance with regulations in dealing with members, employees, customers, lenders, regulators and government agencies are the objectives of good corporate governance. The Company adopts and practices these principles of good Corporate Governance while ensuring integrity, transparency and accountability at all levels in the organisation.

2. Board of Directors

a. Composition and Category of Directors

As on 31 March 2026, the Board of Directors consists of ten (10) members. The Board has a Non-Executive Chairman, an Executive Vice Chairman and Managing Director and other eight (8) Non-Executive Directors, of which five are Independent Directors (including a Women Director), who bring in a wide range of skills, experience and expertise to the Board. In terms of Regulation 17 of the Listing Regulations, the number of Independent Directors are 50 per cent of the total number of Directors on the Board. The composition of the Board is in conformity with the provisions contained in Sections 149 and 152 of the Companies Act 2013 **("the Act")** read with rules made thereunder and Regulation 17 of the Listing Regulations.

During the financial year, based on the recommendations of Nomination and Remuneration Committee, the Board approved the appointments of following Independent Directors / Non-Executive, Non-Independent Director as detailed below:

Sl No	Name of the Director with category	Tenure of Appointment
1	Sri Korukkai Visweswaran Ramachandran Non-Executive, Independent Director (DIN: 00322331)	For a term of five (5) consecutive years commencing from 4 July 2025 to 3 July 2030 (both days inclusive) and he is not liable to retire by rotation.
2	Smt Balakrishnan Susheela Non-Executive, Independent Director (DIN: 07140637)	For a term of five (5) consecutive years with effect from 14 August 2025 to 13 August 2030 (both days inclusive) and she is not liable to retire by rotation.
3	Sri Shivram Sethuraman Non-Executive, Independent Director (DIN: 07946245)	For a term of five (5) consecutive years with effect from 1 September 2025 to 31 August 2030 (both days inclusive) and he is not liable to retire by rotation.
4	Sri Shanmugasundaram Chandrasekhar Non-Executive, Non-Independent Director (DIN: 00011901)	With effect from 1 September 2025 and he is liable to retire by rotation.
5	Sri Saurabh Jain Non-Executive, Independent Director (DIN: 02322422)	Appointed for a term of five (5) consecutive years with effect from 27 September 2025 to 26 September 2030 (both days inclusive) and he is not liable to retire by rotation.

In terms of Regulation 17 of the Listing Regulations, approval of Members for appointment / re-appointment of Directors on the Board shall be taken at the next Annual General Meeting (**"AGM"**) or within a period of three months from the date of appointment, whichever is earlier. Accordingly, the above appointments of Directors at Sl. No. 2,3,4 were approved by the members at the 68th AGM held on 27 September 2025 and appointments of Directors at Sl No. 1 and 5 were approved by the members through Postal Ballots on 8 August 2025 and 4 November 2025 respectively.

b. Compliance with limits of Directorship

The Directors have made necessary disclosures regarding the Committee positions they hold.

None of the Directors of the Company:

a. hold Directorships in more than twenty (20) Companies (including ten (10) public limited companies as disclosed under Section 184 of the Act read with the rules made thereunder and seven (7) listed companies; and

b. is a member of more than ten (10) committees or act as Chairman of more than five (5) Committees (the Committees being, Audit Committees and Stakeholders' Relationship Committee) across all Companies in which they serve as Directors.

None of the Independent Directors (**"IDs"**) on the Board serve as an ID in more than seven (7) listed Companies. Sri Korukkai Visweswaran Ramachandran, one of the Independent Directors, serve as Vice Chairman and Managing Director in a listed entity.

All IDs also comply with the limit of Independent Directorship as prescribed in the Listing Regulations.

Further, Vice Chairman and Managing Director serve as an ID in a Listed Company.

c. Board confirmation regarding Independence of the Independent Directors ("IDs")

In accordance with Regulation 25(8) of the Listing Regulations, all Independent Directors (**"IDs"**) have confirmed that they meet the independence criteria as mentioned under Section 149 of the Act, the Rules made thereunder and Regulation 16(1)(b) of the Listing Regulations. The IDs have further confirmed / stated that they are not aware of any circumstance or situation, which exists or may reasonably be anticipated that could impair or impact their ability to discharge their objective, independent judgement and without any external influence.

Based on the declarations and disclosures received from all the IDs, the Board of Directors have, at their meeting held on 23 May 2026, after taking these declarations / disclosures on record and acknowledging the veracity of them, concluded / opined that the IDs fulfill the conditions of Independence as specified in the Act and are persons of high integrity, possess relevant experience and expertise, proficiency (including skill sets) to qualify and continue to qualify as IDs of the Company and are independent of the management.

The company has received confirmation from all existing IDs that they have registered with the Independent Director's Database maintained by the Indian Institute of Corporate Affairs **("IICA"),** Manesar, as per Rule 6 of the Companies (Appointment and Qualification of Directors) Rules 2014.

The Company has issued formal letters of appointment to the IDs and the terms of their appointment are disclosed on the Company's website, **https://sakthifinance.com/independent-directors/.** During the financial year 2025-26, except Sri Shanmugasundaram Chandrasekhar, Non-Executive, Non-Independent Director, none of the Independent Directors of the Company have resigned before the expiry of their tenure. Accordingly, the disclosure of detailed reasons for their resignation along with their confirmation that there are no material reasons, other than those provided by them, is not applicable.

d. Meeting of Independent Directors

During the year, the IDs had a separate meeting on 9 March 2026 for the financial year 2025-26. The Meeting was conducted in an informal manner to enable IDs to discuss matters relating to Company's affairs and give their views without the presence of Non-Independent Directors and Promoter Directors.

At the Meeting, the IDs reviewed:

a. the performance of Non-Independent Directors and the Board as a whole;

b. the performance of the Chairman of the Company; and

c. assessed the quality, quantity and timeliness of the flow of information between the Management and the Board and its Committees that is necessary for the Board to effectively and reasonably perform and discharge its duties.

The Meeting was well attended by all the Independent Directors.

e. Constitution of Committees

The Board of Directors and its Committees meet at periodic intervals. Policy formulation, setting up of goals and evaluation of performance and control function vest with the Board. The Board has constituted fourteen (14) Committees, namely, Audit Committee, Nomination and Remuneration Committee, Stakeholders' Relationship Committee, Corporate Social Responsibility Committee, Asset Liability Management Committee, Risk Management Committee, Finance, Investment and Securities Issuance Committee, Information Technology **("IT")** Strategy Committee, Information Technology Steering Committee, Information Security Committee, Committee of Executives **("CoE")** (formerly known as Special Committee of the Board for Monitoring and Follow up Cases of Fraud **("SCBMF")**, Identification Committee **("IC")**, Review Committee **("RC")** and Customer Service Committee..

f. Relationship amongst Directors

Dr. Mahalingam Manickam, Chairman, Sri Balasubramaniam Mahalingam, Vice Chairman and Managing Director and Sri Srinivaasan Mahalingam, Non-Executive Director are related to each other as brothers and none of the other Directors is related to any Director.

g. Number of Board Meetings held during the year

During the financial year 2025-26, nine (9) Board Meetings were held on 30 May 2025, 4 July 2025, 14 August 2025, 1 September 2025, 27 September 2025, 12 November 2025, 6 December 2025, 12 February 2026 and 10 March 2026. The necessary quorum was present for all the meetings. The intervening gap between any two meetings is well within one hundred and twenty days only.

As required under Regulation 17(7) of the Listing Regulations, the minimum information to be placed before the Board of Directors is made available to the Board for discussion and consideration at Board Meetings. The Board also reviews compliance reports of all laws applicable to the company on quarterly basis.

h. Familiarisation programme for Independent Directors

The familiarization process followed by the Company includes briefing about the Board's composition and conduct, roles, rights, responsibilities of Directors, nature of the industry, regulatory matters, details about the Company, Group and its culture etc. The familiarization process is disclosed at the Company's web-link **https://sakthifinance.com/familiarization-programme/.**

i. Attendance and other Directorships

The Company Secretary and Chief Compliance Officer attends all the meetings of the Board and its Committees and is, among other things, responsible for recording the minutes of such meetings. The draft minutes of the Board and its Committees were sent to the members for their comments / observations / suggestions in accordance with the Secretarial Standards. Thereafter, the minutes were entered in the minutes book within 30 (thirty) days of conclusion of the meetings, after incorporation of the comments / observations / suggestions, if any, received from the Directors. During the financial year 2025-26, to ensure active participation, Directors are also provided with the facility / option of Video-Conferencing for attending the meetings.

The following table illustrates composition of the Board of Directors, DIN, date of appointment of Directors, category, attendance at Board Meetings held during the financial year and at the last Annual General Meeting, number of other Directorships and Committee Chairmanship / Membership held and number of equity shares held as at March 31, 2026.

Name of the Director and DIN	Director / Independent Director since	Category of Director	No of Board Meetings		Attendance of last AGM	No. of other directorships (a)	Committee position (b)		No of Equity Shares held in and convertible instruments held in the Company (c)
			Held	Attended and Percentage		(excluding Sakthi Finance Ltd)	Chairman	Member	
Dr Mahalingam Manickam DIN : 00102233	11-12-1990	Non-executive Chairman, Promoter	9	5 (55.56%)	Yes	6	-	1	92,813
Sri Balasubramaniam Mahalingam DIN : 00377053	21-08-1985	Vice Chairman and Managing Director, Promoter	9	9 (100.00%)	Yes	8	-	3	10,91,636
Sri Srinivaasan Mahalingam DIN : 00102387	18-04-1994	Non-executive, Non-Independent Director	9	9 (100.00%)	Yes	6	-	2	2,51,355
Dr Sundaraswamy Veluswamy DIN : 05314999	29-05-2019	Non-Executive, Non -Independent Director	9	8 (88.89%)	Yes	4	-	2	-
Sri Advait Kurlekar DIN: 00808669	08-08-2024	Non-executive, Independent Director	9	9 (100.00%)	Yes	1	-	1	-
Sri Korukkai Visweswaran Ramachandran DIN: 00322331	04-07-2025	Non-executive, Independent Director	9	8 (88.89%)	Yes	3	-	2	-
Smt Balakrishnan Susheela DIN: 07140637	14-08-2025	Non-executive, Independent Director	9	7 (77.78%)	Yes	2	1	-	-
Sri Shanmugasundaram Chandrasekhar DIN: 00011901	14-08-2025	Non-executive, Non-Independent Director	9	6 (66.67%)	Yes	4	-	-	1,500
Sri Shivram Sethuraman DIN: 07946245	01-09-2025	Non-executive, Independent Director	9	6 (66.67%)	Yes	5	-	-	-
Sri Saurabh Jain DIN: 02322422	27-09-2025	Non-executive, Independent Director	9	5 (55.56%)	Not Applicable	-	-	-	-

Notes:

a. excludes directorships in private companies, foreign companies, companies incorporated under Section 8 of the Act.

b. only Audit Committee and Stakeholders' Relationship Committee of public limited companies are considered.

c. The Company has not issued any convertible instruments.

The 68th Annual General Meeting **("e-AGM")** of the Company for the Financial Year 2025-26 was held on Saturday, 27 September 2025 through Video-Conferencing **("VC")** / Other Audio-Visual Means **("OAVM")** in accordance with the relevant Circulars issued by Ministry of Corporate Affairs **("MCA")** and Securities and Exchange Board of India **("SEBI")**. All Directors, except Sri Saurabh Jain, Independent Director, were present at the 68th e-AGM. The Statutory and Secretarial Auditors also attended the e-AGM.

Details of change in composition of the Board during the current and previous financial year

For the financial year 2025-2026

A. Cessations

Name of the Director	Capacity	Nature of Change	Effective date
Sri Bhaskar Madhanagopal DIN : 02919393	Non-executive, Independent Director	Due to passing away	21 May 2025
Smt Priya Bhansali DIN: 00195848	Non-executive, Independent Director	Retired from Directorship on completion of second term of five (5) years as an Independent Director	27 September 2025
Sri Kollengode Padmanabhan Ramakrishnan DIN: 07029959	Non-executive, Independent Director	Retired from Directorship on completion of second term of five (5) years as an Independent Director	27 September 2025

B. Appointments

Name of the Director	Capacity	Nature of Change	Effective date
Sri Korukkai Visweswaran Ramachandran DIN: 00322331	Non-executive, Independent Director	Appointed as an Independent Director for a first term of five (5) consecutive years	4 July 2025
Smt Balakrishnan Susheela DIN: 07140637	Non-executive, Independent Director	Appointed as an Independent Director for a first term of five (5) consecutive years	14 August 2025
Sri Shanmugasundaram Chandrasekhar DIN: 00011901	Non-executive, Non-Independent Director	Appointed as an Independent Director and then as a Non-Executive, Non-Independent Director	14 August 2025 / 1 September 2025
Sri Shivram Sethuraman DIN: 07946245	Non-executive, Independent Director	Appointed as an Independent Director for a first term of five (5) consecutive years	1 September 2025
Sri Saurabh Jain DIN: 02322422	Non-executive, Independent Director	Appointed as an Independent Director for a first term of five (5) consecutive years	27 September 2025

For the financial year 2024-2025

A. Cessations

<table>
<tr><th>Name of the Director</th><th>Capacity</th><th>Nature of Change</th><th>Effective date</th></tr>
<tr><td>Dr Arumugam Selvakumar
DIN: 01099806</td><td rowspan="2">Non-executive,
Independent Directors</td><td rowspan="2">Retired from Directorship on completion of second term of five (5) consecutive years as Independent Directors</td><td rowspan="2">26 September 2024</td></tr>
<tr><td>Sri Gopalakrishnan Puthucode Subramaniam
DIN: 00001446</td></tr>
</table>

A. Appointments

<table>
<tr><th>Name of the Director</th><th>Capacity</th><th>Nature of Change</th><th>Effective date</th></tr>
<tr><td>Sri Bhaskar Madhanagopal
DIN : 02919393</td><td rowspan="2">Non-executive,
Independent Directors</td><td rowspan="2">Appointed as Independent Directors for a term of five (5) consecutive years for the first term</td><td rowspan="2">8 August 2024</td></tr>
<tr><td>Sri Advait Kurlekar
DIN: 00808669</td></tr>
</table>

j. Performance Evaluation

In terms of the requirements of the Act and Schedule II of Part D to the Listing Regulations, the Board of Directors have, at their meeting held on March 10, 2026, carried out an annual evaluation of its own performance, its Committees and performance of individual directors, including the Chairman and of the Committees formed by the Board. The evaluation process is covered in the Board's Report. Similarly, Independent Directors reviewed the performance of Chairman and Non-Independent Directors.

The questionnaires for performance evaluation were comprehensive and were based on the Guidance Note on Board evaluation contained in SEBI's Master Circular No. HO/49/14/14(7)2025-CFD-POD2/I/3762/2026 dated January 30, 2026 and are in line with the criteria and methodology of performance evaluation approved by the Nomination and Remuneration Committee **("NRC").**

k. Code of Conduct

The Board of Directors have adopted a Code of Conduct and Ethics **("the Code")** to ensure compliance with the legal requirements and standards of business conduct. The purpose of the Code is to promote ethical conduct.

All Board Members and Senior Management Personnel of the company have affirmed compliance with the Code. A certificate to this effect, signed by Vice Chairman and Managing Director is annexed. The Code has been hosted on the website of the company, **https://sakthifinance.com/policies/.**

l. Directorships of Directors in other listed companies

The names of the listed entities (including this company), where the Directors hold Directorships as on 31 March 2026 and the category of Directorship is given below:

Name of the Director	Name of the listed entity in which Directorship is held	Category of Directorship
Dr Mahalingam Manickam	1. Sakthi Finance Limited 2. Sakthi Sugars Limited	Non-Executive, Non-independent Executive, Non-independent
Sri Balasubramaniam Mahalingam	1. Sakthi Finance Limited 2. Sakthi Sugars Limited 3. Kovai Medical Center and Hospitals Limited	Executive, Non-independent Executive, Non-independent Non-Executive, Independent
Sri Srinivaasan Mahalingam	1. Sakthi Finance Limited 2. Sakthi Sugars Limited	Non-Executive, Non-independent Executive, Non-independent
Dr Sundaraswamy Veluswamy	1. Sakthi Finance Limited	Non-Executive, Non-independent
Sri Advait Kurlekar	1. Sakthi Finance Limited 2. Pradeep Metals Limited	Non-Executive, Independent Non-Executive, Independent
Sri Korukkai Visweswaran Ramachandran	1. Sakthi Finance Limited 2. E L Forge Limited	Non-Executive, Independent Executive, Non-independent
Smt Balakrishnan Susheela	1. Sakthi Finance Limited 2. Sakthi Sugars Limited 3. National Fittings Limited	Non-Executive, Independent Non-Executive, Independent Non-Executive, Independent
Sri Shanmugasundaram Chandrasekhar	1. Sakthi Finance Limited	Non-Executive, Non-independent
Sri Shivram Sethuraman	1. Sakthi Finance Limited 2. Duroply Industries Limited 3. Sakthi Sugars Limited	Non-Executive, Independent Non-Executive, Independent Non-Executive, Independent
Sri Saurabh Jain	1. Sakthi Finance Limited	Non-Executive, Independent

m. Directors and Officers ("D&O") Liability Insurance

As per the provisions of the Act and in compliance with Regulation 25(10) of the Listing Regulations, the Company has taken a Directors and Officers **("D&O")** Liability Insurance on behalf of all Directors including Independent Directors and Officers of the Company to indemnify them against any personal liability coming on to them while discharging their fiduciary responsibilities in relation to the Company.

n. Key Board skills, expertise and competence

The Board has identified the following core skills/expertise/competencies for the effective functioning of the Company.

1. Industry knowledge
2. Leadership qualities
3. Strategic thinking
4. Financial Expertise (Banking, Finance and Accounting)
5. Information Technology
6. Human Resources
7. Understanding the applicable laws, rules, regulations and policies
8. Integrity and ethical standards

o. Skills / Expertise / Competencies of Board of Directors

In terms of Regulation 34(3) read with Schedule V to the Listing Regulations, the Board of Directors have, in the following matrix, identified the core skills/ expertise/ competencies required in the context of its business and the sector for it to function effectively and those which are available with the Board, the details of which are given below:

Sl No	Name of the Director	Industry Knowl-edge	Lead-ership Qualities	Stra-tegic Thinking	Financial Exper-tise	Human Re-sources	Information Technology	Understanding applicable laws, rules, regulation and policy	Integrity and ethical standards
1	Dr Mahalingam Manickam	√	√	√	√	√	√	√	√
2	Sri Balasubramaniam Mahalingam	√	√	√	√	√	√	√	√
3	Sri Srinivaasan Mahalingam	√	√	√	√	√	√	√	√
4	Dr Sundaraswamy Veluswamy	√	√	√	√	√	√	√	√
5	Sri Advait Kurlekar	√	√	√	√	√	√	√	√
6	Sri Korukkai Visweswaran Ramachandran	√	√	√	√	√	√	√	√
7	Smt Balakrishnan Susheela	√	√	√	√	√	-	√	√
8	Sri Shanmugasundaram Chandrasekhar	√	√	√	√	√	√	√	√
9	Sri Shivram Sethuraman	√	√	√	√	√	√	√	√
10	Sri Saurabh Jain	√	√	√	√	√	√	√	√

p. Succession Planning

The Company has put in place a structured Succession Planning framework to ensure a systematic development plan to fill key positions, including Board members, in line with the vision and business strategies of the Company.

3. COMMITTEES OF THE BOARD

The Committees constituted by the Board focus on specific areas and take informed decisions within the framework of delegated authority and make specific recommendations to the Board on matters within their areas or purview. The decisions and recommendations of the Committees are placed before the Board for their consideration or approval, as required.

The composition, role and functioning of the Committees is in compliance with the applicable provisions of the Act, Listing Regulations and applicable RBI Master Directions. Further, the constitution and role of the Audit Committee, Nomination and Remuneration Committee, Stakeholders' Relationship Committee, Corporate Social Responsibility Committee, Asset Liability Management Committee, Risk Management Committee, Finance, Investment and Securities Issuance Committee, Information Technology **("IT")** Strategy Committee, Information Technology Steering Committee, Information Security Committee, Committee of Executives (formerly Special Committee of the Board for Monitoring and Follow up Cases of Fraud **("SCBMF")**, Identification Committee **("IC")**, Review Committee **("RC")** and Customer Service Committee are also in conformity with the Master Directions issued by the Reserve Bank of India and Internal Guidelines on Corporate Governance.

During the financial year, the Board accepted all the recommendations received from all its Committees. The minutes of the meetings of all committees of the Board are placed before the Board for its noting.

We give below an overview of the Committees, its terms of reference and constitution, the details of meetings held and attended etc.

A. Audit Committee

The Audit Committee of the Board is constituted in compliance with the provisions of Section 177 of the Act and Regulation 18 of the Listing Regulations. All the Members of the Committee are financially literate and possess strong accounting and related financial management expertise.

Terms of reference

The Company has adopted an amended Audit Committee Charter on February 12, 2025 in line with the amendments made to SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 dated December 12, 2024.

The terms of reference of the Committee are wide enough to cover the matters specified for Audit Committee under Regulation 18(3) read with Part C of Schedule II to the Listing Regulations as well as those in Section 177 of the Act, Reserve Bank of India's Master Directions issued from time to time, Regulations 9(A)(4) of the SEBI (PIT) Regulations 2015 and among other things, are as follows:

1. Examination of the financial statement and draft Auditors' Report.
2. Oversight of the Company's financial reporting process and disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible.
3. Recommendation for appointment, re-appointment, removal and remuneration and terms of appointment of statutory auditors of the Company.
4. Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
5. Discuss and review, with the management and auditors, the annual financial statements before submission to the Board, with particular reference to:
   a. Matters required to be included in the Directors' Responsibility Statement in the Board's Report in terms of sub-section (3)(c) of Section 134 of the Act.
   b. Any changes in accounting policies and practices and reasons for them
   c. Disclosure under 'Management Discussion and Analysis of Financial Condition and Results of Operations'
   d. Major accounting entries involving estimates based on exercise of judgment by management
   e. Significant adjustments made in the financial statements arising out of audit findings
   f. Compliance with listing and other legal requirements relating to financial statements
   g. Disclosure of any related party transactions; and
   h. Modified Opinions in the draft audit report.
6. Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
7. Reviewing with the management, the statement of uses/application of funds raised through an issue (public issue, rights issue, preferential issue etc.), the Statement of funds utilized for the purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a (Public Issue or Rights Issue or Preferential Issue or qualified Institutional placement) and making appropriate recommendations to the Board to take steps in this matter.
8. Reviewing and monitoring the auditors' independence and performance and effectiveness of audit process.
9. Approval or any subsequent modification of transactions of the listed entity with related parties.
10. Scrutiny of inter-corporate loans and investments.
11. Valuation of undertakings or assets of the listed entity, wherever it is necessary;
12. Evaluation of internal financial controls and risk management process.
13. Reviewing with the management, performance of statutory and internal auditors, adequacy of the internal control systems.
14. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
15. Discussions with internal auditors of any significant findings and follow-up thereon;
16. Reviewing the findings of an internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matters to the board;
17. Discussions with the statutory auditors before the audit commences, about the nature and scope of audit as well as post audit discussions to ascertain any area of concern.
18. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
19. To review the functioning of the Whistle Blower **("Vigil")** Mechanism;
20. Approval of appointment of Chief Financial Officer after assessing the qualifications, experience and background, etc., of the candidate.
21. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.
22. Reviewing the utilisation of loans and/or advances from/investments by the holding company in the subsidiary exceeding ₹ 100 crore or 10 per cent of the asset size of the subsidiary, whichever is lower, including existing loans/advances/investments existing as on the date of coming into force of this provision.
23. To consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation, etc., on the listed entity and its shareholders.
24. Reviewing the report submitted by the Compliance Officer in respect of the Compliance with the Requirements of SEBI (Prohibition of Insider Trading) Regulations 2015, at least once in a financial year and also verify whether the systems of internal controls for prevention of insider trading are adequate and are operating effectively.
25. To review all regulatory policies of the company from time to time, hitherto taken care of by the Policy Review Committee (since dispensed with).
26. The Audit Committee shall mandatorily review the following:
    a. Management Discussion and Analysis of financial condition and results of operations
    b. Management's letter / letters of internal control weaknesses issued by the Statutory auditors;

c. Internal audit reports relating to internal control weaknesses; and
d. The appointment, removal and terms of remuneration of the Chief Internal Auditor shall be subject to review by the Audit Committee
e. Statement of deviations
   i. Quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1) of the Listing Regulations.
   ii. Annual statement of funds utilized for purposes other than those stated in the offer document/ prospectus/ notice in terms of Regulation 32(7) of the Listing Regulations.

The Committee consists of four non-executive directors of which three are Independent Directors.

The Board of Directors had, at their meetings held on 4 July 2025 and 27 September 2025 respectively, reconstituted the Audit Committee. The present composition of the Audit Committee, number of meetings held and the attendance of its members are given below:

Composition, Number of Meetings held and Attendance

The Committee held six meetings during the financial year on 30 May 2025, 4 July 2025, 14 August 2025, 12 November 2025, 12 February 2025 and 10 March 2026.

The intervening gap between any two meetings is well within one hundred and twenty days only.

Sl No	Name of the Director	Member of Committee since	Category	Number of meetings		No of Equity Shares held in the Company
				Held	Attended and percentage	
1	Sri Korukkai Visweswaran Ramachandran*	04-07-2025	Chairman, Independent Director	6	4 (66.67%)	-
2	Sri Srinivaasan Mahalingam	10-08-2011	Member, Non-Executive, Non-Independent	6	5 (83.33%)	2,51,355
3	Sri Kollengode Padmanabhan Ramakrishnan**	03-11-2017	Member, Independent Director	6	3 (50.00%)	-
4	Smt Priya Bhansali**	01-04-2024	Member, Independent Director	6	3 (50.00%)	-
5	Smt Balakrishnan Susheela ***	27-09-2025	Member, Independent Director	6	3 (50.00%)	-
6	Sri Shivram Sethuraman***	27-09-2025	Member, Independent Director	6	3 (50.00%)	-

* appointed as Chairman of the Audit Committee by the Board of Directors at their meeting held on 4 July 2025.

** ceased to be the members of the Audit Committee on completion of second term as Independent Directors with effect from 27 September 2025.

*** appointed as members of the Audit Committee by the Board of Directors at their meeting held on 27 September 2025.

All members of Audit Committee are financially literate. The minutes of Audit Committee meetings are being placed before the Board of Directors at their respective meetings. The Chairman of the Audit Committee was present at the last Virtual Annual General Meeting.

B. Nomination and Remuneration Committee

The Company has adopted a revised Nomination and Remuneration Committee Charter (including Remuneration Policy) on 14 August 2026. The role of Nomination and Remuneration Committee is in conformity with Section 178 of the Act and Regulation 19 read with Part D of Schedule II to the Listing Regulations.

Terms of reference

The terms of reference of the Committee includes the following:

a. Formulate the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board a policy relating to the remuneration for the Directors, Key Managerial Personnel (**"KMPs"**) and other employees;

b. For every appointment of an Independent Director, the Nomination and Remuneration Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an Independent Director. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description.

For the purpose of identifying suitable candidates, the Committee may;

i. use the services of an external agency, if required;

ii. consider candidates from a wide range of backgrounds, having due regard to diversity; and

iii. consider the time commitments of the candidates

c. Formulation of criteria for evaluation of performance of Independent Directors and the Board of Directors;

d. Devising the policy on diversity of Board of Directors;

e. Identifying persons who are qualified to become directors as well as those who may be appointed in senior management in accordance with the criteria laid down and recommend to the board of directors their appointment and removal;

f. Whether to extend or continue the term of appointment of the Independent Director on the basis of the report of performance evaluation of Independent Directors.

g. Recommend to the board, all remuneration, in whatever form, payable to senior management.

The company has complied with the mandatory requirement of Regulation 19 of the Listing Regulations regarding Nomination and Remuneration Committee.

The Nomination and Remuneration Committee was reconstituted by the Board of Directors at their meetings held on 30 May 2025 and 1 September 2025 respectively.

The composition of the Nomination and Remuneration Committee, the number of meetings held and the attendance of its members are given below:

Composition, Number of Meetings held and Attendance:

The Committee held seven (7) meetings during the financial year on 4 July 2025, 14 August 2025, 1 September 2025, 27 September 2025, 3 December 2025, 11 February 2026 and 9 March 2026.

The Chairman of the Nomination and Remuneration Committee was present at the last Virtual Annual General Meeting.

Sl No	Name of the Director	Member of Committee since	Category	Number of meetings		No of Equity Shares held in the Company
				Held	Attended and percentage	
1	Sri Advait Kurlekar	26-09-2024	Chairman, Non-Executive, Independent Director	7	7 (100%)	-
2	Dr Sundaraswamy Veluswamy*	30-05-2025	Member, Non-Executive, Non-Independent Director	7	6 (85.71%)	-
3	Smt Priya Bhansali**	14-11-2017	Member, Non-Executive, Independent Director	7	3 (42.86%)	-
4	Smt Balakrishnan Susheela ***	01-09-2025	Member, Non-Executive, Independent Director	7	4 (57.14%)	-

* appointed as a member of the Committee by the Board of Directors at their meeting held on 30 May 2025

** ceased to be the member of the Committee on completion of second term of Office as an Independent Director with effect from 27 September 2025.

*** appointed as a member of the Committee by the Board of Directors at their meeting held on 1 September 2025.

Remuneration to Directors

For Vice Chairman and Managing Director

The total remuneration, as approved by the members, consists of a fixed component namely, salary, perquisites and allowances as per Company's Rules and a variable component, linked to the performance of the company, consisting of commission within the limits approved by the members.

For Non-Executive Directors

Sitting fee as permitted under the Act plus reimbursement of actual travelling and out-of-pocket expenses incurred for attending such meetings. Non-Executive Directors are not being paid any commission except Dr Sundaraswamy Veluswamy (DIN: 05314999), Non-Executive, Non-Independent Director, whose payment of Commission was approved by the members through Postal Ballot as per Regulation 17(6)(a) and 17(6)(ca) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 **("Listing Regulations")** dated 20 March 2026 as his oversight role directly impact the Company's solvency and growth, particularly, in formulating Capital Adequacy frameworks, portfolio diversification strategies and the optimization of long-term debt capital structures, etc. Also, considering his long and very eventful tenure spanning for more than three decades since November 1990 in various capacities held by him, the time devoted by him, his participation in strategic decision making, timely guidance provided by him to the Board on important policy matters, performance of the company and industry practices and in appreciation of it, it was proposed to compensate him by way of a commission of one (1) per cent on the net profits of the Company computed in the manner referred to in Section 198 of the Companies Act 2013 **("the Act")**, payable in such form, manner or proportions and in all respects and as recommended by the Nomination and Remuneration Committee, Audit Committee and as approved by the Board of Directors of the Company for the financial year 2025-26, i.e. from 1 April 2025 to 31 March 2026.

The details of remuneration, commission and sitting fees paid to the Executive / Non-Executive Directors for the financial year 2025-26 and the shares held by them are given below.

Sl No	Name of the Director	Salary	Commission	Perquisites	Sitting Fee	Total	No. of equity shares held
		(₹ lakh)					
1	Dr Mahalingam Manickam	-	-	-	2.65	2.65	92,813
2	Sri Balasubramaniam Mahalingam	49.80	84.06 (paid for 2024-25) 18.14*	2.97	-	136.83	10,91,636
3	Sri Srinivaasan Mahalingam	-	-	-	6.25	6.25	2,51,355
4	Smt Priya Bhansali**	-	-	-	5.20	5.20	Nil
5	Sri Kollengode Padmanabhan Ramakrishnan**	-	-	-	3.85	3.85	Nil
6	Dr Sundaraswamy Veluswamy	-	15.04*	-	8.70	8.70	Nil
7	Sri Advait Kurlekar	-	-	-	7.30	7.30	Nil
8	Sri Korukkai Visweswaran Ramachandran***	-	-	-	7.45	7.45	Nil
9	Smt Balakrishnan Susheela***	-	-	-	6.45	6.45	Nil
10	Sri Shivram Sethuraman***	-	-	-	5.15	5.15	Nil
11	Sri Shanmugasundaram Chandrasekhar***	-	-	-	3.00	3.00	1,500
12	Sri Saurabh Jain***	-	-	-	2.85	2.85	Nil
	Total	**49.80**	**84.06**	**2.97**	**58.85**	**195.68**	

* The payment of commission will be subject to the approval of financial statements by members at the ensuing Annual General Meeting. It will be considered on payment basis only.

** up to 27 September 2025 only.

*** with effect from 4 July 2025, 14 August 2025, 1 September 2025 and 27 September 2025 respectively.

Notes :

1. The present tenure of appointment of Managing Director is governed by the Articles of Association of the company and the resolutions passed by the Board of Directors and members of the Company. These cover the terms and conditions of such appointments.
2. The Company has entered into an agreement with Managing Director for a period of five (5) years with effect from 29 September 2025.
3. The resignation of a Director becomes effective upon its acceptance by the Board.
4. No severance fee is payable to the Directors on termination of office.
5. The Company has no stock option scheme either to its directors or to its employees.
6. None of the Non-executive Directors have any pecuniary relationship or transactions with the Company expect as disclosed in related party transactions.
7. No remuneration payable to a single Non-executive Director which exceeds fifty per cent of the total annual remuneration payable to all Non-Executive directors, except Dr. Sundaraswamy Veluswamy, Non-Executive, Non-Independent Director

C. Stakeholders' Relationship Committee ("SRC")

The composition of the SRC satisfies the requirements of Section 178 of the Act and Regulation 20 read with Part D of Schedule II to the Listing Regulations.

Terms of reference

The terms of reference of the Committee are given below:

a. Resolving the grievances of the security holders of the listed entity including complaints related to Transfer / Transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new / duplicate certificates, general meeting etc.

b. Review of measures taken for effective exercise of voting rights by shareholders.

c. Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by its Registrar and Share Transfer Agent and

d. Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividends / annual reports/statutory notices by the shareholders of the Company.

e. Resolving the grievances of debenture holders related to Creation of Charge, payment of principal / interest, maintenance of Security cover and any other covenants.

The Board of Directors had, at their meeting held on 27 September 2025 reconstituted the Stakeholders' Relationship Committee. The composition of the Stakeholders' Relationship Committee, the number of meetings held and the attendance of its members are given below:

Composition, Number of Meetings held and Attendance

The Committee held one (1) meeting during the financial year on 10 March 2026 and the attendance of its members are given below:

Sl No	Name of the Director	Member of Committee since	Category	Number of meetings		No of Equity Shares held in the Company
				Held	Attended and percentage	
1	Dr. Mahalingam Manickam	24-10-2007	Chairman, Non- Executive, Non- Independent Director	1	1 (100%)	92,813
2	Sri Balasubramaniam Mahalingam	02-02-2002	Member, Executive, Non-Independent Director	1	1 (100%)	10,91,636
3	Sri Kollengode Padmanabhan Ramakrishnan*	26-09-2024	Member, Non- Executive, Independent Director	1	-	-
4	Smt Balakrishnan Susheela**	27-09-2025	Member, Non- Executive, Independent Director	1	1 (100%)	-

* ceased to be the member of the Committee on completion of second term as an Independent Director with effect from 27 September 2025

** appointed as a member by the Board of Directors at their meeting held on 27 September 2025.

The Chairman of Stakeholders' Relationship Committee was present at the last virtual Annual General Meeting.

During the year, no complaints were received and the details of which are given below:

Investor Grievance Details

Particulars	No. of Complaints
No. of investor complaints pending at the beginning of the year	Nil
No. of investor complaints received during the year	Nil
No. of investor complaints disposed of during the year	Nil
No. of investor complaints those remaining unresolved at the end of the year	Nil

Name, Designation and Address of Compliance Officer

Sri S Venkatesh, Company Secretary and Chief Compliance Officer
Sakthi Finance Limited (CIN:L65910TZ1955PLC000145)
Regd Office : 62, Dr. Nanjappa Road, Post Box No.3745, Coimbatore - 641 018
Tel : (0422) 4236200, 4236207
E-mail : investors@sakthifinance.com, svenkatesh@sakthifinance.com
Website : www.sakthifinance.com

D. Corporate Social Responsibility ("CSR") Committee

The CSR Committee had been constituted in compliance with the requirements of Section 135 of the Act and is chaired by an Independent Director.

Terms of reference

The role of CSR Committee is to formulate and recommend to the Board, a CSR Policy which shall:

a. indicate the activities to be undertaken as specified in Schedule VII to the Act;

b. recommend the amount of expenditure to be incurred on the CSR activities;

c. to monitor the CSR Policy of the Company from time to time;

d. prepare a transparent monitoring mechanism for ensuring implementation of the projects/ programmes / activities proposed to be undertaken by the Company; and

e. to do all such acts, deeds and things as may be required in connection with the CSR activities.

The CSR Policy has been hosted on the website of the Company, **https://sakthifinance.com/wp-content/uploads/2025/02/SFL_Corporate_Social_Responsibility_CSR_Policy.pdf**

The Board of Directors had, at their meetings held on 30 May 2025 and 27 September 2025 respectively, reconstituted the CSR Committee. The composition of the CSR Committee, the number of meetings held and the attendance of its members are given below:

Composition, Number of Meetings held and Attendance

The Committee held one (1) meeting during the financial year on 9 March 2026 and the attendance of its members are given below:

The composition of CSR Committee is given below:

Sl No	Name of the Director	Member of Committee since	Category	Number of meetings		No of Equity Shares held in the Company
				Held	Attended and percentage	
1	Sri Korukkai Visweswaran Ramachandran*	27-09-2025	Chairman, Non- Executive Independent Director	1	1 (100%)	-
2	Sri Balasubramaniam Mahalingam	09-08-2014	Member, Executive Non-Independent Director	1	1 (100%)	10,91,636
3	Sri Kollengode Padmanabhan Ramakrishnan**	30-05-2025	Chairman, Non- Executive Independent Director	-	-	-
4	Dr Sundaraswamy Veluswamy***	30-05-2025	Member, Non- Executive Non-Independent Director	1	1 (100%)	-

* appointed as Chairman and member of the Committee by the Board of Directors at their meeting held on 27 September 2025.

** ceased to be the Chairman of the Committee on completion of his second term as Independent Director on 27 September 2025.

*** appointed as a member of the Committee by the Board of Directors at their meeting held on 30 May 2025.

E. Asset Liability Management ("ALM") Committee

The ALM Committee is constituted in compliance with RBI requirements.

Terms of reference

The ALM Committee reviews the company's fiscal and risk management policies and practices adopted by the company.

The Board of Directors had, at their meetings held on 27 September 2025 and 6 December 2025 respectively, reconstituted the ALM Committee.

The present composition of the ALM Committee, the number of meetings held and the attendance of its members are given below:

Composition, Number of Meetings held and Attendance

The Committee held six (6) meetings during the financial year on 23 May 2025, 4 July 2025, 13 August 2025, 11 November 2025, 11 February 2026 and 9 March 2026 and the attendance of its members are given below:

Sl No	Name of the Director / Officers	Member of Committee since	Category	Number of meetings		No of Equity Shares held in the Company
				Held	Attended and percentage	
1	Sri Balasubramaniam Mahalingam*	24-10-2001	Chairman, Executive Non-Independent Director	6	5 (83.33%)	10,91,636
2	Dr Sundaraswamy Veluswamy*	09-12-2022	Member, Non-Executive Non-Independent Director	6	6 (100%)	-
3	Sri Korukkai Visweswaran Ramachandran**	04-07-2025	Member, Non-Executive Independent Director	6	4 (66.67%)	-
4	Sri K Sundaramurthy	26-09-2024	Member, Chief Financial Officer	6	6 (100%)	-
5	Sri K S Venkitasubramanian***	13-11-2021	Member, Chief Operating Officer	6	3 (50%)	-
6	Sri S Senthilkumar	14-02-2015	Member, Chief Accounts Officer	6	6 (100%)	-
7	Sri B Senthilnathan****	06-12-2025	Member, Chief Operating Officer	6	2 (33.33%)	-

* Sri Balasubramaniam Mahalingam, Member became the Chairman of the Committee and Dr Sundaraswamy Veluswamy, Chairman became the Member with effect from 27 September 2025.

** appointed as member of the Committee by the Board of Directors at their meeting held on 4 July 2025.

*** ceased to be a member of the Committee with effect from 6 December 2025 .

**** appointed as member of the Committee by the Board of Directors at their meeting held on 6 December 2025.

F. Risk Management Committee

The Risk Management Committee **("RMC")** has been constituted in compliance with RBI and SEBI requirements. The Board of Directors had, at their meeting held on 27 September 2025, reconstituted the RMC.

The terms of reference of the RMC is in conformity with Regulations 21 and 62I read with Part D of Schedule II to the Listing Regulations.

Terms of reference

The terms of reference of RMC includes the following:

1. To formulate a detailed risk management policy which shall include:
   a. A framework for identification of internal and external risks specifically faced by the listed entity, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee.
   b. Measures for risk mitigation including systems and processes for internal control of identified risks.
   c. Business continuity plan.
2. To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;
3. To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;
4. To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;
5. To keep the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken;
6. The appointment, removal and terms of remuneration of the Chief Risk Officer (if any) shall be subject to review by the Risk Management Committee.

The present composition of the RMC, the number of meetings held and the attendance of its members are given below:

Composition, Number of Meetings held and Attendance

The Committee held five (5) meetings during the financial year on 23 May 2025, 13 August 2025, 11 November 2025, 11 February 2026 and 9 March 2026 and the attendance of its members are given below:

Sl No	Name of the Director	Member of Committee since	Category	Number of meetings		No of Equity Shares held in the Company
				Held	Attended and percentage	
1	Sri Korukkai Visweswaran Ramachandran*	27-09-2025	Chairman, Non-Executive, Independent Director	5	3 (60.00%)	-
2	Sri Balasubramaniam Mahalingam	26-09-2024	Member, Executive, Non-Independent Director	5	3 (60.00%)	10,91,636
3	Dr Sundaraswamy Veluswamy	07-08-2023	Member, Non-Executive, Non-Independent Director	5	5 (100%)	-
4	Sri Shivram Sethuraman**	27-09-2025	Member, Non-Executive, Independent Director	5	3 (60.00%)	-
5	Smt Priya Bhansali***	26-09-2024	Member, Non-Executive, Independent Director	5	2 (40.00%)	-
6	Sri Kollengode Padmanabhan Ramakrishnan***	01-04-2024	Chairman, Non-Executive, Independent Director	5	2 (40.00%)	-

* appointed as Chairman of the Committee by the Board of Directors at their meeting held on 27 September 2025.

** appointed as a Member of the Committee by the Board of Directors at their meeting held on 27 September 2025.

*** ceased to be the Chairman and Member of the Committee respectively on completion of their second term as Independent Directors with effect from 27 September 2025.

G. Finance, Investment and Securities Issuance Committee ("FISIC")

The Board of Directors had, at their meeting held on 6 December 2025, reconstituted the FISIC.

Terms of reference

The terms of reference of FISIC are given below:

1. The Committee is authorized to borrow, accept and approve sanctions/ modifications of credit facilities from the bankers and other financial institutions up to an amount not exceeding ₹ 50,000 lakh and to make necessary investments in compliance with RBI Directions.
2. Further, the Committee is vested with the responsibility of issuance of securities (both Public Issue and Private Placement) along with their listing. The Committee is authorized to allot equity shares, preference shares and other debt securities and to do such acts, deeds and things as may be deemed necessary or desirable in connection with such allotment of equity shares and other securities.

Other detailed terms of reference are given below:

a. Authorization of any director or directors of the Company or other officer or officers of the Company, including by the grant of power of attorneys, to do such acts, deeds and things as such authorized person in his/her/its absolute discretion may deem necessary or desirable in connection with the issue, offer and allotment of the NCDs;

b. Giving or authorizing the giving by persons concerned of such declarations, affidavits, certificates, consents and authorities as may be required from time to time;

c. Appointing the lead manager(s) to the issue in accordance with the provisions of the SEBI NCS Regulations;

d. Seeking, if required, any approval, consent or waiver from the Company's lenders, and/or parties with whom the Company has entered into various commercial and other agreements and/or any/all government and regulatory authorities concerned in India and/or any other approvals, consents or waivers that may be required in connection with the issue, offer and allotment of the NCDs;

e. Deciding, approving, modifying or altering the pricing and terms of the NCDs and all other related matters, including the determination of the size of the NCD issue up to the maximum limit prescribed by the Board;

f. Approval of the draft and final prospectus or disclosure document as the case may be (including amending, varying or modifying it, as may be considered desirable or expedient) as finalized in consultation with the Lead Manager(s), in accordance with all applicable laws, rules, regulations and guidelines:

g. Seeking the listing of the NCDs on any Indian stock exchange, submitting the listing application to such stock exchange and taking all actions that may be necessary in connection therewith;

h. Appointing the Registrars and other intermediaries to the NCD Issue, in accordance with the provisions of the SEBI NCS Regulations;

i. Finalization of arrangement for the submission of the prospectus to be submitted to the Stock Exchange(s) for receiving comments from the public and the prospectus to be filed with the Stock Exchange and any corrigendum, amendments supplements thereto;

j. Appointing the Debenture Trustee(s) and execution of the Debenture Trust Deed in connection with the NCD Issue, in accordance with the provisions of the SEBI NCS Regulations;

k. Authorization of the RTA for maintenance of register of NCD holders;

l. Finalization of the basis of allotment of the NCDs including in the event of over-subscription;

m. Finalization of the allotment of the NCDs on the basis of the applications received, acceptance and appropriation of the proceeds of the NCD Issue; and

n. To generally do any other act and/or deed, to negotiate and execute any document/s, application/s, agreement/s, undertaking/s, deed/s, affidavits, declarations and issue certificates, and/or to give such direction as it deems fit or as may be necessary or desirable with regard to the NCD Issue.

The present composition of the FISIC, the number of meetings held and the attendance of its members are given below:

Composition, Number of Meetings held and Attendance

During the financial year, twelve (12) meetings were held on 4 April 2025, 9 April 2025, 19 June 2025, 7 July 2025, 19 July 2025, 1 August 2025, 25 August 2025, 29 August 2025, 22 September 2025, 7 October 2025, 1 December 2025 and 5 March 2026, for approving the borrowings, Investment and Securities Issuance of the Company and the attendance of its members are given below:

Sl No	Name of the Officers	Member of Committee since	Category of Senior Management Personnel	Number of meetings		No of Equity Shares held in the Company
				Held	Attended and percentage	
1	Sri K S Venkitasubramanian*	01-04-2024	Chairman, Chief Operating Officer	12	11 (91.67%)	-
2	Sri K Sundaramurthy	26-09-2024	Member, Chief Financial Officer	12	12 (100%)	-
3	Sri S Senthilkumar	01-04-2024	Member, Chief Accounts Officer	12	12 (100%)	-
4	Sri B Senthilnathan**	06-12-2025	Chairman, Chief Operating Officer	12	1 (8.33%)	-

* relinquished as Chairman of the Committee with effect from 6 December 2025

** appointed as Chairman of the Committee by the Board of Directors at their meeting held on 6 December 2025.

H. Information Technology ("IT") Strategy Committee

The Board of Directors had, at their meeting held on 14 November 2017, constituted an Information Technology **("IT")** Strategy Committee in compliance with the RBI's Master Direction - Information Technology Framework for the NBFC Sector and was reconstituted on 27 September 2025.

Terms of reference

a. Providing input to other Board Committees and Senior Management.

b. Carrying out review and amending the IT strategies in line with the corporate strategies, Board Policy reviews, cyber security arrangements and any other matters related to IT Governance.

c. Approving IT strategy and policy documents and ensuring that the management has put an effective strategic planning process in place.

d. Ascertaining that management has implemented processes and practices that ensure that the IT delivers value to the business.

e. Ensuring IT investments represent a balance of risks and benefits and that budgets are acceptable.

f. Monitoring the method that management uses to determine the IT resources needed to achieve strategic goals and provide high-level direction for sourcing and use of IT resources.

g. Ensuring proper balance of IT investments for sustaining Company's growth and becoming aware about exposure towards IT risks and controls.

The present composition of IT Strategy Committee, the number of meetings held and the attendance of its members are given below

Composition, Number of Meetings held and Attendance

The committee held four (4) meetings during the financial year on 23 May 2025, 12 August 2025, 11 November 2025 and 11 February 2026 and the attendance of its members are given below:

Sl No	Name of the Director / Officer	Member of Committee since	Category of Directorship / Senior Management Personnel	Number of meetings		No of Equity Shares held in the Company
				Held	Attended and percentage	
1	Smt Priya Bhansali*	26-09-2024	Member, Non-Executive Independent Director	4	2 (50%)	-
2	Sri Srinivaasan Mahalingam **	01-04-2024	Member, Non-Executive Non- Independent Director	4	-	2,51,355
3	Dr Sundaraswamy Veluswamy	14-11-2017	Member, Non-Executive Non-Independent Director	4	4 (100%)	-
4	Sri Balasubramaniam Mahalingam ***	27-09-2025	Member, Executive Non-Independent Director	4	1(25%)	10,91,636
5	Sri Korukkai Visweswaran Ramachandran****	27-09-2025	Chairman, Non-Executive Independent Director	4	2 (50%)	-
6	Sri K Sundaramurthy	26-09-2024	Member, Chief Financial Officer	4	4 (100%)	-
7	Dr N Raveendran	14-11-2017	Member, Chief Information Officer	4	4 (100%)	-

* ceased to be a Member of the Committee on completion of her second term of Office as Independent Director with effect from 27 September 2025.

** relinquished as a Member of the Committee with effect from 27 September 2025

*** appointed as a Member of the Committee by the Board of Directors at their meeting held on 27 September 2025.

**** appointed as the Chairman of the Committee by the Board of Directors at their meeting held on 27 September 2025.

I. INFORMATION SECURITY ("IS") COMMITTEE

As per RBI's Master Direction on Information Technology Governance, Risk, Controls and Assurance Practices (**"RBI MD-IT"**), the Board of Directors had, at their Board Meeting held on 27 March 2024, constituted the Information Security **("IS")** Committee and reconstituted it on 27 September 2025 and 6 December 2025 respectively.

Terms of reference

The Terms of reference of the Information Security **("IS")** Committee are given below:

a. Development of information/cyber security policies, implementation of policies, standards and procedures to ensure that all identified risks are managed within the Company's risk appetite;

b. Approving and monitoring information security projects and security awareness initiatives;

c. Reviewing cyber incidents, information systems audit observations, monitoring and mitigation activities; and

d. Updating IT Steering Committee and CEO periodically on the activities of IS Committee.

The present composition of IS Committee, the number of meetings held and the attendance of its members, are given below:

Composition, Number of Meetings held and Attendance

The committee held four (4) meetings during the financial year on 26 May 2025, 18 August 2025, 25 November 2025 and 26 February 2026 and the attendance of its members are given below:

Sl No	Name of the Director / Officer	Member of Committee since	Category of Directorship / Senior Management Personnel	Number of meetings		No of Equity Shares held in the Company
				Held	Attended and percentage	
1	Sri Shivram Sethuraman*	27-09-2025	Chairman, Non-Executive, Independent Director	4	2 (50%)	-
2	Dr N Raveendran	27-03-2024	Member, Chief Information Officer	4	4 (100%)	-
3	Sri K Sundaramurthy	26-09-2024	Member, Chief Financial Officer	4	4 (100%)	-
4	Sri K S Venkita subramanian**	27-03-2024	Member, Chief Operating Officer	4	3 (75%)	-
5	Sri N Sadeesh***	08-08-2024	Member, Chief Information Security Officer	4	1 (25%)	-
6	Sri B Senthilnathan****	06-12-2025	Member, Chief Operating Officer	4	1 (25%)	-

* appointed as Chairman of the Committee by the Board of Directors at their meeting held on 27 September 2025.

** relinquished as a member of the Committee with effect from 6 December 2025

*** ceased to be a member of the Committee with effect from 27 September 2025.

**** appointed as a member of the Committee by the Board of Directors at their meeting held on 6 December 2025.

J. INFORMATION TECHNOLOGY ("IT") STEERING COMMITTEE

The committee was constituted by the Board of Directors at their Meeting held on 20 November 2022 to support the IT Strategy Committee.

Terms of reference

The Terms of reference of the Information Technology Steering Committee (**"ITS"**) Committee are given below:

a. Strategic IT Planning, Oversight of IT Performance and aligning IT activities with business needs;
b. Update Board / IT Strategy Committee and Vice Chairman and Managing Director periodically on the activities of IT Steering Committee;
c. Oversee the business continuity planning process etc;
d. Define IT project success measures and follow up progress on IT Projects;
e. Ensure compliance with technology standards and guidelines; and
f. Ensure implementation of a robust IT architecture meeting statutory and regulatory compliance.

The Committee has been reconstituted by the Board of Directors at their meeting held on 6 December 2025.

The present composition of IT Steering Committee, the number of meetings held and the attendance of its members are given below:

Composition, Number of Meetings held and Attendance

The Committee held four (4) meetings during the financial year on 20 May 2025, 8 August 2025, 13 November 2025 and 25 February 2026 and the attendance of its members are given below:

Sl No	Name of the Officers	Member of Committee since	Category of Senior Management Personnel	Number of meetings		No of Equity Shares held in the Company
				Held	Attended and percentage	
1	Dr N Raveendran	26-09-2024	Chairman, Chief Information Officer	4	4(100%)	-
2	Sri K Sundaramurthy	25-09-2024	Member, Chief Financial Officer	4	4 (100%)	-
3	Sri K S Venkitasubramanian*	27-03-2024	Member, Chief Operating Officer	4	3 (75.00%)	-
4	Sri S Senthilkumar	27-03-2024	Member, Chief Accounts Officer	4	4 (100%)	-
5	Sri B Senthilnathan**	06-12-2025	Member, Chief Operating Officer	4	1 (25.00%)	-

* relinquished from the Committee with effect from 6 December 2025.

** appointed as a member of the Committee by the Board of Directors at their meeting held on 6 December 2025.

K. Committee of Executives ("CoE") (formerly Special Committee of the Board for Monitoring and Follow up Cases of Fraud ("SCBMF"))

The Board of Directors have, at their meeting held on 12 February 2025, constituted a Special Committee of the Board for Monitoring and Follow-up of cases of Fraud **("SCBMF")** in terms of Reserve Bank of India's Master Direction on Fraud Risk Management in Non-Banking Financial Companies (NBFCs). The SCBMF has since been renamed as Committee of Executives **("CoE")** in line with RBI Master Directions.

Terms of reference of CoE are as follows:

i. To monitor and follow up cases of frauds, including root cause analysis and suggest mitigating measures for strengthening the internal controls, Risk Management Framework and minimizing the incidence of frauds.

ii. The coverage (which include, among others, categories/trends of frauds, industry/ sectoral/ geographical concentration of frauds, delay in detection / classification of frauds and delay in examination/conclusion of staff accountability etc) and periodicity of such reviews.

Composition, Number of Meetings held and Attendance

No meeting was required to be held during the year.

Sl No	Name of the Officers	Member of Committee since	Category of Senior Management Personnel	Number of meetings		No of Equity Shares held in the Company
				Held	Attended and percentage	
1	Sri K S Venkitasubramanian*	12-02-2025	Chairman, Chief Operating Officer	-	-	-
2	Sri B Senthilnathan**	06-12-2025	Chairman, Chief Operating Officer	-	-	-
3	Dr K Natesan	12-02-2025	Member, President	-	-	161
4	Sri G R Krishnan	12-02-2025	Member, General Manager (Credit and Quality Assurance)	-	-	25
5	Sri C Muthu Bharathi	12-02-2025	Member, General Manager (Human Resources)	-	-	-

* ceased to be a member of the Committee with effect from 6 December 2025.

** appointed as a member of the Committee by the Board of Directors at their meeting held on 6 December 2025.

L. Identification Committee ("IC")

The Board of Directors had, at their meeting held on 12 February 2025, constituted an Identification Committee in terms of RBI's Master Direction on Treatment of Wilful Defaulters and Large Defaulters which was reconstituted on 6 December 2025.

Terms of Reference:

The Terms of reference of Identification Committee are as follows:

a. To examine the evidence of wilful default

b. To verify the evidence of wilful default to be examined by it

Composition, Number of Meetings held and Attendance

No meeting was required to be held during the year.

Sl No	Name of the Officers	Member of Committee since	Category of Senior Management Personnel	Number of meetings		No of Equity Shares held in the Company
				Held	Attended and percentage	
1	Sri K S Venkitasubramanian*	12-02-2025	Chairman, Chief Operating Officer	-	-	-
2	Sri B Senthilnathan**	06-12-2025	Chairman, Chief Operating Officer	-	-	-
3	Dr K Natesan	12-02-2025	Member, President	-	-	161
4	Sri G R Krishnan	12-02-2025	Member, General Manager (Credit and Quality Assurance)	-	-	25

* ceased to be a member of the Committee with effect from 6 December 2025

** appointed as a member of the Committee by the Board of Directors at their meeting held on 6 December 2025.

M. Review Committee ("RC")

The Board of Directors had, at their meeting held on 12 February 2025, constituted a Review Committee in terms of RBI's Master Direction on Treatment of Wilful Defaulters and Large Defaulters.

Terms of Reference

The Terms of reference of Review Committee are as follows:

To examine the proposal along with the written representations received from the borrower.

Composition, Number of Meetings held and Attendance

No meeting was required to be held during the year.

Sl No	Name of the Director	Member of Committee since	Category of Directorship	Number of meetings		No of Equity Shares held in the Company
				Held	Attended and percentage	
1	Sri Balasubramaniam Mahalingam	12-02-2025	Chairman, Executive, Non-Independent Director	-	-	10,91,636
2	Dr Sundaraswamy Veluswamy	12-02-2025	Member, Non-Executive, Non-Independent Director	-	-	-
3	Sri Kollengode Padmanabhan Ramakrishnan*	12-02-2025	Member, Non-Executive, Independent Director	-	-	-
4	Sri Shanmugasundaram Chandrasekhar**	27-09-2025	Member, Non-Executive, Non-Independent Director	-	-	1,500

* ceased to be a member of the Committee with effect from 27 September 2025.

** has been appointed as a member of the Committee by the Board of Directors at their meeting held on 27 September 2025.

N. Customer Service Committee ("CSC")

The Board of Directors had, at their meeting held on 12 February 2026, constituted a Customer Service Committee as per the Reserve Bank of India's Notification No.CO.CEPD.PRS.No.S863/13-01-008/2025-2026 dated 9 December 2025, relating to "Lodging of Customer Complaints – Disclosure on Websites of the Regulated Entities" and handling of Complaints.

Terms of Reference:

The Terms of reference of Customer Service Committee are as follows:

The Committee shall oversee the complaints received, addressed, complaints in pipeline, its handling and effective address at regular periodic intervals.

Composition, Number of Meetings held and Attendance

No meeting was required to be held during the year.

Sl No	Name of the Director / Officers	Member of Committee since	Category of Directorship / Senior Management Personnel	Number of meetings		No of Equity Shares held in the Company
				Held	Attended and percentage	
1	Dr Sundaraswamy Veluswamy	12-02-2026	Chairman, Non-Independent Director	-	-	-
2	Dr K Natesan	12-02-2026	Member, President	-	-	161
3	Sri B Senthilnathan	12-02-2026	Member, Chief Operating Officer	-	-	-
4	Sri S Senthilkumar	12-02-2026	Member, Chief Accounts Officer	-	-	-
5	Sri C Vivek	12-02-2026	Member, General Manager - Operations	-	-	-

4. PARTICULARS OF SENIOR MANAGEMENT

The details of Senior Management Personnel **("SMP")** as on 31 March 2026 as defined under Regulation 16(d) of the Listing Regulations, including employees therein since the close of previous financial year, are given below:

Sl No	Name of the Officials	Designation
1	Sri K S Venkitasubramanian	Chief Operating Officer (Up to 6 December 2025)
2	Sri B Senthilnathan	Chief Operating Officer (with effect from 6 December 2025)
3	Sri K Sundaramurthy	Chief Financial Officer
4	Sri S Venkatesh	Company Secretary and Chief Compliance Officer
5	Sri S Senthilkumar	Chief Accounts Officer
6	Dr N Raveendran	Chief Information Officer
7	Sri M Purushothaman	Head - OSM
8	Dr K Natesan	President
9	Sri V Viswanathan	Vice President – PMO
10	Sri Jom Kuriakose Joseph	Associate Vice President - Strategic Initiatives (up to 28 February 2026)

Sl No	Name of the Officials	Designation
11	Sri A Sagayaraj Joseph	General Manager – Business Risk Management
12	Sri G R Krishnan	General Manager – Credit and Quality Assurance
13	Sri C Muthu Bharathi	General Manager – Human Resource
14	Sri C Vivek	General Manager – Operations
15	Sri Amrit Vishnu Balasubramaniam	Head – Special Projects (with effect from 1 July 2026)

5. INTERNAL GUIDELINES ON CORPORATE GOVERNANCE

In accordance with the provisions of the Listing Regulations and Master Direction – RBI (Non-Banking Financial Companies - Governance) Directions, 2025 **("RBI-NBFC-Governance Directions")**, as amended, the Company has formulated the Internal Guidelines on Corporate Governance and it is also hosted on the website of the Company, for the information of the members.

6. SUBSIDIARY COMPANY

The Company does not have any subsidiary company.

7. GENERAL BODY MEETINGS

a. Details of Special Resolutions passed in the previous three Annual General Meetings are given below:

Sl No	Type of Meeting	Date, Time and Venue	Special Resolutions passed
1	68th Annual General Meeting	Saturday, 27 September 2025 at 12.00 Noon conducted through Video Conference **("VC")** / Other Audio-Visual Means **("OAVM")**. Deemed location is the Registered Office of the Company situated at 62, Dr. Nanjappa Road, Coimbatore – 641 018	1. Appointment of Smt. Susheela Balakrishnan (DIN: 07140637) as an Independent Director of the Company. 2. Appointment of Sri. S Shivram (DIN: 07946245) as an Independent Director of the Company. 3. Re-appointment of Sri M Balasubramaniam (DIN: 00377053) as Managing Director of the Company for a period of five (5) consecutive years with effect from September 29, 2025 to September 28, 2030 (both days inclusive) and payment of remuneration. 4. Issue of Secured, Redeemable, Non-Convertible Debentures **("NCDs")** and / or other Debt Securities etc. on private placement basis for an amount not exceeding ₹ 250 crores. 5. Alteration of Capital Clause 5 in the Memorandum of Association of the Company. 6. Alteration of Capital Clause (Article 3) of the Articles of Association of the Company. 7. Issue of Redeemable, Cumulative, Preference Shares on Private Placement basis for an amount not exceeding ₹ 2,000 lakhs
2	67th Annual General Meeting	Tuesday, 10 September 2024 at 11.00 a.m. conducted through Video Conference **("VC")** / Other Audio-Visual Means **("OAVM")**. Deemed location is the Registered Office of the Company situated at 62, Dr. Nanjappa Road, Coimbatore – 641 018	1. Appointment of Sri M Bhaskar (DIN:02919393) as an Independent Director of the Company. 2. Appointment of Sri Advait Kurlekar (DIN:00808669) as an Independent Director of the Company. 3. Issue of Secured, Redeemable, Non-Convertible Debentures **("NCDs")** and / or Other Debt Securities on private placement basis for an amount not exceeding ₹ 500 crores.
3	66th Annual General Meeting	Thursday, 21 September 2023 at 4.00 p.m. conducted through Video Conference **("VC")** / Other Audio-Visual Means **("OAVM")**. Deemed location is the Registered Office of the Company situated at 62, Dr. Nanjappa Road, Coimbatore – 641 018	1. Issue of Redeemable, Cumulative Preference Shares on Private Placement basis for an amount not exceeding ₹ 15 crores. 2. Issue of Secured or Unsecured, Redeemable, Non-Convertible Debentures **("NCDs")** and / or other Debt Securities on private placement basis for an amount not exceeding ₹ 750 crores. 3. Adoption of New set of Articles of Association.

b. Special Resolution passed through postal ballot during the financial year 2025 -26

The Company sought the approval of its members on the following matters by way of Special Resolutions through Postal Ballot notices as detailed below, by utilizing remote e-voting process only.

Postal Ballot - July 2025

Date of Postal Ballot Notice	4 July 2025			
Voting Period	From Thursday, 10 July 2025 to Friday, 8 August 2025			
Date of Approval	8 August 2025			
Declaration of Result	9 August 2025			
Description of Special Resolution	**VOTES FOR**		**VOTES AGAINST**	
	No. of Votes	**% of Votes**	**No. of Votes**	**% of Votes**
Appointment of Sri. K V Ramachandran (DIN: 00322331), as a Director and as an Independent Director of the Company.	5,39,64,103	99.98	11,903	0.02

Postal Ballot - September 2025

Date of Postal Ballot Notice	27 September 2025			
Voting Period	From Monday, 6 October 2025 to Friday, 4 November 2025			
Date of Approval	4 November 2025			
Declaration of Result	5 November 2025			
Description of Special Resolution	**VOTES FOR**		**VOTES AGAINST**	
	No. of Votes	**% of Votes**	**No. of Votes**	**% of Votes**
Appointment of Sri Saurabh Jain (DIN: 02322422), as a Director and in the category of Non-Executive, Independent Director of the Company.	5,39,74,338	99.98	13,104	0.02

Postal Ballot - February 2026

Date of Postal Ballot Notice	12 February 2026			
Voting Period	From Thursday, 19 February 2026 to Friday, 20 March 2026			
Date of Approval	20 March 2026			
Declaration of Result	21 March 2026			
Description of Special Resolution	**VOTES FOR**		**VOTES AGAINST**	
	No. of Votes	**% of Votes**	**No. of Votes**	**% of Votes**
To consider and approve payment of commission to Dr S Veluswamy (DIN: 05314999), Non-Executive, Non-Independent Director of the Company.	5,39,73,526	99.995	2,433	0.005

Procedure for the Postal Ballot:

a. Your Company conducted Postal Ballots in accordance with Sections 108, 110 and other applicable provisions, if any, of the Act, read with Rules 20 and 22 of the Companies (Management and Administration) Rules, 2014, Regulation 44 of the Listing Regulations including any statutory modification(s) or re-enactment(s) thereof for the time being in force, Secretarial Standard on General Meetings (**"SS-2"**), read with MCA General Circular Nos. 14 and 17/2020 dated 8 April 2020 and 13 April 2020 respectively and MCA General Circular No. 03/2025 dated 22 September 2025 and subject to other applicable laws, rules and regulations.

In compliance with the above MCA Circulars, the Postal Ballot Notices were sent only through electronic mode to those Members whose names appear in the Register of Members/ List of Beneficial Owners as on the cut-off date determined by the Company, received from National Securities Depository Limited and Central Depository Services (India) Limited (**"Depositories"**) and was sent only in electronic mode to those Members whose e-mail addresses were registered with the Company or Registrar and Transfer Agent of the Company or the Depository Participant(s).

Additionally, Members who had not registered their e-mail addresses were requested to register/update their email addresses, in respect of electronic holdings with the Depositories through the Depository Participants concerned and in respect of physical holdings with Registrar and Transfer Agent of the Company by following due procedure.

The Physical copies of this Postal Ballot Notice, postal ballot forms and pre-paid business reply envelopes were not sent to Members for the Postal Ballot process. Your Company had engaged the services of Central Depository Services (India) Limited (**"CDSL"**) as the agency to provide remote e-Voting facility for the above Postal Ballot Process.

b. Sri. R Sivasubramanian, Practicing Company Secretary (ICSI Membership No. A22289, C.o.P No.12052) was appointed as the Scrutinizer for conducting the above Postal Ballots through the remote e-Voting process in a fair and transparent manner and by following the provisions of the Act and the rules made thereunder.

c. None of the resolutions proposed for the ensuing Annual General Meeting need to be passed by Postal Ballot.

8. MEANS OF COMMUNICATION

a. The quarterly results are published in national/regional daily ("Business Line" in English and "The Hindu-Tamil Thisai" in Tamil).

b. The following are also promptly displayed on the Company's Website, **www.sakthifinance.com** and also filed with BSE Limited's on-line filing portal.

- Financial Results, Shareholding Pattern, Corporate Governance Report, Annual Reports under **"Investors Information".**
- Letters/intimations to Stock Exchange are under **"Announcement by SFL"** under **"Investors Information"**.

9. MANAGEMENT

A detailed Management Discussion and Analysis Report forms part of the Board's Report **(refer Annexure 1).**

10. DIRECTOR'S REAPPOINTMENT

Details of disclosure regarding reappointment of a Director retiring by rotation is given in the **Annexure-1** to the AGM Notice.

11. GENERAL SHAREHOLDER INFORMATION

69th Annual General Meeting

Day, Date and Time	:	**Saturday, September 26, 2026 at 11.30 a.m.**
Mode	:	Through Video Conference **("VC")** / Other Audio-Visual Means **("OAVM")**
Deemed Venue	:	Registered Office of the Company at 62,Dr. Nanjappa Road, Coimbatore - 641 018

12. FINANCIAL CALENDAR FOR 2026-27

Unaudited financial results for the quarter ended June 2026	On or before 14 August 2026
Unaudited financial results for the quarter ending September 2026	On or before 14 November 2026
Unaudited financial results for the quarter ending December 2026	On or before 14 February 2027
Audited financial results for the year ending March 2027	On or before 30 May 2027
Annual General Meeting for the year ending March 2027	On or before 30 September 2027

13. DIVIDEND PAYMENT

The Board of Directors had, at their meeting held on 23 May 2026, recommended an equity dividend at the rate of 8 per cent (8%) which is subject to deduction of tax, wherever applicable. Dividend will be paid on or after 26 September 2026 but within the stipulated time.

14. STOCK EXCHANGE INFORMATION

Name and Address of Stock Exchange where the securities are listed	BSE Limited Floor 25, P J Towers, Dalal Street, Fort, Mumbai - 400 001
Details about payment of Annual Listing Fees for the financial year 2026-2027	₹ 20.35 lakhs

15. PROCEEDS FROM PUBLIC ISSUE OF NCDs

During the year under review, the Company raised an amount of ₹ **25,000 lakhs** through Public Issues of Secured, Rated, Listed, Redeemable, Non-convertible Debentures on 4 April 2025 and 29 August 2025 respectively. The Company has fully utilised the proceeds towards the objects stated in the prospectus.

16. LISTING ON STOCK EXCHANGE AND STOCK CODE:

a. International Securities Identification Number ("ISIN") (for Equity Shares): INE302E01014.

b. Corporate Identification Number ("CIN") : L65910TZ1955PLC000145

c. Details of NCDs listed with BSE Limited : NCD Public Issue 2021

As per the terms and conditions of the Public Issue Prospectus dated 25 June 2021, your company has redeemed the Secured, Redeemable, Non-Convertible Debentures issued under Options V and VI aggregating ₹ 6,747.62 lakh (Principal amount - ₹ 5,673.13 lakh + Interest Amount - ₹ 1,074.49 lakh) on 29 August 2025.

The details of outstanding NCDs are given below:

Option	ISIN	Scrip Code	Coupon Rate (%)	Frequency of Interest Payment	Amount (₹ lakhs)	Date of Maturity
Unsecured*						
VII	INE302E08084	937595	10.50	Monthly	3,088.94	29 August 2026
VIII	INE302E08092	937597	NA	Cumulative	1,670.53	29 August 2026
Total					**4,759.47**	

* will be redeemed on 29 August 2026.

d. Details of Secured NCDs listed with BSE Limited : NCD Public Issue 2022

As per the terms and conditions of the Public Issue Prospectus dated 5 April 2022, your company has redeemed the Secured, Redeemable, Non-Convertible Debentures issued under Options V and VI aggregating ₹ 409.52 lakhs (Principal amount - ₹ 353.94 lakh + Interest Amount - ₹ 55.58 lakhs) on 29 April 2026.

The details of outstanding NCDs are given below:

Option	ISIN	Scrip Code	Coupon Rate (%)	Frequency of Interest Payment	Amount (₹ lakhs)	Date of Maturity
VII	INE302E07466	937985	10.00	Monthly	4,374.51	29 April 2027
VIII	INE302E07474	937987	NA	Cumulative	2,116.80	29 April 2027
Total					**6,491.31**	

e. Details of Secured NCDs listed with BSE Limited : NCD Public Issue 2023

As per the terms and conditions of the Public Issue Prospectus dated 10 April 2023, your company has redeemed Secured, Redeemable, Non-Convertible Debentures issued under Options III and IV aggregating ₹ 2,683.56 lakh (Principal amount - ₹ 2,196.26 lakh + Interest Amount - ₹ 487.30 lakh) on 8 May 2026.

The details of outstanding NCDs are given below:

Option	ISIN	Scrip Code	Coupon Rate (%)	Frequency of Interest Payment	Amount (₹ lakhs)	Date of Maturity
V	INE302E07557	938600	9.50	Monthly	210.19	8 May 2027
VI	INE302E07490	938602	NA	Cumulative	251.01	8 May 2027
VII	INE302E07565	938604	10.25	Monthly	5,075.37	8 May 2028
VIII	INE302E07524	938606	NA	Cumulative	1,615.48	8 May 2028
IX	INE302E07532	938608	NA	Cumulative	2,035.70	8 June 2030
Total					**9,187.75**	

f. Details of Secured NCDs listed with BSE Limited - NCD Public Issue : February 2024

As per the terms and conditions of the Public Issue Prospectus dated 30 January 2024, your company has redeemed the Secured, Redeemable, Non-Convertible Debentures issued under Options I and II aggregating ₹ 2,796.94 lakh (Principal amount - ₹ 2,514.62 lakh + Interest Amount - ₹ 282.32 lakh) on 27 February 2026.

The details of outstanding NCDs are given below:

Option	ISIN	Scrip Code	Coupon Rate (%)	Frequency of Interest Payment	Amount (₹ lakhs)	Date of Maturity
III	INE302E07656	939272	9.25	Monthly	707.89	27 February 2027
IV	INE302E07599	939274	NA	Cumulative	1,787.01	27 February 2027
V	INE302E07649	939276	10.25	Monthly	5,703.14	27 February 2029
VI	INE302E07631	939278	NA	Cumulative	2,556.84	27 February 2029
VII	INE302E07623	939280	NA	Cumulative	1,540.14	29 March 2031
Total					**12,295.02**	

g. Details of Secured NCDs listed with BSE Limited : NCD Public Issue: July 2024

As per the terms and conditions of the Public Issue Prospectus dated 13 June 2024, your company has redeemed the Secured, Redeemable, Non-Convertible Debentures issued under Options I and II aggregating ₹ 1,849.00 lakh (Principal amount - ₹ 1,690.23 lakh + Interest Amount - ₹ 158.77 lakh) on 9 July 2026.

The details of outstanding NCDs are given below:

Option	ISIN	Scrip Code	Coupon Rate (%)	Frequency of Interest Payment	Amount (₹ lakhs)	Date of Maturity
III	INE302E07730	939603	9.25	Monthly	695.93	9 July 2027
IV	INE302E07755	939605	NA	Cumulative	966.66	9 July 2027
V	INE302E07706	939607	10.25	Monthly	5,989.48	9 July 2029
VI	INE302E07714	939609	NA	Cumulative	1,977.98	9 July 2029
VII	INE302E07722	939611	NA	Cumulative	1,047.16	9 August 2031
Total					**10,677.21**	

h. Details of Secured NCDs listed with BSE Limited : NCD Public Issue: April 2025

The details of outstanding NCDs are given below:

Option	ISIN	Scrip Code	Coupon Rate (%)	Frequency of Interest Payment	Amount (₹ lakhs)	Date of Maturity
I	INE302E07813	940231	9.00	Monthly	973.09	04 April 2027
II	INE302E07821	940237	NA	Cumulative	1,105.68	04 April 2027
III	INE302E07839	940241	9.25	Monthly	502.89	04 April 2028
IV	INE302E07854	940249	NA	Cumulative	907.95	04 April 2028
V	INE302E07847	940251	10.25	Monthly	4,268.53	04 April 2030
VI	INE302E07862	940257	NA	Cumulative	1,500.42	04 April 2030
VII	INE302E07870	940259	NA	Cumulative	741.44	04 May 2032
Total					**10,000.00**	

i. Details of Secured NCDs listed with BSE Limited : NCD Public Issue: August 2025

The details of outstanding NCDs are given below:

Option	ISIN	Scrip Code	Coupon Rate (%)	Frequency of Interest Payment	Amount (₹ lakhs)	Date of Maturity
I	INE302E07888	940621	9.00	Monthly	2,424.10	29 August 2027
II	INE302E07912	940623	NA	Cumulative	1,497.36	29 August 2027
III	INE302E07896	940625	9.00	Monthly	420.12	29 August 2028
IV	INE302E07904	940627	NA	Cumulative	777.13	29 August 2028
V	INE302E07920	940629	10.25	Monthly	6,551.48	29 August 2030
VI	INE302E07938	940631	NA	Cumulative	2,255.26	29 August 2030
VII	INE302E07946	940633	NA	Cumulative	1,074.55	29 September 2032
Total					**15,000.00**	

j. Details of Secured NCDs listed with BSE Limited : NCD Private Placement June 2024

The details of outstanding NCDs are given below:

Option	ISIN	Scrip Code	Coupon Rate (%)	Frequency of Interest Payment	Amount (₹ lakhs)	Date of Maturity
I	INE302E07664	975724	9.50	Monthly	210.00	7 June 2027
II	INE302E07680	975725	NA	Cumulative	50.00	7 June 2027
III	INE302E07672	975727	10.25	Monthly	185.00	7 June 2029
IV	INE302E07698	975728	NA	Cumulative	50.00	7 June 2029
Total					**495.00**	

k. Details of Secured NCDs listed with BSE Limited : NCD Private Placement December 2024

The details of outstanding NCDs are given below:

Option	ISIN	Scrip Code	Coupon Rate (%)	Frequency of Interest Payment	Amount (₹ lakhs)	Date of Maturity
I	INE302E07805	976250	9.50	Monthly	118.00	18 December 2027
II	INE302E07797	976251	NA	Cumulative	80.00	18 December 2027
III	INE302E07789	976249	10.25	Monthly	160.00	18 December 2029
Total					**358.00**	

<table>
<tr><th colspan="2">REGISTRARS AND SHARE TRANSFER AGENTS</th><th>DEBENTURE TRUSTEE</th></tr>
<tr><td colspan="2">MUFG Intime India Private Limited (CIN: U67190MH1999PTC118368)</td><td rowspan="3">Catalyst Trusteeship Limited
CIN : U74999PN1997PLC110262
"GDA House"
First Floor, Plot No. 85
Bhusari Colony (Right)
Paud Road, Kothrud
Pune - 411 038
Phone : (020) 66807200
Fax : (022) 49220505
E-mail : dt@ctltrustee.com
Website: www.catalysttrustee.com</td></tr>
<tr><td>For Equity Shares</td><td>For NCD Public Issue</td></tr>
<tr><td>"Surya", 35, May Flower Avenue
Behind Senthil Nagar
Sowripalayam Road
Coimbatore - 641 028
Phone : (0422) 4958995, 2539835-836
E-Mail : investor.helpdesk@in.mpms mufg.com
Website : https://in.mpms.mufg.com/</td><td>C - 101, First Floor
247 Park, Lal Bahadur Shastri Marg
Vikhroli (West), Mumbai - 400 083
Phone : (022) 4918 6200
Fax : (022) 4918 6195
E-mail : sakthifin.ncd_2025a@ in.mpms.mufg.com
Website : https://in.mpms.mufg.com/</td></tr>
</table>

l. Share Transfer System

In order to simplify the process for credit of securities pursuant to investor service requests by reducing the timelines, risk of loss and pilferage, SEBI has, by its Circular No. HO/38/13/(3)2026-MIRSD-POD/I/3763/2026 dated 30th January 2026, decided to dispense with the requirement of issuance of Letter of Confirmation (**"LOC"**) with effect from 2nd April 2026. The Depositories have developed processes and systems to enable RTAs and listed companies to credit the securities directly to the demat account of the investor after necessary due diligence.

Any LOC issued before 2nd April 2026, may be submitted by the investors to the Depository Participant (**"DP"**) for dematerialisation within the specified timeline i.e., 120 days from the date of issuance of LOC

17. DISTRIBUTION OF SHAREHOLDING AS AT 31 MARCH 2026

The distribution of shareholding as at 31 March 2026 is given below:

Shareholding	No. of share holders	% of share holders	No. of shares	% of shareholding
1 - 500	9,396	87.66	11,27,676	1.73
501 - 1,000	648	6.05	5,05,937	0.78
1,001 - 2,000	312	2.91	4,58,722	0.71
2,001 - 3,000	122	1.14	3,09,250	0.48
3,001 - 4,000	45	0.42	1,60,505	0.25
4,001 - 5,000	48	0.45	2,23,293	0.35
5,001 - 10,000	69	0.64	5,02,770	0.78
10,001 and above	79	0.73	6,14,17,729	94.92
Total	**10,719**	**100.00**	**6,47,05,882**	**100.00**

18. SHAREHOLDING PATTERN AS AT 31 MARCH 2026

The shareholding pattern as at 31 March 2026 is given below:

Category	No. of Shares	Percentage
Promoters / Promoter Group	4,33,63,007	67.02
Other bodies corporate	1,11,52,429	17.24
Banks, Financial Institutions and Mutual Funds	900	0.00
Non-resident Incorporated Entity	44,50,000	6.88
Non-Resident Indians	26,884	0.04
Resident public	48,84,056	7.54
Unclaimed Shares Demat Suspense Account	6,775	0.01
Any Others (LLP + Directors + KMP + Clearing members + HUF)	1,85,159	0.29
Investor Education and Protection Fund	6,36,672	0.98
Total	**6,47,05,882**	**100.00**

19. DEMATERIALISATION OF SHARES

The Company's shares are compulsorily traded in dematerialized form and are admitted for trading under both the Depositories of India, namely National Securities Depository Limited **("NSDL")** and Central Depository Services (India) Limited **("CDSL")**. 5,84,49,736 Equity Shares of the Company constituting 90.33 per cent of the paid-up equity capital were dematerialized as on 31 March 2026.

20. NOMINATION FACILITY

The company is accepting nomination forms from members in the prescribed Form SH-13. Any member, who is desirous of making a nomination, is requested to contact the Secretarial Department at the Registered Office of the company or the Registrar and Share Transfer Agents. Members holding shares in dematerialized form are requested to forward their nomination instructions to the depository participant's concerned. Nomination is now mandatory in case of single holder and can be cancelled or varied by the member at any time.

21. OUTSTANDING GDRs OR ADRs OR WARRANTS OR ANY CONVERTIBLE INSTRUMENT'S CONVERSION DATE AND LIKELY IMPACT ON EQUITY

The company has not issued GDRs or ADRs or Warrants or any convertible instruments.

22. ADDRESS FOR CORRESPONDENCE

Sakthi Finance Limited
(CIN:L65910TZ1955PLC000145)
Regd. Office : 62, Dr. Nanjappa Road, Coimbatore – 641 018
Tel : (0422) 4236200
E-mail : investors@sakthifinance.com
Website : www.sakthifinance.com

23. INVESTORS' CORRESPONDENCE

All investors correspondence should be addressed to the Company's Registrar and Transfer Agent at the address mentioned above for equity shares.

Contact Person : Sri K Jayakumar

Investors may also contact the Company Secretary and Chief Compliance Officer at the Registered Office of the Company for any investors grievance related matters.

Tel. No : (0422) 4236200 **E-mail :** investors@sakthifinance.com

The Company has designated an exclusive E-mail Id for the convenience of investors: **investors@sakthifinance.com**

24. CREDIT RATING

During the year under review, the Company has obtained Credit Rating from **ICRA Limited** which has, by its rationale dated 16 July 2025, assigned / reaffirmed the credit rating as detailed below:

Sl No	Instrument	Rating
1	Non-convertible Debentures (**"NCDs"**) – Public Issue	[ICRA]BBB (Stable); reaffirmed and withdrawn
2	Public Issue – Fresh NCDs	[ICRA]BBB (Stable); assigned
3	NCDs Private Placement	[ICRA]BBB (Stable); reaffirmed
4	Fixed deposits	[ICRA]BBB (Stable); reaffirmed
5	Fund based – Term loans	[ICRA]BBB (Stable); reaffirmed
6	Fund-based long-term facilities from banks	[ICRA]BBB (Stable); reaffirmed
7	Fund based – Interchangeable#	[ICRA]BBB (Stable)/[ICRA]A2; reaffirmed
8	Fund-based short-term facilities from banks	[ICRA]A2; reaffirmed

Sub-limit of fund-based long-term facilities from banks

During the current year, ICRA Limited has, by its rationale dated 14 July 2026, reaffirmed the Company's credit ratings as detailed below:

Sl No	Instrument	Rating
1	Non-Convertible Debentures (**"NCDs"**) (for Public Issue and Private Placement)	[ICRA]BBB(Stable); Reaffirmed [ICRA]BBB(Stable); Reaffirmed and withdrawn
2	Fixed Deposit	[ICRA]BBB(Stable); Reaffirmed
3	Long Term / Short Term – Fund based - Banking Facilities#	[ICRA]BBB(Stable)/[ICRA]A2; Reaffirmed

contains long term cash credit, short term working capital demand loans, long term loan and long term and short term others - Inter changeable

25. MANDATORY REQUIREMENT OF PERMANENT ACCOUNT NUMBER (PAN):

With reference to SEBI Circular dated 7 January 2010 and SEBI's Master Circular No. HO/38/13/(4)2026-MIRSD-POD/I/4298/2026 dated 6 February 2026 for Registrars to an Issue and Share Transfer Agents (**"RTAs"**) made it mandatory to furnish PAN copy in the following cases:

a. Deletion of name of deceased shareholder(s), where shares are held in the name of two or more shareholders;
b. Transmission of shares to the legal heir(s), where the deceased shareholder was sole holder;
c. Transposition of shares: In case of change in order of names in which physical shares are held jointly in the name of two or more shareholders.

26. CODE OF CONDUCT FOR PREVENTION OF INSIDER TRADING

In terms of the requirements of Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations 2015, as amended, the Company has adopted a revised Code of Conduct to Regulate, Monitor and Report Trading by Insiders. Sri S Venkatesh, Company Secretary is the Compliance Officer. The Code of Conduct is applicable to all Directors and such designated employees of the Company and other connected persons who have access to unpublished price sensitive information relating to the company.

27. SUSPENSE ESCROW DEMAT ACCOUNT ("SEDA")

As per the Circular(s) issued by SEBI, after due verification of the investor service requests received from the Shareholders / Claimants, Letter of Credits (**"LOC"**) were issued in lieu of physical share certificate(s) by Companies/RTAs. The validity of such LOCs were 120 days from the date of issuance, within which the Shareholder/Claimant was required to make a request to the Depository Participant **("DP")** for dematerialising the shares covered by the LOC. In case the demat request was not submitted within the above timeline of 120 days, companies were required to transfer such shares to SEDA opened by companies for this purpose.

The above process was followed till 31st March 2026. In terms of SEBI Circular dated 30 January 2026, the above process has been simplified by dispensing with the requirement of issuance of LOC with effect from 2 April 2026. Accordingly, after processing the investor service requests with necessary due diligence, RTAs/listed companies shall credit the securities directly to the investor's demat account.

As on 31 March 2026, 3,950 equity shares (holdings of 7 shareholders) are lying in the Sakthi Finance Limited Suspense Escrow Demat Account (**"Unclaimed Suspense Account"**) of the Company opened for the above purpose. Out of which, one shareholder holding 2,600 equity shares has claimed on 9 July 2026 and as on date, only 1,350 equity shares are lying in Unclaimed Suspense Account. Respective Shareholders / Claimants are requested to reclaim their shares from Unclaimed Suspense Account by submitting the required documents to the Company's RTA as per SEBI Advisory dated 30 December 2022, as amended.

The Company has not transferred any shares to any other Suspense Account.

28. DISCLOSURES RELATING TO UNCLAIMED SHARES DEMAT SUSPENSE ACCOUNT

As per Regulation 39(4) of the Listing Regulations, the Company has opened a dematerialized account namely "Unclaimed Shares Dematerialized Suspense Account" with Stock Holding Corporation of India Limited, Coimbatore in the name and style of **"Sakthi Finance Limited-Unclaimed Shares Demat Suspense Account".**

The details of unclaimed suspense account as on 31 March 2026 are as follows:

Sl No	Particulars	Unclaimed Shares Demat Suspense Account ("UDSA")	
		No. of Share holders	No. of Shares
1	Aggregate number of shareholders and outstanding shares lying in Unclaimed Suspense Account as at the beginning of the year	31	2,825
2	Number of shareholders who approached for transfer of shares from Unclaimed Suspense Account during the financial year 2025-26	-	-
3	Number of shareholders to whom Shares were transferred from Unclaimed Suspense Account during the financial year 2025-26	-	-
4	Shares which remained unclaimed for seven years transferred to Investors Education and Protection Fund account during the financial year 2025-26	-	-
5	Aggregate number of shareholders and outstanding shares lying in Unclaimed Suspense Account as at the end of the year	31	2,825

The voting rights in the shares outstanding in the suspense account as on 31 March 2026 shall remain frozen till the rightful owners of such shares claim the shares.

29. PROCESS FOR CLAIMING DIVIDENDS/SHARES FROM IEPF

The claim process starts with approaching the Company for Entitlement Letter, which forms the basis of claim submission to IEPF.

Members/Claimants whose dividends and/or shares have been transferred to the IEPF are required to initially approach the Company/its RTA with all necessary documents. This includes KYC documents, the original share certificate (if available), documentation for issuance of duplicate certificates in the event of loss of shares and transmission documents in cases where the registered shareholder(s) is/are deceased. Upon submission of complete and accurate documents, the Company/its RTA will issue an Entitlement Letter to the Member/Claimant. This Entitlement Letter forms the basis for initiating the process to reclaim shares from the IEPF Authority.

Process for reclaiming the dividends / shares from the IEPF Authority

Post obtaining the Entitlement Letter from the Company/its RTA, Members / Claimants can reclaim the dividends / shares from the IEPF Authority after complying with the prescribed procedures.

A flow chart explaining the procedure in detail is given below:

1	2	3	4	5
Online Application in Form IEPF-5 on MCA V3 Portal	**Dispatch of documents to the Company**	**Upload of proof of dispatch on MCA V3 Portal**	**Submission of E-Verification Report by the Company**	**IEPFA to release shares and/or dividends**
Claimant to claim dividends and/or shares by filing the Form IEPF-5 on MCA V3 Portal attaching the required documents	Claimant to dispatch hard copy of the self-attested Form IEPF-5 along with other requisite documents to the Nodal Officer of the Company at its Registered Office.	Post dispatch of the documents to the Company, Claimant to update date of dispatch and upload proof thereof on the MCA V3 Portal.	Within 30 days of receiving the IEPF-5 claim, Company to approve/reject the claim by way of filing E-Verification Report on MCA V3 Portal.	Post approval by the Company and the IEPF Authority, the dividends and/or shares are released to the claimant's bank and/or demat account.

Dividends due for transfer to IEPF

Details of Dividend that are due for transfer to IEPF for the next (7 years) on their respective due dates are mentioned in the AGM Notice (Refer Note 13 / Page 7).

30. SCORES PORTAL

SEBI has requested shareholders to approach the Company directly at the first instance for their grievance. If the Company does not resolve the complaint of the shareholders within stipulated time, then they may lodge the complaint on the SEBI SCORES Portal for further action.

The revised framework for handling and monitoring of investor complaints received through SCORES Portal by the Company and designated stock exchanges is provided by SEBI in its Master Circular No. HO/38/13/(4)2026-MIRSD-POD/I/4298/2026 dated 6 February 2026. It is available on the Company's website at **https://sakthifinance.com/investor-information-forms/**.

31. DISCLOSURE OF CERTAIN TYPE OF AGREEMENTS BINDING LISTED ENTITIES

During the financial year under review, no agreements prescribed under Clause 5A of Paragraph A of Part A of Schedule III to the SEBI Listing Regulations were entered into by the Company with any shareholder, promoter, promoter group entities, managerial personnel, employees of the Company or any of its associate company or with the Company or with any third party whose purpose and effect is to, impact the management or control of the Company or impose any restriction or create any liability upon the Company, whether or not the Company is a party to such agreement(s).

32. AGREEMENT IN RELATION TO DEALING IN SECURITIES OF THE COMPANY

In accordance with the provisions of Regulation 26(6) of the Listing Regulations, the Directors, members of the Promoter(s) and Promoter(s) Group, Key Managerial Personnel and Senior Management Personnel have affirmed that they have not entered into any agreement for themselves or on behalf of any other person, with any shareholder or any other third party with regard to compensation or profit sharing in connection with dealings in the securities of the Company.

33. NO PERMANENT BOARD SEATS

SEBI had amended the Listing Regulations with effect from 1 April 2024 mandating shareholders' approval for a directors' continuation on the Board at least once every 5 years from the date of their appointment or reappointment. However, this provision is not applicable to the Company as it does not have any Permanent Board seats.

34. NO SPECIAL RIGHTS TO SHAREHOLDERS

SEBI introduced Regulation 31B to the Listing Regulations, pursuant to which "Special Rights" granted to a Shareholder will be subject to the approval by the Shareholders in a general meeting by way of a special resolution once in every five years starting from the date of grant of such Special Right. The Company ensures equitable treatment to all Shareholders and has not granted any special rights to its Shareholders.

35. PARTICULARS OF LOANS/ADVANCES ETC. AS PER PARA A OF SCHEDULE V TO THE LISTING REGULATIONS

Disclosure on transactions made by the Company on loans and advances in the nature of Loans to Firms / Companies in which Directors of the Company are interested during FY2026 is given in Note 6 of the Financial Statements of the Company for the year ended 31 March 2026.

36. OTHER DISCLOSURES

a. Related Party Disclosures

The details of transactions with related parties are disclosed in Note 43 of Notes forming an integral part of the financial statements. The Company has not entered into any other transactions of material nature with its promoters, directors or management, their relatives etc. that may have a potential conflict with the interest of the company at large. The policy on Related Party Transactions has been hosted on the website of the Company, **https://sakthifinance.com/policies/.** The register of contracts or arrangements containing the transactions in which the directors are interested or concerned is placed before the Board for their approval. The related party transactions entered into by the Company in the ordinary course of business are periodically placed before the Audit Committee for its approval.

b. Details of Non-Compliance, Penalties and Strictures

During the financial year 2023-2024, the Adjudication Committee of Reserve Bank of India (**"RBI"**) has, by its order dated January 2, 2024 and a Press Release dated January 12, 2024, imposed a monetary penalty of ₹ 6.00 Lakhs on the Company for non-compliance with the Reserve Bank of India - Know Your Customer Directions, 2016 for the Financial Year 2021-2022. The penalty was imposed in exercise of the powers vested with Reserve Bank of India under the provisions of Section 58G(1)(b) read with Section 58B(5)(aa) of the Reserve Bank of India Act, 1934. Our Company has paid the entire penalty amount of ₹ 6.00 Lakhs to Reserve Bank of India on January 29, 2024.

c. Vigil Mechanism (Whistle Blower Policy)

The Company has adopted a Vigil Mechanism (Whistle Blower Policy) to provide a formal mechanism to the Directors, employees and other external shareholders to report their concerns about unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct. The policy provides not only for adequate safeguards against victimization of employees who avail of this mechanism but also direct access to the Chairman of Audit Committee.

No personnel of the Company have been denied access to the Chairman of the Audit Committee. During the year, no complaint was received in this regard.

d. Commodity Price Risk or Foreign Exchange Risk and Hedging Activities

Our Company's operations do not give rise to any of these risks or activities.

e. Plant Locations

As the company is engaged in the business of Non-Banking Financial activities, this is not applicable.

f. Details of utilization of funds raised through Preferential Allotment or Qualified Institutional Placement

During the year under review, the Company has not raised any funds through Preferential Allotment or Qualified Institutional Placement as specified under Regulation 32(7A) of the Listing Regulations.

g. Certificate from Company Secretary regarding non-debarment and non-disqualification of Directors

Sri R. Dhanasekaran (ICSI Membership No. FCS 7070), Company Secretary in Practice, having Certificate of Practice No. 7745, have certified that none of the Directors of the Company have been debarred or disqualified from being appointed or continuing as a Director of the Company by SEBI or Ministry of Corporate Affairs or any other statutory authority. The said certificate forms part of this report and is given in **Annexure A.**

h. Disclosure in relation to recommendation made by Committees of the Board

During the year under review, all recommendations of the Committees have been accepted by the Board.

i. Total fee paid to the Statutory Auditors and all entities in the network firm/ entities

The details of total fees for all the services paid by the Company to M/s. P N Raghavendra Rao & Co, Chartered Accountants (ICAI Firm Registration No: 003328S), Statutory Auditors for the financial year is given below:

Particulars	Amount (₹ lakhs)
Statutory Audit	22.00
Other Services	
Tax Audit	5.50
Limited Review fees	14.00
Certifications fees	14.60
Reimbursement of expenses	4.74
Total	**60.84**

j. Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act 2013

Status of complaints as on 31 March 2026 is as follows:

Number of complaints filed during the year	Nil
Number of complaints disposed of during the year	Nil
Number of complaints pending as at end of the year	Nil

k. Accounting treatment in preparation of Financial Statements

The Company has prepared the financial statements in accordance with the Indian Accounting Standards **("Ind AS")** notified under Section 133 of the Companies Act 2013 **("the Act")** read with the Companies (Indian Accounting Standards) Rules 2015, as amended and notified under Section 133 of the Act and in conformity with the accounting principles generally accepted in India and other relevant provisions of the Act. Further, the Company has also complied with all the directions relating to RBI (Non-Banking Financial Companies – Financial Statements: Presentation and Disclosures) Directions 2025, as amended. Any application guidance/ clarifications/ directions issued by RBI or any other regulators will be implemented as and when they are made applicable.

l. Mandatory requirements

The Company has complied with all the mandatory requirements of the Listing Regulations relating to Corporate Governance.

m. Cyber Security

There was no cyber security incidents or breaches or loss of data or documents which had taken place in the Company during the financial year 2025-26.

n. Discretionary requirements

i. The company's status of compliance with the following discretionary requirements as specified in Regulation 27(1) read with Part E of Schedule II to the Listing Regulations are given below:

The Board	The Company does not maintain a separate office for Non-Executive Chairman.
Shareholder Rights	The half-yearly financial results are published in leading newspapers and are also displayed on the Company's website, **www.sakthifinance.com.** Therefore, the results are not being sent separately to the shareholders.
Modified opinion in Auditor's Report	During the year under review, there was no Audit qualifications in the Independent Auditor's Report on the Company's financial statements.
Reporting of Internal Auditor	The Company has appointed a Practicing Chartered Accountant as an Internal Auditor and he reports directly to the Audit Committee of the Company.

ii. The Company has complied with the disclosures required to be made under this report in accordance with Regulation 34(3) read with Schedule V(C) to the Listing Regulations.

iii. Disclosures on compliance with Corporate Governance requirements specified as per Regulation 15(1A) of the Listing Regulations notification dated 7 September 2021, the Company became a 'High Value Debt Listed Entity'. Hence, Regulations 17 to 27 have been included in the relevant Section of the report. Appropriate information has been placed on the Company's website in terms of Clauses (b) to (i) of sub-regulation (2) of Regulations 46 and 62 of the Listing Regulations.

o. CEO/CFO Certification

In accordance with Regulation 17(8) read with Part B of Schedule II to the Listing Regulations relating to CEO/ CFO certification, Vice Chairman and Managing Director and CFO have given necessary certificate to the Board for the financial year ended 31 March 2026.

p. Auditor's certificate on Corporate Governance

As stipulated in Regulation 34(3) of Schedule V to the Listing Regulations, the Statutory Auditor's certificate on compliance of conditions of Corporate Governance is annexed to this Report.

q. Information on the Company's website including composition of Committees, key policies, codes and charters, adopted by the Company are given below:

Sl No	Name of the Policy, Code or Charter	Brief description	Web Link
1	Terms of Appointment of Independent Directors	The appointment letter issued to Independent Directors detailing the broad terms and conditions of their appointment	https://sakthifinance.com/independent-directors/
2	Board Committees	The composition of various Committees of the Board	https://sakthifinance.com/composition-of-various-committees/
3	Code of Conduct	The Code lays down the ethical standards that Directors and Senior Management Personnel have to observe in their professional conduct	https://sakthifinance.com/wp-content/uploads/2025/05/Code-of-Conduct-to-regulate-monitor-report-by-Insiders.pdf
4	Nomination and Remuneration Committee Charter	The Policy provides for the appointment / remuneration of directors and senior management personnel	https://sakthifinance.com/wp-content/uploads/2026/08/SFL_NRC-Charter-and-Remuneration-Policy-August-2026.pdf
5	Policy for Appointment of Statutory Auditors	The policy has been formulated in accordance with the provisions contained in RBI Circular No. RBI/2021-22/25 Ref.No.DoS. CO.ARG/ SEC.01/ 08.91.001/2021-22 dated 27th April 2021 issued by RBI.	https://www.sakthifinance.com/wp-content/uploads/2021/08/SFL_AuditorApptPolicy_14August2021.pdf
6	Internal Guidelines on Corporate Governance	Internal Guidelines on Corporate Governance have been formulated to comply with the RBI Notification dated 8th May 2007, as updated with RBI Master Directions dated 1 September 2016	https://www.sakthifinance.com/wp-content/uploads/2021/11/SFL_Int.guidance-on-Corp.gov_..pdf
7	Vigil Mechanism (Whistleblower Policy	Vigil Mechanism has been formulated for Directors and employees of the Company to report concerns about unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct	https://sakthifinance.com/wp-content/uploads/2026/08/SFL_Vigil-Mechanism-Whistle-Blower-Policy_August-2026.pdf
8	Policy on Related Party Transactions	This policy deals with related party transactions and regulation of all transactions between the Company and its related parties	https://sakthifinance.com/wp-content/uploads/2025/02/SFL_Policy_on_Related_Party_Transactions_RPT.pdf
9	Familiarisation Programme	For Independent Directors through various programmes / presentations	https://sakthifinance.com/familiarization-programme/
10	Policy on determination of Materiality for Disclosure of Event / Information	The policy applies to disclosures of material events affecting the Company	https://sakthifinance.com/wp-content/uploads/2025/05/Policy-on-Determination_Materiality-of-Event-or-Information.pdf
11	Policy on Preservation of documents	The policy provides guidelines for archiving of corporate records and documents as required by various statutes	https://sakthifinance.com/wp-content/uploads/2026/05/Policy-on-Preservation-.pdf
12	Corporate Social Responsibility Policy	The policy outlines the Company's strategic policy on society through programmes focussing on Health, Education etc.,	https://sakthifinance.com/wp-content/uploads/2025/02/SFL_Corporate_Social_Responsibility_CSR_Policy.pdf
13	Policy on Disclosure of material events	This policy provides timely, adequate and uniform dissemination of information and disclosure of Unpublished Price Sensitive information to provide accurate and timely communication to our shareholders and the financial markets	https://sakthifinance.com/wp-content/uploads/2025/05/Policy-on-Determination_Materiality-of-Event-or-Information.pdf
14	Investor Education and Protection Fund **("IEPF")**	Statement of unclaimed and unpaid amount of Dividend, Shares, Debentures and Deposits	https://sakthifinance.com/investor-education-and-protection-fund/

For and on behalf of the Board

Mahalingam Manickam
Chairman
DIN : 00102233

14 August 2026
Coimbatore

ANNUAL DECLARATION BY VICE CHAIRMAN AND MANAGING DIRECTOR PURSUANT TO REGULATION 34(3) READ WITH SCHEDULE V TO THE LISTING REGULATIONS

I, M Balasubramaniam, Vice Chairman and Managing Director, hereby declare that all the Board Members and Senior Management Personnel of the Company have affirmed compliance with the Company's Code of Conduct and Ethics for the year ended March 31, 2026.

For Sakthi Finance Limited

M Balasubramaniam

14 August 2026
Coimbatore-18

Vice Chairman and Managing Director
DIN : 00377053

Independent Auditor's Certificate on Compliance with the Corporate Governance requirements under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

To

The Members of Sakthi Finance Limited

Certificate on Corporate Governance

1. We have examined the compliance of conditions of Corporate Governance by Sakthi Finance Limited (CIN : L65910TZ1955 PLC000145) ('the Company') for the year ended 31st March 2026 as stipulated in Regulations 17 to 27, Clause (b) to (i) and (t) of Regulation 46 (2) and paragraphs C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations').

Management's Responsibility

2. The compliance of conditions of Corporate Governance is the responsibility of the Management of the Company including the preparation and maintenance of all relevant supporting records and documents. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of the Corporate Governance stipulated in the Listing Regulations.

Auditor's Responsibility

3. Our responsibility is to provide a reasonable assurance whether the Company has complied with the conditions of Corporate Governance as stipulated in Listing Regulations for the year ended 31st March 2026.
4. Our examination was limited to procedures and implementation thereof adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
5. We have carried out an examination of the relevant records of the Company in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of Chartered Accountants of India ('the ICAI') and as per the Guidance Note on Reports or Certificates for special purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by ICAI.
6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information and Other Assurance and Related Services Engagements.

Opinion

7. Based on our examination of the relevant records and according to the information and explanations given to us and the representations provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the Listing Regulations for the year ended 31st March 2026 except that the prior approval of the shareholders by way of a Special Resolution under Regulation 17(1A) of the Listing Regulations was not obtained prior to the appointment of Smt. Susheela Balakrishnan (DIN: 07140637) as a Non- Executive Independent Director, who had attained the age of 75 years and the said approval was subsequently obtained at a General Meeting of the Company.
8. We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For P N RAGHAVENDRA RAO & CO.,
Chartered Accountants
Firm Registration Number: 003328S

P R Vittel
Partner
Membership Number: 018111
UDIN: 26018111QRXFVZ4790

Coimbatore
14 August 2026

Annexure A
Certificate No.: 71/2026-27

CERTIFICATE ON NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015)

To

The Members of
SAKTHI FINANCE LIMITED
CIN: L65910TZ1955PLC000145
Regd.Office: 62, Dr. Nanjappa Road
P B No 3745, Coimbatore – 641 018

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Sakthi Finance Limited, having CIN: L65910TZ1955PLC000145 and having its registered office at 62, Dr Nanjappa Road, P B No 3745, Coimbatore – 641 018 (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number ("DIN") status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company, as stated below, for the Financial Year ended on 31st March 2026 have been debarred or disqualified from being appointed or continue as directors of companies by the Securities and Exchange Board of India / Ministry of Corporate Affairs or any such Statutory Authority.

Sl No	Name of the Director	DIN	Date of appointment in the Company
1	Dr Mahalingam Manickam	00102233	11-12-1990
2	Sri Balasubramaniam Mahalingam	00377053	21-08-1985
3	Sri Srinivaasan Mahalingam	00102387	18-04-1994
4	Dr Sundaraswamy Veluswamy	05314999	29-05-2019
5	Sri Advait Kurlekar	00808669	08-08-2024
6	Sri Korukkai Visweswaran Ramachandran	00322331	04-07-2025
7	Smt Balakrishnan Susheela	07140637	14-08-2025
8	Sri Shanmugasundaram Chandrasekhar	00011901	14-08-2025
9	Sri Shivram Sethuraman	07946245	01-09-2025
10	Sri Saurabh Jain	02322422	27-09-2025

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

R Dhanasekaran
Company Secretary in Practice
FCS 7070 / CP 7745
Peer Review No 6739/2025
ICSI UDIN: F007070H001110755

Place : Coimbatore
Date : 14.08.2026

Annexure 4

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY ("CSR") ACTIVITIES FOR THE FINANCIAL YEAR 2025 - 26

1. Brief outline on CSR Policy of the Company:

   Sakthi Group to which Sakthi Finance Limited **("SFL")** belongs, has over the years, believes in the conduct of its affairs in a fair and transparent manner by adopting the highest standards of professionalism and integrity.

   The Company has adopted a CSR policy within the broad scope laid down in Schedule VII to the Companies Act 2013 (**"the Act"**) as projects/ programs/ activities etc, excluding its activities in its normal course of business.

2. Composition of CSR Committee:

Sl No	Name of Directors	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Sri Korukkai Visweswaran Ramachandran	Chairman, Non-Executive, Independent Director	1	1
2	Sri Balasubramaniam Mahalingam	Member, Executive, Non-Independent Director	1	1
3	Dr Sundaraswamy Veluswamy	Member, Non-Executive, Non-Independent Director	1	1

3. Provide the web-link where composition of CSR Committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company:

   a. Web-link for the Composition of CSR Committee: **https://sakthifinance.com/composition-of-various-committees/**

   b. Web-link to the CSR Policy: **https://sakthifinance.com/wp-content/uploads/2025/02/SFL_Corporate_Social_Responsibility_CSR_Policy.pdf**

   c. Provide the executive summary along with web-link(s) of Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of rule 8, if applicable : Not applicable

4. a. Average net profits of the company as per Section 135(5) : ₹ 2,525.99 lakhs

   b. Two percent of average net profits of the company as per Section 135(5) : ₹ 50.52 lakhs

   c. Surplus arising out of the CSR project programs or the activities of the previous final year : –

   d. Amount required to be set off for the financial year, if any : ₹ 0.24 lakhs

   e. Total CSR obligation for the financial year (4b+4c-4d) : ₹ 50.28 lakhs

5. a. Amount spent on CSR Projects :

   (i) Ongoing Project : Not Applicable

   (ii) Other than Ongoing Project :

Sl No	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area	Location of the project		Amount spent for the project	Mode of Implementation - Direct (Yes/No)	Mode of Implementation through Implementing Agency	
			Yes / No	State	District	(₹ lakh)		Name	CSR Registration number
1	NA	Education	Yes	Tamilnadu, Coimbatore		15.44	No	Shanti Ashram	CSR00014490
2		Health Care	Yes			2.99	No		
3		Vocational Skills	Yes			3.98	No		
4		Others	Yes			3.58	No		
5		Education	Yes			8.38	No	Ramanandha Adigalar Foundation	CSR00028194
6		Health Care	Yes			5.74	No		
7		Vocational Skills	Yes			1.38	No		
8		Health Care	Yes			1.00	No	Idhayangal Charitable Trust	CSR00003135
9		Cultural and Fine arts	Yes			7.79	Yes	NA	NA
	Total					**50.28**			

   b. Amount spent in Administrative Overheads : Nil

c. Amount spent on Impact Assessment, if applicable : Nil

d. Total amount spent for the Financial Year (5a+5b+5c) : ₹ 50.28 lakh

e. CSR amount spent or unspent for the financial year:

Total amount spent for the Financial Year (₹ lakh)	Amount Unspent (₹ lakh)				
	Total Amount transferred to Unspent CSR Account as per Section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to Section 135(5)		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
50.28	(Not applicable, since there is no unspent amount)		Not applicable		

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

Sl No	Particulars	Amount (₹ lakh)
i	Two percent of average net profits of the company as per Section 135(5)	50.52
ii	Total amount spent for the financial year including set off from previous year	50.52
iii	Excess amount spent for the financial year [(ii)-(i)]	-
iv	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	-
v	Amount available for set off in succeeding financial years [(iii)-(iv)]*	-

* The remaining amount of excess spent pertaining to financial year 2024-25 of ₹ 0.16 lakh can be set off in subsequent financial years up to financial year 2027-28.

6. Details of Unspent CSR amount for the preceding three financial years: Not applicable

Sl No	Preceding Financial year	Amount transferred to Unspent CSR Account under sub-section (6) of Section 135 (in ₹)	Balance Amount in Unspent CSR Account under sub-section (6) of Section 135 (in ₹)	Amount Spent in the Financial Year (in ₹)	Amount transferred to a Fund as specified under Schedule VII as per second proviso to sub-section (5) of Section 135, if any		Amount remaining to be spent in succeeding Financial Years (in ₹)	Defi-ciency, if any
					Amount	Date of Transfer		
1	-	Nil	Nil	Nil	NA	NA	Nil	Nil

7. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year: No

8. Specify the reason(s), if the company has failed to spend two per cent of the average net profits as per Section 135(5) : Not applicable

For and on behalf of the Board

Balasubramaniam Mahalingam
Vice Chairman and Managing Director
and Member
DIN : 00377053

Korukkai Visweswaran Ramachandran
CSR Committee
Chairman
DIN : 00322331

14 August 2026
Coimbatore

Annexure 5

Certificate No.: 70/2026-27

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 of Managerial Personnel) Rules, 2014]

To

The Members

SAKTHI FINANCE LIMITED [CIN: L65910TZ1955PLC000145]

Regd. Office: 62, Dr.Nanjappa Road, P.B. No. 3745

Coimbatore – 641018

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Sakthi Finance Limited** (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 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 **Sakthi Finance Limited** ("the Company") for the financial year ended on 31st March 2026) ('Audit Period') according to the provisions of:

i. The Companies Act, 2013 (**"the Act"**) and the Rules made thereunder;

ii. The Securities Contracts (Regulation) Act, 1956 (**"SCRA"**) and the Rules framed thereunder;

iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

   Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment.

iv. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (**'SEBI Act'**) to the extent applicable to the Company;

   a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
   b. Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
   c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
   d. The Securities and Exchange Board of India (Share-Based Employee Benefits and Sweat Equity) Regulations, 2021; (Not applicable as there was no reportable event during the financial year under review)
   e. The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021;
   f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 2025 regarding the Companies Act 2013 and dealing with client;
   g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 (Not applicable as there was no reportable event during the financial year under review)
   h. The Securities and Exchange Board of India (Buy-back of Securities) Regulations, 2018 (Not applicable as there was no reportable event during the financial year under review); and
   i. The Securities and Exchange Board of India (Listing Obligations and Disclosures Requirements) Regulations, 2015.

I further report that having regard to the compliance system prevailing in the company and on the examination of the relevant documents and records in pursuance thereof on a test-check basis, the company has generally complied with the following laws, as the management has identified and confirmed as specifically applicable to the company.

1. Reserve Bank of India Master Direction/Guidelines, as applicable to Non-Banking Financial Companies, including the following:
   i. The Reserve Bank of India Act, 1934.
   ii. Reserve Bank of India (Non-Banking Financial Companies-Registration, Exemptions and Framework for Scale Based Regulation) Directions, 2025
   iii. Reserve Bank of India (Non-Banking Financial Companies-Governance) Directions, 2025.
   iv. Reserve Bank of India (Non-Banking Financial Companies-Acceptance of Public Deposits) Directions, 2025.
   v. Reserve Bank of India (Non-Banking Financial Companies-Responsible Business Conduct) Directions, 2025.

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 the BSE Limited.

I further report that, during the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, and Listing Agreements mentioned above, except for a delay in complying with Regulation 17(1A) of the SEBI (LODR) Regulations, 2015. Particularly, the Board of Directors appointed a non-executive independent director, who is over 75 years of age, at their meeting held on 14.08.2025, with the appointment effective from 14.08.2025. Subsequently, members' approval by Special Resolution was obtained only on 27.09.2025. This time lag between the Board's appointment and the members' approval constituted a technical non-compliance with Regulation 17(1A) of the SEBI (LODR) Regulations, 2015.

I further report that, based on the information provided by the Company, its officers and authorised representatives during the conduct of the audit, and also on the review of periodical compliance reports by respective department heads / Company Secretary / CFO taken on record by the Board of Directors of the Company, in my opinion, adequate systems and processes and control mechanism exist in the Company to monitor and ensure compliance with applicable financial / general laws like, direct and indirect tax laws, labour laws and environmental laws.

I further report that, the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors, and Independent Directors. During the year under review, the company has appointed an independent director, and the change in the composition of the Board of Directors, as detailed below, that took place during the period under review was carried out in compliance with the provisions of the Act.

(a) Appointment of directors

Sl No	Names of the Directors with category	Tenure of Appointment	Date of Approval/ recommended by Board	Date of Approval by Members
1	Sri K.V. Ramachandran Non-Executive, Independent Director (DIN: 00322331)	For a term of five (5) consecutive years commencing from 4 July 2025 to 3 July 2030 (both days inclusive) and not liable to retire by rotation	4 July 2025	Approved by the members of the Company by way of passing a Special Resolution through Postal Ballot process on 8 August 2025
2	Smt Susheela Balakrishnan Non-Executive, Independent Director (DIN: 07140637)	For a term of five (5) consecutive years with effect from 14 August 2025 to 13 August 2030 (both days inclusive) and not liable to retire by rotation.	14 August 2025	Approved by the members by way of passing a Special Resolution at the 68th Annual General Meeting (**"AGM"**) held on 27 September 2025
3	Sri S Shivram Non-Executive, Independent Director (DIN: 07946245)	For a term of five (5) consecutive years with effect from 1 September 2025 to 31 August 2030 (both days inclusive) and not liable to retire by rotation.	1 September 2025	Approved by the members of the Company by way of passing a Special Resolution at the 68th Annual General Meeting (**"AGM"**) held on 27 September 2025
4	Sri S. Chandrasekhar Non-Executive, Non-Independent Director (DIN: 00011901)	With effect from 1 September 2025 and he is liable to retire by rotation.	1 September 2025	Approved by the members of the Company by way of passing an Ordinary Resolution at the 68th Annual General Meeting (**"AGM"**) held on 27 September 2025
5	Sri Saurabh Jain Non-executive, Independent Director (DIN: 02322422)	For a term of five (5) consecutive years with effect from 27 September 2025 to 26 September 2030 (both days inclusive) and not liable to retire by rotation.	27 September 2025	Approved by the members of the Company by way of passing a Special Resolution through Postal Ballot process on 4 November 2025

(b) Re-appointment of directors

Sl No	Names of the Directors with category	Tenure of Appointment	Date of Approval/ recommended by Board	Date of Approval by Members
1	Sri M Balasubramaniam (DIN:00377053), Managing Director	For a term of five (5) consecutive years with effect from 29 September 2025 to 30 September 2030 (both days inclusive) and not liable to retire by rotation.	14 August 2025	Approved by the members of the Company by way of passing a Special Resolution at the 68th Annual General Meeting (**"AGM"**) held on 27 September 2025
2	Dr.S. Veluswamy (DIN: 05314999), Non-Executive, Non-Independent Director	Reappointment on his retirement by rotation at the 68th Annual General Meeting (**"AGM"**) held on 27 September 2025.	14 August 2025	Approved by the members of the Company by way of passing Ordinary Resolution at the 68th Annual General Meeting (**"AGM"**) held on 27 September 2025

(C) Cessation/retirement

Sl No	Names of the Directors with category	Nature of Change	Effective date
1	Sri M.Bhaskar Non-executive, Independent Director (DIN : 02919393)	Passed away on 21 May 2025	21 May 2025
2	Smt Priya Bhansali Non-executive, Independent Director (DIN: 00195848)	Retired from Directorship on completion of second consecutive term of five (5) years as an Independent Director	27 September 2025
3	Sri K P Ramakrishnan Non-executive, Independent Director (DIN: 07029959)	Retired from Directorship on completion of second consecutive term of five (5) years as an Independent Director	27 September 2025

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 are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.

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 audit period:

The company has taken the following events / actions having a major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.

a. Members approval obtained at the 68th Annual General Meeting held on 27 September 2025:

(i) To issue of Secured, Redeemable, Non-Convertible Debentures and / or other Debt Securities etc, on private placement basis for an amount not exceeding ₹ 250 Crores.

(ii) To increase the Authorised Share Capital of the Company from ₹ 130,00,00,000 (Rupees One Hundred and Thirty Crore Only) divided into 10,00,00,000 Equity Shares of ₹ 10 each and 30,00,000 Redeemable, Cumulative, Preference Shares of ₹ 100 each to ₹ 150,00,00,000 (Rupees One Hundred and Fifty Crores Only) divided into 10,00,00,000 Equity Shares of ₹ 10 each and 50,00,000 Redeemable, Cumulative, Preference Shares of ₹ 100 each and to make consequential alterations in the Memorandum of Association and Articles of Association.

(iii) To issue of Redeemable, Cumulative, Preference Shares on Private Placement basis for an amount not exceeding ₹ 2,000 Lakhs as a Special Resolution.

b. Members approval obtained by passing Resolutions through postal ballot process on 20 March 2026.

(i) To pay commission to Dr Sundaraswamy Veluswamy (DIN: 05314999), Non-Executive, Non-Independent Director of the Company.

c. Allotment and Redemptions of securities:

(i) Allotment of securities

Secured, Redeemable, Non-Convertible Debentures ("SRNCDs Public Issue-10") for the nominal value of ₹ 100,00,00,000.

Secured, Redeemable, Non-Convertible Debentures ("SRNCDs Public Issue-11") for the nominal value of ₹ 150,00,00,000.

Redeemable, Cumulative, Non-participating, Non-Convertible Preference Shares (**"RCPS"**) on Private Placement basis for the nominal value of ₹ 7,66,25,000.

(ii) Redemption of securities

Redeemed both Unsecured/ Secured, Redeemable, Non-Convertible Debentures on various dates (allotted in earlier years through Public Issue).

R Dhanasekaran
Company Secretary in Practice
FCS 7070 / CP 7745
Peer Review Certificate No. 6739/2025
ICSI UDIN: F007070H001110733

Place: Coimbatore
Date: 14.08.2026

Annexure – A

To
The Members
SAKTHI FINANCE LIMITED [CIN: L65910TZ1955PLC000145]
Regd. Office: 62, Dr.Nanjappa Road, P.B. No. 3745
Coimbatore – 641018

My Secretarial Audit report of even date is to be read along with this letter.

Auditor's responsibility

Based on the audit, my responsibility is to express an opinion on the compliance with the applicable laws and maintenance of records by the Company. I conducted my audit in accordance with the auditing standards CSAS 1 to CSAS 4 (**"CSAS"**) prescribed by the Institute of Company Secretaries of India (**"ICSI"**). These standards require that the auditor comply with statutory and regulatory requirements and plans and performs the audit to obtain reasonable assurance about compliance with applicable laws and maintenance of records.

Due to the inherent limitations of an audit including internal, financial, and operating controls, there is an unavoidable risk that some misstatements or material non-compliances may not be detected, even though the audit is properly planned and performed in accordance with the CSAS. My report of even date is to be read along with this letter.

1. Maintenance of secretarial records is the responsibility of the management of the company. My responsibility is to express an opinion on these secretarial records based on my 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. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, I followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of the financial records and Books of Accounts of the company and for which I relied on the report of statutory auditor.
4. Wherever 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 are the responsibility of the 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 efficacy or effectiveness with which the management has conducted the affairs of the company.

R Dhanasekaran
Company Secretary in Practice
FCS 7070 / CP 7745
Peer Review No. 6739/2025
ICSI UDIN: F007070H001110733

Place: Coimbatore
Date: 14.08.2026

Annexure 6

PARTICULARS OF EMPLOYEES

1. Statement of Disclosure of Remuneration under Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014

The ratio of remuneration of each Director to the median remuneration of the employees of the Company for the Financial year 2025-26 was ₹ 3.79 lakhs and a. the ratio of remuneration of each director to the median remuneration of the employees and b. percentile increase / decrease in remuneration for the financial year 2025-26 are given below:

Sl No	Name and Designation of the Director / KMPs	Remuneration for FY 2025-26 (₹ lakh)	Ratio to median remuneration	% increase / decrease in remuneration
1	Dr M Manickam, Chairman	2.65	0.70	120.83
2	Sri M Balasubramaniam, Vice Chairman and Managing Director	133.86	35.32	2.41
3	Sri M Srinivaasan, Non-Executive Director	6.25	1.65	228.95
4	Smt Priya Bhansali, Independent Director*	5.20	1.37	Not Comparable
5	Sri K P Ramakrishnan, Independent Director*	3.85	1.01	Not Comparable
6	Dr Sundaraswamy Veluswamy, Non-Executive Director			
	- Sitting fees	8.70	2.29	155.88
	- Commission**	15.04	3.97	Not Comparable
7	Sri Advait Kurlekar, Independent Director	7.30	1.92	170.37
8	Sri K V Ramachandran, Independent Director***	7.45	1.96	Not Comparable
9	Smt Susheela Balakrishnan, Independent Director***	6.45	1.70	Not Comparable
10	Sri S Shivram, Independent Director***	5.15	1.36	Not Comparable
11	Sri S Chandrasekhar, Non-Executive Director***	3.00	0.79	Not Comparable
12	Sri Saurabh Jain, Independent Director***	2.85	0.75	Not Comparable
13	Sri B Senthilnathan, Chief Operating Officer****	5.21	-	Not Comparable
14	Sri K Sundaramurthy, Chief Financial Officer	29.16	-	51.95
15	Sri S Venkatesh, Company Secretary and Chief Compliance Officer	28.66	-	75.26

1. Non-executive Directors were paid only sitting fees during the year except Dr Sundaraswamy Veluswamy, Non-Executive, Non-Independent Director.
2. * Retired on completion of second term as Independent Directors. Hence percentage increase were not computed.

   ** Members have approved for payment of Commission to Dr Sundaraswamy Veluswamy for the year 2026 through Postal Ballot dated 20 March 2026

   *** Appointed as Independent Directors and Non-Independent Director with effect from 4 July 2025, 14 August 2025, 1 September 2025 and 27 September 2025 respectively. Hence percentage increase were not computed.

   **** Appointed as Chief Operating Officer of the Company with effect from 6 December 2025 only, hence percentage increase in remuneration is not computed.

C. Other Information

i	The percentage increase in the median remuneration of all employees during the financial year 2025-26	**13.85 per cent**
ii	The number of permanent employees on the rolls of the company as on 31 March 2026	**659**
iii	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration	The average increase in salaries of employees other than managerial personnel for 2025 - 26 was **5.77 per cent**. Average Percentage (Increase/ decrease) in the managerial remuneration for the year was **26.60 per cent.**
iv	Affirmation that the remuneration is as per the remuneration policy of the company	The Company affirms that the remuneration to the employees during the financial year is as per the remuneration policy of the Company.

For and on behalf of the Board

Mahalingam Manickam
Chairman
DIN : 00102233

14 August 2026
Coimbatore

INDEPENDENT AUDITOR'S REPORT

To

To the Members of Sakthi Finance Limited

Report on the Audit of the Financial Statements

Opinion

1. We have audited the accompanying Financial Statements of Sakthi Finance Limited (**"the Company"**), which comprise the Balance Sheet as at March 31, 2026 and the Statement of Profit and Loss (including Other Comprehensive Income/Loss), 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.
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Financial Statements give the information required by the Companies Act, 2013 (**"the Act"**) in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, (**"Ind AS"**) and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2026, its profit and other comprehensive income/loss, the changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

4. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

   We have determined the matters described below to be the key audit matters to be communicated in our report.

Description of Key Audit Matter

Description of Key Audit Matter	Description of Auditors' Response
4.1 Asset Classification and Regulatory Categorization of Loan Receivables (Refer to Notes 6 and 49.7 to the financial statements.) Loan receivables constitute the primary financial assets of the Company. The appropriate classification of loan receivables under Ind AS 109, including their categorisation into the relevant stages, involves consideration of the repayment and overdue status of the loan accounts and other relevant information. For regulatory purposes, the loan receivables are required to be classified in accordance with the Income Recognition, Asset Classification and Provisioning (IRACP) norms prescribed by the Reserve Bank of India (RBI). The Company considers the respective classification requirements under Ind AS 109 and the RBI prudential norms for the purposes of the financial statements and related regulatory disclosures. Considering the significance of the loan portfolio and the importance of appropriate classification under the applicable accounting standards and regulatory requirements, this was considered to be a Key Audit Matter.	Our audit procedures in relation to the classification of loan receivables primarily included the following a) We obtained an understanding of the process followed by the Company for classification of loan receivables under Ind AS 109 and the applicable RBI prudential norms. b) On a sample basis, we considered the classification of selected loan accounts with reference to relevant loan records, repayment status and overdue information. c) We considered the Company's process for determining the classification under Ind AS 109 and the RBI IRACP framework and the related disclosures. d) We considered the related disclosures in the financial statements with reference to the applicable requirements. Based on the audit procedures performed and the information considered, management's assessment and classification of loan receivables in accordance with Ind AS 109 and applicable RBI prudential norms were considered reasonable.

Description of Key Audit Matter	Description of Auditors' Response
4.2 Information Technology Systems and Controls The Company is significantly dependent on information technology systems in its financial accounting and reporting processes. The Company's financial reporting involves a high volume of transactions processed through various information technology applications and related controls. The reliability of information generated from these systems is relevant to the preparation of the financial statements. The information technology environment includes controls relating to user access, system changes, system maintenance and application-level processing. Considering the extent of reliance on information technology systems and the volume of transactions processed through such systems, we considered this to be a Key Audit Matter.	Our audit procedures primarily included the following: a) We obtained an understanding of the Company's information technology environment and the key systems and applications relevant to financial reporting. b) We considered the general information technology controls relating to user access and system maintenance relevant to the financial reporting process. c) We considered the key application controls and automated processes relevant to the financial reporting process. d) We considered changes made to the information technology environment during the year to the extent relevant to financial reporting. e) We also performed substantive audit procedures, including consideration of system-generated information and relevant reconciliations, as part of our audit of the financial statements. Based on the audit procedures performed, we considered the information technology systems and related controls relevant to financial reporting are reasonable for the purposes of our audit.
4.3 Impairment of Loan Receivables (Refer to Note No. 45 of the Financial Statements read with Note 3(a)(v) – Material Accounting Policies) The Company has significant loan receivables and the determination of impairment allowances involves significant management judgement and estimation. The impairment allowance is determined in accordance with the Expected Credit Loss (**"ECL"**) requirements of Ind AS 109, Financial Instruments. The key areas of judgement and estimation include the categorisation of loan receivables into appropriate stages based on changes in credit risk, determination of Probability of Default (**"PD"**) and Loss Given Default (**"LGD"**) and consideration of relevant forward-looking information. The estimation of impairment allowances also involves the use of significant volumes of data and information processed through the Company's systems. Considering the significance of loan receivables to the financial statements and the degree of judgement and estimation involved in determining the impairment allowances, this was considered to be a Key Audit Matter	Our audit procedures in relation to impairment of loan receivables primarily included the following: a) We obtained an understanding of the Company's impairment assessment process, including the methodology adopted for determining impairment allowances under Ind AS 109. b) We considered the Company's approach for categorisation of loan receivables into the relevant stages based on the credit risk characteristics of the respective loan accounts. c) We considered the key assumptions and inputs used in the determination of Expected Credit Loss, including Probability of Default, Loss Given Default and relevant forward-looking information. d) On a sample basis, we considered the underlying data and calculations used in determining the impairment allowances. e) We considered the impairment methodology and the related judgements applied by management, including the relevant financial statement disclosures. Based on the audit procedures performed and information considered, management's assessment of the impairment allowance and the related disclosures were considered reasonable for the purposes of the financial statements

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

5. The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, and Corporate Governance Report, but does not include the financial statements and our auditor's report thereon.
6. The other information is expected to be made available to us after the date of this auditor's report. Our opinion on the Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.
7. In connection with our audit of the financial statements, our responsibility is to read the other information 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. Based on the work we have performed on other information, if we conclude that there is a material misstatement, if any, of this other

information, we are required to report that fact. We have nothing to report in this regard.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

11. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
12. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
    a. 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.
    b. Obtain an understanding of internal controls 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 in place and the operating effectiveness of such controls.
    c. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
    d. Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
    e. Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
13. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
14. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence and where applicable, related safeguards.
15. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

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

Act, 2013, we give in the **"Annexure A"** a statement on the matters specified in paragraphs 3 and 4 of the Order.

17. **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.
    b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
    c. The Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income/Loss), the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account.
    d. In our opinion, the aforesaid Financial Statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standard) Rules, 2015 as amended.
    e. On the basis of the 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 over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in **"Annexure B"**.
    g. With respect to the matter to be included in the Auditors' Report under Section 197(16) of the Act:

       In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of Section 197 of the Act.
    h. 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:
       i) The Company has disclosed the impact of pending litigations on its financial position in the Note No. 32 of the financial statements.
       ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
       iii) There has been no delay in transferring amounts required to be transferred to the Investor Education and Protection Fund by the Company during the year, except for an amount of ₹ 500 which has not been transferred to IEPF for the reason described in the Note No. 18 to the financial statements.
       iv) a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities (**"Intermediaries"**) with the understanding, whether recorded in writing or otherwise, that the Intermediary shall 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 have been received by the Company from any persons or entities, including foreign entities (**"Funding Parties"**), with the understanding, whether recorded in writing or otherwise, that the Company shall whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (**"Ultimate Beneficiaries"**) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

          c) Based on such audit procedures as 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 mis-statement.
       v) The equity dividend declared and paid during the year by the Company relating to financial year 2024-25 is in compliance with Section 123 of the Act. The interim dividend declared and paid by the company on Redeemable, Cumulative, Preference Shares during the current year is in compliance with Section 123 of the Act.
       vi) Based on our examination which included test checks, the company has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility. The audit trail function has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit, we did not come across any instance of audit trail feature being tampered with and the audit trail has been preserved by the Company as per the statutory requirements for record retention.

For P N RAGHAVENDRA RAO &CO.,
Chartered Accountants
Firm Registration Number: 003328S

P R Vittel
Partner
Membership Number: 018111
UDIN: 26018111RFWLWK7470

Coimbatore
23 May 2026

Annexure - A to the Independent Auditor's Report

Referred to in paragraph 16 of the Independent Auditor's Report of even date to the members of Sakthi Finance Limited on the financial statements for the year ended March 31, 2026

i. a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment and Investment Property.

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

b) The Company has physically verified Property, Plant and Equipment in regular intervals during the year and no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its Property, Plant and Equipment.

c) In our opinion and according to the information and explanations given to us and on the basis of examination of the records of the company, the title deeds of immovable properties are held in the name of the company. In respect of immovable properties taken on lease and disclosed as right-of-use assets in the financial statements, the lease agreements are in the name of the company.

d) The Company has not revalued any of its Property, Plant and Equipment (including Right-of-Use assets) or Intangible assets or both during the year.

e) According to the information and explanations given to us, no proceedings have been initiated or are pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

ii. a) The Company is engaged in the business of providing loans and does not have any physical inventories. Accordingly, reporting under Clause 3(ii)(a) of the Order is not applicable.

b) In our opinion and according to the information and explanations given to us and on the basis of our examination of the books of account, the Company has been sanctioned, during the year, working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets (Loan/Finance receivables). The Quarterly Returns or Statements filed by the company with the banks or financial institutions are in agreement with the books of accounts of the company.

iii. a) The Company is registered with Reserve Bank of India under Section 45-IA as a Non-Banking Financial Company and its principal business is to give loans. Therefore, the provisions of Clause (iii)(a)(A) and Clause (iii)(a)(B) of the Order are not applicable.

b) In our opinion and according to the information and explanations given to us, the investments made, loans granted and their terms and conditions are not prejudicial to the interests of the Company. During the year, the Company has not given any guarantee.

c) On the basis of our examination of the records of the Company, in our opinion, in respect of loans and advances in the nature of loans given, the schedule of repayment of principal and payment of interest has been stipulated. Since the Company is a Non-Banking Financial Company (**"NBFC"**) registered with Reserve Bank of India (**"RBI"**) and carrying on the principal business of giving loans to customers, and in view of the voluminous nature of loan transactions generated in the normal course of the Company's business, it is not practicable to furnish the borrower-wise details of the Principal and Interest amount, due date for payment and extent of delay.

In accordance with and Ind AS and RBI Directions and Guidance issued by RBI, the default in Loan receivables in repayment of principal and interest has been categorized based on the impairment policy of the Company as follows:

No of cases	Principal (₹ lakhs)	Interest (₹ lakhs)	Delay in days
6144	850.85	269.70	1-30
1298	539.54	176.33	31-90
1332	2725.86	668.89	>90

In all other cases, repayment of principal and interest are regular as at the balance sheet date.

d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the total amount overdue for more than ninety days as at 31st March 2026 is ₹2,725.86 lakhs of principal and ₹ 668.89 lakhs of interest and the Company has explained to us that reasonable steps have been taken by the company for recovery of the principal and interest.

e) Since the company is a NBFC registered with RBI and the Company's principal business is to give loans, reporting under Clause (iii)(e) of the Order is not applicable to the company.

f) According to the information and explanations given to us and on the basis of our examination of the records of the Company, 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. Accordingly, reporting under clause 3(iii)(f) of the Order is not applicable to the Company. The receivables arising in the ordinary course of business and Capital Advances not in the nature of loans and accordingly, have not been considered for the purposes of this clause

iv. In our opinion and according to the information and the explanations given to us, the Company has not granted any loans, made investments or provided any guarantees or securities in contravention of provisions of Section 185 of the Act. The Investments made by the Company are in compliance with Section 186(1) of the Act. The other provisions of Section 186 of the Act are not applicable to the Company as the Company is a Non-Banking Financial Company Registered with RBI.

v. The company is a Deposit taking Non-Banking Financial Company (**"NBFC"**) registered with Reserve Bank of India and hence the provisions of Section 73 to 76 of the Act and the rules made thereunder are not applicable to the company and according to the information and explanation given to us by the management, no order has been passed by National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal on the company in respect of the deposits accepted.

vi. The maintenance of cost records has not been specified by the Central Government under sub-section (1) of Section 148 of the Act for the activities of the company. Accordingly, reporting under Clause 3(vi) of the order is not applicable.

vii. a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company is regular in depositing undisputed statutory dues including Provident Fund, Employee's State Insurance, Income tax, Goods and Service Tax, duty of customs, cess and any other material statutory dues, as applicable.

There are no undisputed Statutory dues in respect of Provident Fund, Employee's State Insurance, Income tax, Goods and Service Tax, duty of customs, cess and any other statutory dues outstanding as at 31.03.2026 for a period of more than 6 months from the date they became payable.

b) According to the information and explanations given to us, the details of statutory dues referred in sub-clause (a) which have not been deposited as on March 31, 2026 on account of disputed dues are given below:

Sl No	Name of the Statute	Nature of dues	Amount (₹ lakhs)	Amount paid under Protest (₹ lakhs)	Period to which demand relates	Forum where dispute is pending
1	Income Tax Act, 1961	Income tax	217.16	42.24	AY 16-17	Commissioner of Income Tax (Appeals)
2	Finance Act, 1994	Service tax	2082.34	143.30	October 2009 to June 2017	Customs, Excise and Service Tax Appellate Tribunal (CESTAT)

viii. According to the information and explanations given to us and on the basis of our examination of the books of account, there were no transactions relating to previously unrecorded income that were surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).

ix. a) According to the information and explanations given to us, the Company has not made any default in repayment of dues to banks, financial institutions and other lenders during the year.

b) In our opinion and according to the information and explanations given to us, the company has not been declared wilful defaulter by any bank or financial institutions or any other lender.

c) According to the information and explanations given to us, the term loans availed during the year have been applied for the purposes for which those were obtained.

d) According to the information and explanations given to us and based on our overall examination of financial statements of the Company, the funds raised on short term basis by the company during the year have not been utilized for long term purposes.

e) The Company does not have any subsidiaries, associates or joint ventures to report and hence, reporting under clause (ix)(e) and (f) of the Order is not applicable.

x. a) In our opinion and according to the information and explanations given to us, the Company has raised moneys by way of public issue of Rated, listed, Non-Convertible Debentures during the financial year and funds raised has been utilized for the purpose the funds were raised. The Company has not made any further public issue of shares.

b) In our opinion and according to the information and explanations given to us, the Company has made Private Placement of preference shares during the year in compliance with the requirements of Section 42 and Section 62 of the Companies Act, 2013 and funds raised has been utilized for the purpose the funds were raised. The Company has not made preferential allotment of equity shares or private placement of convertible debentures (fully, partially or optionally convertible) during the year.

xi. a) According to the information and explanations given to us, no fraud by the Company or any fraud on the Company has been noticed or reported during the year. Accordingly, reporting under clause 3(xi)(a) of the Order is not applicable to the company.

b) According to the information and explanations given to us, no report under Section 143(12) of the Act has been filed in Form ADT-4 by predecessor auditor as prescribed under Rule 13 of Companies (Audit and Auditors) Rules 2014 with the Central Government during the year and up to the date of this report. Accordingly, reporting under clause 3(xi)(b) of the Order is not applicable to the company.

c) As represented to us by the Management, there are no whistle blower complaints received by the Company during the year. Accordingly, reporting under clause 3(xi)(c) of the Order is not applicable to the company.

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

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

xiv. a) In our opinion, the company has an internal audit system commensurate with the size and nature of its business.

b) The reports of the Internal Auditors of the Company issued till the date of the audit report for the period under audit were considered by us.

xv. According to the information and explanations given to us, in our opinion during the year, the Company has not entered into any non-cash transactions with the directors or persons connected with the directors and hence provisions of Section 192 of the Act are not applicable to the Company.

xvi. a) The Company is required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the registration thereunder has been obtained by the Company as Non-Banking Financial Company-Deposit-taking, Investment and Credit Company.

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

c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, the paragraph 3(xvi) (c) of the Order is not applicable.

d) There is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016). Accordingly, the paragraph 3(xvi)(d) of the Order is not applicable.

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

xviii. There has been no resignation of the Statutory Auditors during the year and accordingly this clause is not applicable.

xix. According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the Financial Statements, our knowledge of the Board of Directors and management plans, we are of the opinion that no material uncertainty exists as on the date of the audit report and that the company is capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the company as and when they fall due.

xx. a) According to the information and explanations given to us and based on our examination of the records, the company has spent the amount required to be spent as stipulated in Section 135 of the Act and does not have any unspent amount required to be transferred to a fund specified in Schedule VII of the Act as per Section 135(5) of the Act.

b) The Company does not have any ongoing projects and hence reporting under clause (xx)(b) of the order is not applicable.

xxi. According to information and explanations given to us, the company does not have any Subsidiary/Associate/Joint Venture and therefore is not required to prepare and present Consolidated Financial Statements pursuant to the provisions of any statute. Accordingly, reporting under Clause (xxi) of para 3 of the Order is not applicable.

For P N RAGHAVENDRA RAO & CO.,
Chartered Accountants
Firm Registration Number: 003328S

P R Vittel
Partner
Membership Number: 018111
UDIN: 26018111RFWLWK7470

Coimbatore
23 May 2026

Annexure - B to the Independent Auditor's Report

Referred to in paragraph 17(f) of the Independent Auditor's Report of even date to the members of Sakthi Finance Limited on the Financial Statements for the year ended March 31, 2026.

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

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

Management's Responsibility for Internal Financial Controls

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

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

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to Financial Statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (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, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to Financial Statements was established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls with reference to Financial Statements

6. A company's internal financial control 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 control with reference to Financial Statements includes those policies and procedures that:

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

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

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

Opinion

8. In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to Financial Statements and such internal financial controls were operating effectively as at March 31, 2026, based on the internal control with reference to Financial Statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

For P N RAGHAVENDRA RAO & CO.,
Chartered Accountants
Firm Registration Number: 003328S

P R Vittel
Partner

Coimbatore
23 May 2026

Membership Number: 018111
UDIN: 26018111RFWLWK7470

SAKTHI FINANCE LIMITED
BALANCE SHEET AS AT 31ST MARCH 2026

Sakthi Finance
Since 1955

(₹ Lakhs)

Particulars	Note	As at 31st March 2026	As at 31st March 2025
ASSETS			
Financial Assets			
Cash and Cash Equivalents	4	**15,535.20**	4,415.39
Bank Balances other than Cash and Cash Equivalents	4A	**2,710.94**	688.86
Receivables	5		
(i) Trade Receivables		**34.54**	96.49
(ii) Other Receivables		**8.76**	22.89
Loans	6	**107,310.41**	118,079.70
Investments	7	**6,023.38**	2,306.35
Other Financial Assets	8	**1,492.09**	1,770.47
Non-Financial Assets			
Current tax Assets (net)		**95.24**	-
Deferred tax Assets (net)	9	**277.15**	479.35
Investment Property	10	**262.40**	268.25
Property Plant and Equipment	11 (a)	**5,495.59**	5,507.52
Right of use assets	11 (b)	**1,121.53**	907.28
Capital work-in-progress	11 (c)	-	13.69
Intangible Assets under development	11 (d)	-	246.86
Other Intangible Assets	11 (e)	**1,144.49**	138.31
Other Non-Financial Assets	12	**1,840.57**	1,819.84
Total Assets		**1,43,352.29**	1,36,761.25
LIABILITIES AND EQUITY			
LIABILITIES			
Financial Liabilities			
Payables	13		
(I) Trade Payables			
(i) Total outstanding dues of micro and small enterprises		**9.66**	11.22
(ii) Total outstanding dues of creditors other than micro and small enterprises		**123.54**	117.64
(II) Other Payables			
(i) Total outstanding dues of micro and small enterprises		–	–
(ii) Total outstanding dues of creditors other than micro and small enterprises		**131.09**	431.48
Debt Securities	14	**78,211.30**	67,368.98
Borrowings (Other than debt securities)	15	**8,090.60**	12,384.82
Deposits	16	**21,905.47**	18,712.18
Subordinated Liabilities	17	**8,661.32**	12,388.54
Other Financial Liabilities	18	**1,686.96**	1,882.46

BALANCE SHEET AS AT 31ST MARCH 2026 (CONTD.)

(₹ Lakhs)

Particulars	Note	As at 31st March 2026	As at 31st March 2025
Non-Financial Liabilities			
Current tax Liabilities (net)		**-**	103.72
Provisions	19	**140.46**	153.56
Other Non-Financial Liabilities	20	**259.82**	257.34
EQUITY			
Equity Share Capital	21	**6,470.59**	6,470.59
Other Equity	22	**17,661.48**	16,478.72
Total Liabilities and Equity		**143,352.29**	136,761.25
The accompanying Notes form an integral part of the Financial Statements	1 -63		

As per our report of even date

For P N Raghavendra Rao & Co.,
Chartered Accountants
Firm Regn. No.: 003328S

P R VITTEL
Partner
Membership No. 018111

Place : Coimbatore
Date : 23rd May 2026

For and on behalf of the Board of Directors of
Sakthi Finance Limited
CIN : L65910TZ1955PLC000145

BALASUBRAMANIAM MAHALINGAM
Vice Chairman and Managing Director
DIN : 00377053

MAHALINGAM MANICKAM
Chairman
DIN : 00102233

S. VENKATESH
Company Secretary
Membership No. FCS 7012

SUNDARAMURTHY KUMARASAMY
Chief Financial Officer
Membership No.204905

Place : Coimbatore
Date : 23rd May 2026

SAKTHI FINANCE LIMITED
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2026

(₹ Lakhs)

Particulars	Note	For the year ended 31st March 2026	For the year ended 31st March 2025
REVENUE FROM OPERATIONS			
Interest Income	23	**20,505.69**	21,105.95
Lease Rental Income		**70.90**	65.84
Fees and Commission Income	24	**71.58**	71.01
Sale of power from Wind Mills	25	**199.61**	169.87
Recovery of Bad Debts		**222.76**	86.21
Total Revenue from operations		**21,070.54**	21,498.88
Other Income	26	**18.99**	21.53
Total Income		**21,089.53**	21,520.41
Expenses			
Finance Costs	27	**12,601.99**	11,984.00
Fees and commission expense		**125.53**	99.36
Impairment on financial instruments	28	**(23.39)**	712.21
Employee Benefit Expenses	29 & 42	**3,431.85**	3,648.42
Depreciation and Amortization Expense	10, 11, 30	**642.50**	594.59
Other Expenses	31	**1,970.99**	2,148.70
Total Expenses		**18,749.47**	19,187.28
Profit before Exceptional and Extraordinary Items and Tax		**2,340.06**	2,333.13
Exceptional Items		**-**	-
Profit before Tax		**2,340.06**	2,333.13
Tax Expense:	41	**615.16**	667.98
- Current Tax		**373.15**	748.81
- Deferred Tax		**212.54**	(80.83)
- Current Tax - previous year		**29.47**	-
Profit for the year		**1,724.90**	1,665.15
Other Comprehensive Income	22		
(A) Items that will not be reclassified to profit or loss			
- Fair value changes in Equity Instruments		**(34.50)**	(50.58)
- Actuarial Changes in Defined benefit obligation		**(0.33)**	3.94
- Income Tax relating to items that will not be reclassified to profit or loss		**10.34**	11.48
Sub Total (A)		**(24.49)**	(35.16)
(B) Items that will be reclassified to profit or loss		**-**	-
Total Other Comprehensive Income (A+B)		**(24.49)**	(35.16)
Total Comprehensive Income		**1,700.41**	1,629.99
Earnings per Equity Share	3(u) & 44		
Face Value per Equity Share (₹)		**10.00**	10.00
- Basic (₹)		**2.67**	2.57
- Diluted (₹)		**2.67**	2.57
The accompanying Notes form an integral part of the financial statements	1-63		

As per our report of even date

For P N Raghavendra Rao & Co.,
Chartered Accountants
Firm Regn. No.: 003328S

P R VITTEL
Partner
Membership No. 018111

Place : Coimbatore
Date : 23rd May 2026

For and on behalf of the Board of Directors of
Sakthi Finance Limited
CIN : L65910TZ1955PLC000145

BALASUBRAMANIAM MAHALINGAM
Vice Chairman and Managing Director
DIN : 00377053

MAHALINGAM MANICKAM
Chairman
DIN : 00102233

S. VENKATESH
Company Secretary
Membership No. FCS 7012

SUNDARAMURTHY KUMARASAMY
Chief Financial Officer
Membership No.204905

Place : Coimbatore
Date : 23rd May 2026

SAKTHI FINANCE LIMITED
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH 2026

A. EQUITY SHARE CAPITAL - (Issued, Subscribed and fully paid-up) (Refer Note 21)
Current reporting year and previous reporting year

(₹ Lakhs)

Particulars	As at 31st March 2026	As at 31st March 2025
Balance at the beginning of the current reporting year	**6,470.59**	6,470.59
Changes in Equity Share Capital due to prior period errors	-	-
Restated Balance at the beginning of the current reporting year	**6,470.59**	6,470.59
Changes in equity share capital during the current year	-	-
Balance at the end of the current reporting year	**6,470.59**	6,470.59

B. OTHER EQUITY (Refer Note 22)
(1) Current reporting year (1st April 2025 to 31st March 2026)

(₹ Lakhs)

Particulars	Share application money pending allotment	Equity component of compound financial instruments	Reserves and Surplus					Items of Other Comprehensive Income						Money received against share warrants	Total
			Capital Reserve	Securities Premium	General Reserve	Other Reserves (as per Section 45-IC of RBI Act, 1934)	Retained Earnings	Debt instruments through Other Comprehensive Income	Equity Instruments through Other Comprehensive Income	Effective portion of Cash Flow Hedges	Revaluation Surplus	Exchange differences on translating the financial statements of a foreign operation	Actuarial changes in defined benefit obligations		
Balance at the beginning of the current reporting year 1st April 2025	-	-	52.61	1,429.80	4,436.00	4,440.06	6,081.39	-	4.54	-	-	-	34.32	-	16,478.72
Changes in accounting policy/ prior period errors	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Restated balance at the beginning of the current reporting period	-	-	52.61	1,429.80	4,436.00	4,440.06	6,081.39	-	4.54	-	-	-	34.32	-	16,478.72
Total Comprehensive Income for the year	-	-	-	-	-	-	1,724.90	-	(24.24)	-	-	-	(0.25)	-	1,700.41
Dividends	-	-	-	-	-	-	(517.65)	-	-	-	-	-	-	-	(517.65)
Transfer to Statutory Reserve	-	-	-	-	-	344.98	(344.98)	-	-	-	-	-	-	-	-
Balance as at 31st March 2026	-	-	52.61	1,429.80	4,436.00	4,785.04	6,943.66	-	(19.70)	-	-	-	34.07	-	17,661.48

Sakthi Finance
Since 1955

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH 2026 (CONTD.)

(2) Previous reporting year (1st April-2024 TO 31st March 2025)

(₹ Lakhs)

Particulars	Share application money pending allotment	Equity component of compound financial instruments	Reserves and Surplus					Items of Other Comprehensive Income						Money received against share warrants	**Total**
			Capital Reserve	Securities Premium	General Reserve	Other Reserves (as per Section 45-IC of RBI Act, 1934)	Retained Earnings	Debt instruments through Other Comprehensive Income	Equity Instruments through Other Comprehensive Income	Effective portion of Cash Flow Hedges	Revaluation Surplus	Exchange differences on translating the financial statements of a foreign operation	Actuarial changes in defined benefit obligations		
Balance at the beginning of the current reporting year 1st April 2024	-	-	52.61	1,429.80	4,436.00	4,107.03	5,266.92	-	42.89	-	-	-	31.13	-	15,366.38
Changes in accounting policy/ prior period errors	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Restated balance at the beginning of the current reporting period	-	-	52.61	1,429.80	4,436.00	4,107.03	5,266.92	-	42.89	-	-	-	31.13	-	15,366.38
Total Comprehensive Income for the year							1,665.15		(38.35)				3.19		1,629.99
Dividends							(517.65)								(517.65)
Transfer to Statutory Reserve	-	-	-	-	-	333.03	(333.03)	-	-	-	-	-	-	-	-
Balance as at 31st March 2025	-	-	52.61	1,429.80	4,436.00	4,440.06	6,081.39	-	4.54	-	-	-	34.32	-	16,478.72

The accompanying Notes form an integral part of the financial statements

As per our report of even date

For P N Raghavendra Rao & Co.,
Chartered Accountants
Firm Regn. No.: 003328S

P R VITTEL
Partner
Membership No. 018111

Place : Coimbatore
Date : 23rd May 2026

For and on behalf of the Board of Directors of
Sakthi Finance Limited
CIN : L65910TZ1955PLC000145

BALASUBRAMANIAM MAHALINGAM
Vice Chairman and Managing Director
DIN : 00377053

MAHALINGAM MANICKAM
Chairman
DIN : 00102233

S. VENKATESH
Company Secretary
Membership No. FCS 7012

SUNDARAMURTHY KUMARASAMY
Chief Financial Officer
Membership No.204905

Place : Coimbatore
Date : 23rd May 2026

SAKTHI FINANCE LIMITED
STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31ST MARCH 2026

Sakthi Finance Since 1955

(₹ Lakhs)

Particulars		Note	For the year ended 31st March 2026	For the year ended 31st March 2025
A. Cash flow from Operating activities				
Profit before tax			**2,340.06**	2,333.13
Adjustment to reconcile profit before tax to net cash flows :				
Non-cash expenses				
Depreciation and Amortisation		30	**642.50**	594.59
Impairment on Loan Receivables		28	**(951.59)**	325.18
Bad debts and write-offs		28	**932.18**	403.13
Remeasurement gain/(loss) on defined benefit plans			**(0.33)**	3.94
Impairment on investments		28	**5.58**	1.71
Impairment on Trade receivables		28	**(9.56)**	(17.81)
Amortization of fees and Commission on financial liabilities			**181.89**	159.49
Income/expenses considered separately				
Income from investing activities			**(488.52)**	(118.34)
Net gain/(loss) on derecognition of property, plant and equipment		26, 31	**(2.30)**	(0.94)
Finance costs		27	**12,601.99**	11,984.00
Operating profit before working capital changes			**15,251.90**	15,668.08
Movements in Working Capital:				
Decrease/(increase) in loans			**10,788.70**	1,364.38
Decrease / (increase) in Trade receivables			**71.51**	107.43
Decrease / (increase) in Other receivables			**14.13**	(10.67)
Decrease / (increase) in Other financial assets			**301.59**	(420.51)
Decrease / (increase) in Other non-financial assets			**(61.68)**	74.46
Increase / (decrease) in Trade Payables			**4.34**	(49.06)
Increase / (decrease) in Other Payables			**(300.38)**	259.68
Increase / (decrease) in Other financial liabilities			**(442.78)**	(428.19)
Increase / (decrease) in Other non- financial liabilities			**2.48**	10.22
Increase /(decrease) in Provisions			**(13.10)**	10.84
Cash generated / (used in) from operations			**10,364.81**	918.58
Income taxes paid (net of refunds)			**(601.58)**	(648.55)
Finance costs paid			**(13,191.58)**	(13,731.70)
Net Cash generated from / (used in) operating activities	**(A)**		**11,823.55**	2,206.41
B. CASH FLOW FROM INVESTING ACTIVITIES				
Purchase of property, plant and equipment and intangible assets		10, 11	**(1,585.22)**	(575.14)
Purchase of investments at measured amortised cost			**(1,320.51)**	(1,309.59)
Purchase of investments at FVTPL			**(2,586.61)**	-
Proceeds from sale of investments at measured amortised cost			**150.00**	341.00
Proceeds from sale of property, plant and equipment and intangible assets			**2.92**	10.33
Interest income received from investment at amortised cost		23, 26	**488.52**	117.41
Increase in earmarked balances with banks			**(2,022.08)**	(6.65)
Dividend income			**-**	0.93
Net cash flows from / (used in) investing activities	(B)		**(6,872.98)**	(1,421.71)

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31ST MARCH 2026 (CONTD.)

(₹ Lakhs)

Particulars	Note	For the year ended 31st March 2026	For the year ended 31st March 2025
C. CASH FLOW FROM FINANCING ACTIVITIES			
Issue Expenses of Debt Securities		**40.95**	(40.95)
Proceeds from borrowings through debt securities		**25,000.00**	13,220.44
Repayment of borrowings through debt securities		**(14,175.31)**	(11,501.79)
Proceeds from borrowings through Deposits		**5,728.17**	11,015.70
Repayment of borrowings through Deposits		**(2,624.28)**	(628.44)
Proceeds from borrowings other than through debt securities		**3,599.17**	6,870.00
Repayment of borrowings other than through debt securities		**(8,211.05)**	(6,872.50)
Proceeds from borrowings through Subordinated liabilities		**766.25**	1,816.00
Repayment of borrowings through Subordinated liabilities		**(3,882.11)**	(18,854.42)
(Increase) / decrease in loan repayable on demand		**259.89**	(153.63)
Lease liability paid		**185.21**	(40.62)
Dividend paid	22	**(517.65)**	(517.65)
Net cash generated from financing activities (C)		**6,169.24**	(5,687.86)
Net increase/(decrease) in cash and cash equivalents (A+B+C)		**11,119.81**	(4,903.16)
Cash and cash equivalents at the beginning of the year		**4,415.39**	9,318.55
Cash and cash equivalents as at the end of the year		**15,535.20**	4,415.39
Net cash provided by / (used in) operating activities includes			
Interest received		**19,497.01**	20,826.78
Interest paid		**(13,191.58)**	(13,731.70)
Net cash provided by / (used in) operating activities		**6,305.43**	7,095.08
Cash and cash equivalents as at the end of the year	4		
i) Cash on hand		**313.68**	226.19
ii) Cheques on hand		**0.21**	52.54
iii) Balances with banks in Current Accounts (of the nature of cash and cash equivalents)		**1,071.31**	2,371.66
iv) Term Deposits with maturity less than 3 months		**14,150.00**	1,765.00
Total		**15,535.20**	4,415.39

The above Statement of Cash Flows has been prepared under the indirect method as set-out in Ind As-7 "Statement of Cash Flows".

The accompanying Notes form an integral part of the financial statements

As per our report of even date

For P N Raghavendra Rao & Co.,
Chartered Accountants
Firm Regn. No.: 003328S

P R VITTEL
Partner
Membership No. 018111

Place : Coimbatore
Date : 23rd May 2026

For and on behalf of the Board of Directors of
Sakthi Finance Limited
CIN : L65910TZ1955PLC000145

BALASUBRAMANIAM MAHALINGAM
Vice Chairman and Managing Director
DIN : 00377053

MAHALINGAM MANICKAM
Chairman
DIN : 00102233

S. VENKATESH
Company Secretary
Membership No. FCS 7012

SUNDARAMURTHY KUMARASAMY
Chief Financial Officer
Membership No.204905

Place : Coimbatore
Date : 23rd May 2026

NOTES FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2026

1. Company Overview

Sakthi Finance Limited ("SFL" or "the Company") with Corporate Identification Number L65910TZ1955PLC000145 incorporated on 30th March 1955 under the Indian Companies Act 1913 and domiciled in Coimbatore, India, is a Public Limited Company situated in Coimbatore. The Registered Office of the Company is situated at 62, Dr. Nanjappa Road, Coimbatore - 641018.

The Company is a Deposit-taking Non-Banking Financial Company **("NBFC")** registered with Reserve Bank of India **("RBI")** under Sec 45-IA of the RBI Act 1934 with Certificate of Registration No. 07-00252 dated 8th May 1998. The Company has been classified as an NBFC-Investment and Credit Company **("NBFC-ICC").** Further in terms of Reserve Bank of India (Non-Banking Financial – Registration, Exemptions and Framework for Scale Based Regulation) Directions, 2025 the company has been categorised as Middle Layer **("ML")** as specified therein. The Company is primarily engaged in the business of Financing of pre-owned Commercial Vehicles, Infrastructure Equipment, Machineries, etc. The Equity Shares and Non-Convertible Debentures of the Company are listed on BSE Limited.

The Board of Directors have, at their meeting held on 23rd May 2026, approved and authorized the issue of these Financial statements of the Company for the year ended 31st March 2026.

2. Basis of Preparation and Presentation

a. Statement of Compliance

The financial statements of the Company have been prepared in accordance with the Indian Accounting Standards **("Ind AS")** as per the Companies (Indian Accounting Standards) Rules 2015, as amended and notified under Section 133 of the Companies Act 2013 **("the Act")** and is in conformity with the accounting principles generally accepted in India and other relevant provisions of the Act as applicable. Further, the Company has complied with the RBI Directions and other circular(s), as applicable.

Any application / guidance / clarifications / directions issued by RBI or other regulators are implemented as and when they are issued / applicable.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

The regulatory disclosures, as required by Reserve Bank of India (Non-Banking Financial Companies - Financial Statements: Presentation and Disclosures) Directions, 2025, dated November 28, 2025 as amended, issued by Reserve Bank of India, if any, are included in the Notes forming an integral part of the financial statements.

b. Presentation of Financial Statements

The company presents its balance sheet in the order of liquidity. Financial statements of the Company are prepared and presented in the format prescribed in Division III of Schedule III to the Act applicable to NBFCs, as notified by the Ministry of Corporate Affairs **("MCA")**. Financial assets and financial liabilities are generally reported gross in the balance sheet.

They are only offset and reported net when, in addition to having an unconditional legally enforceable right to offset the recognized amounts without being contingent on a future event, the parties also intend to settle on a net basis in all of the following circumstances :

- The normal course of business
- The event of default
- The event of insolvency or bankruptcy of the Company and/or its counter parties

c. Basis of Measurement

The financial statements have been prepared on a going concern basis and on historical cost convention, except for certain financial instruments that are measured at Fair Value Through Other Comprehensive Income **("FVTOCI")** at the end of each reporting period. Accounting policies have been consistently applied to all periods presented, unless otherwise stated.

d. Functional and Presentation Currency

The Financial Statements are presented in Indian Rupees (₹) which is the Company's functional currency. All amounts are rounded off to the nearest lakhs with two decimals except where otherwise indicated.

The aggregation and classification of amounts in the financial statements are based on materiality and similarity between the items. Items of dissimilar nature or function are separately presented unless they are immaterial except when required by law.

e. Use of Estimates, Judgments and Estimation uncertainty

The preparation of financial statements of the company involves use of estimates in computation of expected credit loss, making judgments in determination of fair value of financial assets and financial liabilities, assumptions for actuarial changes in defined benefit obligations. The Company based its assumptions and estimates on factors available when the financial statements were prepared.

The use of estimates and assumptions, might have an effect on these financial statements.

The estimates are based on historical experience and other factors that are considered to be relevant. The actual results may differ from these estimates. The company believes that the estimates used in the

NOTES FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2026 (CONTD.)

preparation of financial statements are prudent and reasonable.

Estimates, judgments and underlying assumptions are reviewed on an on-going basis. Revision of estimates are recognized prospectively.

Existing circumstances and assumptions about future development, however, may change due to market changes or circumstances arising that are beyond the control of the company. In the process of applying the Company's material accounting policies, the management has made reasonable estimates and judgments in relation to the carrying amount of assets and liabilities which includes the following:

(i) Business Model Assessment

Classification and measurement of financial assets depends on the results of the Business Model Assessment and Solely Payments of Principal and Interest **("SPPI")**. The Company determines the business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. This assessment includes judgment reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed and how the managers of the assets are compensated. The Company monitors financial assets measured at amortised cost or fair value through other comprehensive income that are derecognised prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held. Monitoring is part of the Company's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in the business model and so a prospective change to the classification of those assets.

(ii) Defined employee benefit obligations

The cost of the defined benefit relating to gratuity and leave encashment plans and the present value of the gratuity and leave encashment obligations are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed annually.

(iii) Fair value measurement

When the fair value of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using various valuation techniques. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

(iv) Impairment of Financial assets

The measurement of impairment losses across all categories of financial assets requires judgment, in particular, the estimation of the amount and timing of future cash flows and collateral values when determining impairment losses and the assessment of a significant increase in credit risk. These estimates are driven by a number of factors, changes in which can result in different levels of allowances. It has been the Company's policy to regularly review its models in the context of actual loss experience and adjust when necessary.

(v) Contingent liabilities and provisions other than impairment on loan portfolio

Provisions and liabilities are recognised in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events and the amount of cash outflow can reliably be estimated. The timing of recognition and quantification of the liability requires the application of judgment to existing facts and circumstances, which can be subject to change. The carrying amounts of provisions and liabilities are reviewed at each Balance Sheet date and revised to take account of changing facts and circumstances.

(vi) Effective Interest Rate ("EIR") method on Financial Assets

The Company's EIR methodology, recognises interest income / expense using a rate of return that represents the best estimate of a constant rate of return over the expected behavioural life of loans given / taken and recognises the effect of potentially different interest rates at various stages and other characteristics of the product life cycle (including prepayments and penalty interest and charges). This estimation, by nature, requires an element of judgment regarding the expected behaviour and life-cycle of the instruments as well as expected changes to India's base rate and other

NOTES FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2026 (CONTD.)

fee income/expense that are integral parts of the instrument.

(vii) Useful lives and residual values of Property, Plant and Equipment, Investment Property and Intangible Assets are reviewed by the Company at the end of each Financial year.

3. Material Accounting Policies

a. Financial Instruments

A Financial Instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

i. Initial recognition and Measurement

Financial assets and Financial liabilities are initially recognized at fair value on the date the company becomes a party to the contractual provisions of the instrument.

Transaction costs directly attributable to the acquisition of financial assets or financial liabilities measured at fair value through profit or loss are recognised immediately in the Statement of Profit and Loss.

Transaction costs directly attributable to the acquisition or issue of financial assets and financial liabilities that are measured at amortised cost are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition.

Unlike the other financial assets, Trade receivables are measured at transaction price at which the transaction had taken place.

ii. Classification and subsequent Measurement

The financial assets are classified based on the Company's business model for managing the financial assets and their contractual cash flow characteristics as subsequently measured:

a) At amortised cost

b) At Fair Value Through Other Comprehensive Income (**"FVTOCI"**)

c) At Fair Value Through Profit or Loss (**"FVTPL"**)

The Company classifies its financial liabilities at amortised cost.

Financial Assets at Amortised Cost

The classification of financial assets such as Cash and Cash Equivalents, Loans, Trade Receivables and investments (other than those classified at FVTOCI) are measured at amortized cost based on the assessment of business model as follows:

Business Model Assessment

An assessment of business model for managing financial assets is fundamental to the classification of a financial asset.

The Company determines its business model at the level that best reflects how it manages groups of financial assets to achieve its business objective. The Company's business model is not assessed on an instrument by instrument basis, but at a higher level of aggregated portfolios and is based on observable factors such as:

- How the performance of the business model and the financial assets held within that business model are evaluated and reported to the company's key management personnel;
- The risks that affect the performance of the business model (and the financial assets held within that business model) and in particular, the way those risks are managed;
- How managers of the business are compensated (for example, whether the compensation is based on the fair value of the assets managed or on the contractual cash flows collected); and
- The expected frequency, value and timing of loan disbursements based on the analysis of disbursements made and realisation of cash flows in previous periods.

The financial assets of the company are held within a business model, whose objective is to hold assets in order to collect contractual cash flows, are managed to realise cash flows by collecting contractual payments over the life of the instrument and within the business model whose objective is achieved by both collecting the contractual cash flows and selling the financial asset.

The Solely Payments of Principal and Interest ("SPPI") test on the principal amount outstanding:

For an asset to be classified and measured at amortised cost, its contractual terms should give rise to cash flows that meet SPPI test.

For that purpose:

'Principal' for the purpose of this test is defined as the fair value of the financial asset at initial recognition and may change over the life of the financial asset.

The interest income represents the consideration for time value of money, credit risk, other basic lending risks and a profit margin that is consistent with a basic lending arrangement.

The SPPI assessment is made in the currency in which the financial asset is denominated.

The contractual terms of the financial asset give rise on specified dates to cash flows that are Solely Payments of Principal and Interest ("SPPI") on the principal amount outstanding.

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Financial Assets at FVTOCI

Equity instruments

The Company has made an irrevocable election to classify and measure the equity instruments at FVTOCI to present the subsequent changes in Fair Value under Other Comprehensive Income **("OCI")** and the classification is determined on an instrument by instrument basis.

Gains and losses on these equity instruments are never recycled to profit or loss. Dividends are recognised in profit or loss as dividend income when the right to receive the payment has been established, except when the company benefits from such proceeds as a recovery of part of the cost of the instrument, in which case, such gains are recorded in OCI.

Financial Assets at FVTPL

Financial instruments held at FVTPL are initially recognised at fair value, with transaction costs recognised in the statement of profit and loss as incurred. Subsequently, they are measured at fair value and any gains or losses are recognised in the statement of profit and loss as they arise.

Investments held for Trading

A financial instrument is classified as held for trading if it is acquired or incurred principally for selling or repurchasing in the near term, or forms part of a portfolio of financial instruments that are managed together and for which there is evidence of short-term profit taking, or it is a derivative not in a qualifying hedge relationship.

Trading securities are classified as held for trading and recognised at FVTPL.

Financial Liabilities at Amortised Cost

The company has classified the debt instruments, redeemable non-convertible preference shares and other borrowed funds at amortised cost. Amortised cost is calculated by taking into account any discount or premium on issue of funds and transaction costs that are an integral part of the Effective Interest Rate **("EIR")**.

Any fees, paid or received, transaction costs and other premiums or discounts that are included in the calculation of the effective interest rate are amortised over the expected life of the financial instrument.

iii. Reclassification of Financial Instrument

The Company does not reclassify its financial assets subsequent to their initial recognition, apart from the exceptional circumstances in which the Company acquires, disposes of, or terminates a business line. Financial liabilities are never reclassified.

The Company did not reclassify any of its financial assets or liabilities during the financial year.

Till 31st March 2020, the issue expenses relating to public issue of Non-Convertible Debentures was set off against securities premium. From 1st April 2020 onwards, the amortised issue expenses are written off in the statement of profit and loss.

Recognition of Financial Instrument

- Loans and Advances are initially recognised when the agreements are entered into with borrowers.
- Investments are initially recognised on the settlement / delivery date.
- Debt securities, deposits and borrowings are initially recognised when funds received or date of allotment whichever is appropriate,
- Other Financial assets and liabilities are initially recognised on the trade date, i.e., the date that the Company becomes a party to the contractual provisions of the instrument.

iv. Derecognition of Financial Instrument

Financial Assets

The Company derecognises the Financial Asset when and only when:

- The contractual rights to receive the cash flows from the financial asset have expired.
- The Company also derecognizes the Financial Asset if it has both transferred the Financial Asset and the transfer qualifies for derecognition. The Company has transferred the Financial Asset, if and only if, either:
- The Company has transferred its right to receive cash flows from the Financial asset or
- It retains the rights to the cash flows, but has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement.

A transfer qualifies for derecognition only if either :

a. the Company has transferred substantially all the risks and rewards of the asset, or

b. the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

On derecognition of a financial asset, the difference between:

a. the carrying amount (measured at the date of derecognition) and

NOTES FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2026 (CONTD.)

b. the consideration received is recognised in the statement of profit and loss.

Financial Liabilities

The Company derecognises the financial liability when and only when it is extinguished i.e. when the contractual obligation is discharged or cancelled or expired.

A financial liability is considered as extinguished when there is an exchange between the Company and the lender with substantially different terms of the original financial liability or when there is a substantial modification of the terms of existing financial liability or part thereof.

On derecognition of a financial liability, the difference between:

a. the carrying amount and

b. the consideration paid

is recognised in the statement of profit and loss.

v. Impairment of Financial Assets

The Company records allowance for expected credit losses for all loans, other financial assets not held at fair value through profit or loss (**"FVTPL"**), referred to as financial instruments. Equity instruments are not subject to impairment under Ind AS 109.

The impairment loss allowance is provided based on the Expected Credit Loss (**"ECL"**) model.

The ECL is based on the credit losses expected to arise over the life of the financial asset (the lifetime expected credit loss), unless there has been no significant increase in credit risk since origination, in which case, the allowance is based on the 12 months' expected credit loss.

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

The Company has formulated a policy to perform an assessment, whether a financial instrument's credit risk has increased significantly since initial recognition, by considering the change in the risk of default occurring over the remaining life of the financial instrument. When determining whether the risk of default on a financial asset has increased significantly since initial recognition, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information which takes into account the Company's historical credit loss experience, current economic conditions, forward looking information.

The expected credit loss is a product of Exposure at Default (**'EAD'**), Probability of Default (**'PD'**) and Loss Given Default (**'LGD'**). The Company has devised an internal model to evaluate the LGD and PD based on the parameters set out in Ind AS 109. EAD represents the expected exposure in the event of a default and is the gross carrying amount in case of the financial assets are held by the Company. LGD is an estimate of loss from a transaction given that a default occurs. PD is defined as the probability of whether the borrowers will default on their obligations in the future.

The Company incorporates forward-looking information into both assessments of whether the credit risk of an instrument has increased significantly since its initial recognition and its measurement of ECL. Based on the consideration of external actual and forecast information, the Company forms a 'base case' view of the future direction of relevant economic variables. This process involves developing two or more additional economic scenarios and considering the relative probabilities of each outcome. The base case represents the most likely outcome while the other scenarios represent more optimistic and more pessimistic outcomes.

The measurement of impairment losses across all categories of financial assets requires judgement, in particular, the estimation of the amount and timing of future cash flows and collateral values when determining impairment losses and the assessment of a significant increase in credit risk. These estimates are driven by a number of factors, changes in which can result in different levels of allowances. The Company's ECL calculations are outputs of complex models with a number of underlying assumptions regarding the choice of variable inputs and their interdependencies. The inputs and models used for calculating ECLs may not always capture all characteristics of the market at the date of the financial statements. The Company regularly reviews its models in the context of actual loss experience and makes adjustments when such differences are significantly material. Adjustments including reversal of ECL are recognised through the statement of profit and loss.

Significant increase in credit risk

The Company continuously monitors all assets subject to ECLs in order to determine whether an

NOTES FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2026 (CONTD.)

instrument or a portfolio of instruments is subject to 12 month's ECL or lifetime ECL. The Company assesses whether there has been an event which could cause a significant increase in the credit risk of the underlying asset or the customers' ability to pay and accordingly change the 12 month's ECL to a lifetime ECL. The Company does the assessment of significant increase in credit risk at a borrower level.

Regardless of the above, if contractual payments are more than 30 days past due, the credit risk is deemed to have increased significantly since initial recognition.

The financial assets have been segmented into three stages based on the risk profiles. The three stages reflect the general pattern of credit deterioration of a financial asset as detailed below:

Stage 1

Financial assets, where there has not been a significant increase in credit risk since initial recognition or that has low credit risk at the reporting date and that are not credit impaired upon origination, are classified under this Stage.

The Company classifies all standard loans and loans up to 30 days overdue under this category. Stage 1 loans also include facilities where the credit risk has improved and the loan has been reclassified from Stage 2 and 3. The Company provides 12 month's ECL for Stage 1 assets.

Stage 2

Financial assets, where there has been a significant increase in credit risk since initial recognition but do not have an objective evidence of impairment are classified under this Stage. 30 Days Past Due is considered under Stage 2. The Company provides Lifetime ECL for Stage 2 assets.

Stage 3

All exposures assessed as credit impaired when one or more events that have a detrimental impact on the estimated future cash flows of that asset have occurred are classified under this Stage. 90 Days Past Due is considered as default for classifying a financial instrument as credit impaired. For exposures that have become credit impaired, a life time ECL is recognized, a 100 percent PD is considered and interest revenue is calculated by applying the effective interest rate to the amortised cost (net of provision) rather than the gross carrying amount.

Definition of default

If the borrower is past due for more than 90 days on any material credit obligation to the Company or the borrower is unlikely to pay his credit obligations to the Company in full, it is considered as default.

Credit-impaired financial assets

At each reporting date, the Company assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

ECL on Investment in Government securities

The Company has invested in Government Securities. No ECL has been applied on these investments as there is no history of delay in servicing of interest/ repayments. The Company does not expect any delay in interest/redemption servicing in future.

Simplified approach for trade/other receivables

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade/ other receivables that do not contain a significant financing component.

vi. **Offsetting of Financial Instruments**

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company currently has a legally enforceable right in the event of default to set off the amounts which must not be contingent.

b. **Collateral Valuation and repossession**

To mitigate its credit risks on financial assets, the Company seeks to use collateral such as movable and immovable assets, guarantees, etc, wherever applicable. To the extent possible, the Company uses active market data and external valuers for valuing financial assets held as collateral. Other financial assets which do not have readily determinable market values are valued using models or through external valuers.

The Company physically repossesses and takes into custody properties or other assets to settle outstanding debt. Any surplus funds are returned to the customers/obligors. Assets held under legal repossession processes are not recorded in the balance sheet as it does not meet the recognition criteria in other standards and disclosed in the notes to Financial Statements.

c. **Write-offs**

The gross carrying amount of a financial asset is written-off (either partially or in full) to the extent that there is no reasonable expectation of recovering the asset in its entirety or a portion thereof, as per write-off policy of the Company. This is generally the case when the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that

NOTES FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2026 (CONTD.)

are written- off could still be subject to enforcement activities under the Company's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in the statement of profit and loss.

d. Undrawn Loan Commitments

Undrawn loan commitments are commitments under which, over the duration of the commitment, the Company is required to provide a loan with pre-specified terms to the borrower. They are not recognised in the Financial Statements. The Company did not have any undrawn loan commitments in the current financial year or the preceding year.

e. Fair Value Measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

A fair value measurement assumes that the transaction to sell the asset or transfer the liability takes place either:

1. in the principal market for the asset or liability; or
2. in the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market is accessible by the company on the measurement date. The Company measures the fair value of an asset or liability using the assumption that market participants would use when pricing the asset or liability.

The price is either directly observable or estimated using another valuation technique. The Company had adopted valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value by maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

The company applied the fair value hierarchy for the inputs to valuation techniques used to measure fair value. The three levels of hierarchy are given below:

Level 1	Those where the inputs used in the valuation are unadjusted quoted prices from active markets for identical assets or liabilities that the Company has access to, at the measurement date. The Company considers markets as active only if there are sufficient trading activities with regard to the volume and liquidity of the identical assets or liabilities and when there are binding and exercisable price quotes available on the balance sheet date.
Level 2	Those where the inputs that are used for valuation and are significant, are derived from directly or indirectly observable market data available over the entire period of the instrument's life. Such inputs include quoted prices for similar assets or liabilities in active markets, quoted prices for identical instruments in inactive markets and observable inputs other than quoted prices such as interest rates and yield curves, implied volatilities, and credit spreads. In addition, adjustments may be required for the condition or location of the asset or the extent to which it relates to items that are comparable to the valued instrument. However, if such adjustments are based on unobservable inputs which are significant to the entire measurement, the Company will classify the instruments as Level 3.
Level 3	Those that include one or more unobservable input that is significant to the measurement as a whole

The Company determines appropriate classes of assets and liabilities on the basis of the following:

a. the nature, characteristics and risks of the asset or liability; and
b. the level of the fair value hierarchy within which the fair value measurement is categorized.

The company evaluates the levelling at each reporting period on an instrument by instrument basis and reclassifies instruments when necessary based on the facts at the end of the period.

f. Property, Plant and Equipment ("PPE")

PPE are carried at historical cost of acquisition less accumulated depreciation and accumulated impairment if any.

The cost of assets comprises its purchase price, freight, duties, taxes and any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by the management.

Subsequent expenditures related to an item of tangible asset are added to its gross value only if it increases the future benefits of the existing asset, beyond its previously assessed standards of performance if it is probable that future economic benefits will flow to the Company from that expenditure and cost can be measured reliably. Other repairs and maintenance costs are expensed off as and when incurred.

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Property, Plant and Equipment is carried at cost less accumulated depreciation and any accumulated impairment losses.

Capital work in progress comprises the cost of PPE that are not ready for its intended use at the reporting date.

Depreciation

Depreciation is calculated by using the straight-line method to write down the cost of Property, Plant and Equipment (other than freehold land) to their residual values over their estimated useful lives which is in line with the estimated useful life as specified in Schedule II to the Act except for leasehold improvements which are amortised on a straight-line basis over the period of lease or estimated period of useful life of such improvement, subject to a maximum period of 60 months. Leasehold improvements include all expenditure incurred on the leasehold premises that have future economic benefits. The depreciation charge for each period is recognised in the statement of profit and loss for the period.

Particulars	Useful life as prescribed in Schedule II to the Companies Act 2013	Useful life estimated by the Company
Buildings	60 years	60 years
Plant and Machinery	15 years	15 years
Plant - Windmills	22 years	22 years
Furniture and Fixtures	10 years	10 years
Vehicles	8 years	8 years
Office Equipments	5 years	10 years
Computers	3 years	6 years
Intangible Assets	3 years	6 years

The Management has considered the useful life of office equipments, computers and intangible assets as 10 years and 6 years respectively.

Property, Plant and Equipment is derecognised on disposal or when no future economic benefits are expected from its use.

Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the net carrying amount of the asset) is recognised in other income / expense in the statement of profit and loss in the year in which the asset is derecognized.

g. Intangible Assets and Amortisation

Intangible assets are carried at its cost less any accumulated amortisation and accumulated impairment losses, if any.

The intangible assets comprise computer software which is amortized over its estimated useful life, under straight line method. The amortisation charge is calculated by using the straight line method to write down the cost of intangible assets over their estimated useful life of 6 years as per Management's estimate. There are no items of intangible assets with "indefinite" lives.

Amortization is recognised as an expense in the statement of profit and loss for the period.The Company has a practice of reviewing the method and period of amortisation as at the end of each financial year.

An intangible asset is derecognised on disposal or when no future economic benefits are expected from its use or disposal.

Any gain or loss arising on derecognition of the intangible assets (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is recognised in other income / expense in the statement of profit and loss in the year in which the asset is derecognized.

h. Investment Property

Investment properties are properties held to earn rentals and/or for capital appreciation or both. Investment properties are measured initially at cost, including transaction costs.

Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and impairment losses, if any. When significant parts of the investment property are required to be replaced at intervals, the company depreciates them separately based on their specific useful lives. All other repair and maintenance costs are recognised in the statement of profit and loss as incurred.

The company, based on technical assessment made by management, depreciates the building over its estimated useful life of 60 years. The management believes that these estimated useful life is realistic and reflect fair approximation of the period over which the assets are likely to be used.

Though the Company measures investment property using cost-based measurement, the fair value of investment property is disclosed in Note 10. Fair value is determined based on an annual evaluation performed by an accredited external independent valuer.

i. Impairment of Non-Financial Assets

The Company reviews the carrying amounts of PPE, Investment Property and Intangible assets to determine, if there is an indication that those assets have suffered any impairment loss. In case of any such indication those non-financial assets are tested for impairment so as to determine the impairment loss if any, at the end of each reporting period.

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j. **Employee Benefits**

Short Term Employee Benefits

Short-term employee benefits are recognised as expense when the related service is provided. A liability for salaries and wages, Bonus, leave encashment is recognised for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Defined Contribution Plan

Employees Provident Fund ("EPF") and Employees State Insurance ("ESI")

Retirement benefits such as employees provident fund and employees state insurance comes under the defined contribution plan for which the Company make contributions to such schemes administered by government organisations set up under the applicable statute and are recognised as an expense when an employee renders related service.

Defined Benefit Plans

Gratuity

The obligation in respect of defined benefit plans, which covers Gratuity is provided for on the basis of an actuarial valuation at the end of each financial year by an Independent Actuary using Projected Unit Credit method. The Company makes contribution to a Gratuity Fund administered and managed by Life Insurance Corporation of India **("LIC")**.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields as at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

Past services are recognised at the earlier of the plan amendment / curtailment and recognition of related restructuring costs/termination benefits.

The Company recognises the changes in the net defined benefit obligation such as service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements) under employee benefit expenses and net interest expense or income in the Statement of Profit and Loss in the line item, Employee Benefits Expenses.

Re-measurements of defined benefit plan, comprising actuarial gains and losses, the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to Other Comprehensive income **("OCI")** in the period in which they occur. Re- measurements are not reclassified to profit or loss in subsequent periods.

The retirement benefit obligation recognised in the Balance Sheet represents the actual deficit or surplus in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in the future contribution to the plans..

Other Long-Term Benefits

Leave Encashment, Compensated Absences and Sick Leave

The Company provides for the encashment / availment of leave with pay subject to certain rules. The employees are entitled to accumulate leave subject to certain limits for future encashment / availment. The liability is provided based on the number of days of unutilized leave at each balance sheet date on the basis of an independent actuarial valuation.

The service cost, interest on defined benefit liability and remeasurements of defined benefit liability is recognised in the statement of profit or loss.

k. **Revenue Recognition**

i. **Recognition of Interest Income on loans**

The Company recognises interest income using Effective Interest rate Method "EIR" on all financial assets (loans) measured at amortised cost.

EIR is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset, to the gross carrying amount of a financial asset. The future cash flows are estimated using the contractual terms of the instrument.

The Company calculates interest income by applying the EIR to the gross carrying amount of financial assets other than credit-impaired assets. In case of credit-impaired financial assets ('Stage 3'), the Company recognises interest income on the amortised cost net of impairment loss of the financial asset at EIR. If the financial asset is no longer credit-impaired, the Company reverts to calculating interest income on a gross basis.

Interest levied on customers for delay in repayments/ non-payment of contractual cash flows is recognised on realization, since the probability / certainty of collecting such monies is established when the customer pays.

Interest Income from Government securities is recognized on time proportion basis taking into account the amount outstanding and the rate applicable.

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ii. Dividend Income

Dividend income on equity shares is recognized when the Company's' right to receive the payment is established by the reporting date and no significant uncertainty as to its collectability exists.

iii. Other Operating Income

The Company recognises revenue from contracts with customers (other than financial assets to which Ind AS 109 'Financial Instruments' is applicable) based on a comprehensive assessment model as set out in Ind AS 115 'Revenue from contracts with customers. The Company identifies contract(s) with a customer and its performance obligations under the contract, determines the transaction price and its allocation to the performance obligations in the contract and recognises revenue only on satisfactory completion of performance obligations. The Company recognises income on recoveries of financial assets written off on realisation basis.

iv. Rental Income

Rental income arising from operating leases is recognised on a straight-line basis over the lease term. In cases where the increase is in line with expected general inflation, rental income is recognised as per the contractual terms.

Operating leases are leases where the Company does not transfer substantially all of the risks and benefits of ownership of the asset.

v. Fees and Commission Income

The Company recognises service and administration charges towards rendering financial services to its customers on satisfactory completion of performance obligation at a point in time. Cheque Bouncing charges levied on customers for non-payment of instalment on the contractual date is recognised on realization, since the probability/ certainty of collecting such monies is established only when the customer pays. Foreclosure charges are collected from loan customers for early payment/ closure of loan and are recognised on realization, since the probability / certainty of collecting such monies is established only when the customer pays.

vi. Sale of Power from Windmills

Income from power generation is recognized as per the Power Purchase Agreements entered into with State Electricity Board and on supply of power to the grid on satisfaction of performance obligation.

vii. Net gain/loss on fair value changes

The Company designates certain financial assets for subsequent measurement at FVTOCI. The Company recognises gains/loss on fair value change of financial assets measured at FVTOCI.

l. Foreign Currency Transaction

The functional currency and presentation currency of the Company is Indian Rupee. Functional currency of the Company have been determined based on the primary economic environment in which the Company and its foreign operations operate considering the currency in which funds are generated, spent and retained.

Transactions in currencies other than the Company's functional currency are recorded on initial recognition using the exchange rate at the transaction date. At each Balance Sheet date, foreign currency monetary items are translated at the prevailing closing spot rate. Non- monetary items are measured in terms of historical cost in foreign currency and are not retranslated.

Exchange differences, if any, that arise on settlement of monetary items or on reporting of monetary items at each Balance Sheet date at the closing spot rate are recognised in the Statement of Profit and Loss in the period in which they arise.

m. Borrowing Costs

Borrowing costs include interest expense calculated using the "EIR" as per Ind AS 109 on 'Financial instruments' and interest in respect of lease liability is recognised in accordance with Ind AS 116.

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of cost of such asset till such time the asset is ready for its intended use or sale. A qualifying asset is an asset that necessarily requires a substantial period of time to get ready for its intended use or sale. All other borrowing costs are recognised in the statement of profit and loss in the period in which they are incurred.

n. Finance costs

Finance costs include Interest Expenses computed by applying the "EIR" on the respective financial instruments measured at amortised cost. Financial Instruments include outstanding liabilities. Finance Costs are charged to the Statement of Profit and Loss.

o. Income Taxes

Tax expense (tax income) comprises current tax expense (current tax income) and deferred tax expense (deferred tax income)

i. Current tax

Current tax is the amount of tax payable to (recovered from) the taxation authorities on the taxable income for the year determined in accordance with the provisions of the Income Tax Act 1961 and Income Computation and Disclosure Standards prescribed

NOTES FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2026 (CONTD.)

therein. The tax rates and tax laws used to compute the amount are those that are enacted by the end of reporting date. Current tax relating to items recognised outside the statement of profit and loss is recognised in correlation to the underlying transaction either in OCI or directly in other equity.

ii. Deferred Tax

Deferred tax is the tax effect on temporary differences between the tax bases of assets and liabilities and their carrying amounts in the Financial Statements as at the reporting date.

Deferred tax liability is recognised for all taxable temporary differences and deferred tax asset is recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The Company reviews the carrying amount of a deferred tax asset as at the end of each reporting period and reduce the carrying amount of a deferred tax asset to the extent that it is no longer probable that sufficient taxable profit will be available to allow the benefit of part or all of that deferred tax asset to be utilised.

Deferred tax relating to items recognized outside profit or loss is recognised either in other comprehensive income or in other equity.

p. Goods and Services Input Tax Credit

Input Tax credit is accounted for in the books in the period when the underlying service/supply received is accounted to the extent permitted as per the applicable regulatory laws and when there is no uncertainty in availing/utilising it. The ineligible input credit is charged off to the respective expense or capitalised as part of asset cost as applicable.

q. Leases

As a Lessee

The Company's asset class taken under lease consists of lease for Office Premises.

The Company has applied Ind AS 116 'Leases' for all lease contracts except for short term leases and leases for which underlying asset is of low value on modified retrospective approach.

Right of Use Asset is initially measured as at the sum of initial measurement of the lease liability and any lease payments made at or before the date of commencement of lease, adjusted by any lease incentives received. On subsequent period, the Right of Use Asset is measured at cost less accumulated depreciation and any accumulated impairment losses with adjustment for remeasurement of lease liability.

Lease Liability is initially measured at the present value of the lease payments that are not paid as at the date of recognition discounted at the Company's incremental borrowing rate. The lease liability is measured in subsequent periods using the effective interest rate method. Right of Use asset is depreciated in accordance with the requirements of Ind AS 16 Property, Plant and Equipment, using straight line method from the commencement date to the end of the lease term. The lease term over which the company has contracted operating lease agreements range from up to 11 months and to many years.

The Company's class of underlying asset comprises only leases taken for office premises. The company has elected not to apply the requirements of Ind AS 116 "Leases" to short-term leases of all such class of assets that have a lease term of 12 months or less. The Company has elected not to apply the requirements of Ind AS 116 "Leases" to leases for which the underlying asset is of low value on a lease by lease basis. The lease payments associated with these leases are recognised as an expense on a straight-line basis over the lease term.

As a Lessor

The Company recognises the lease payments from operating lease as income on the basis of contractual terms between the Lessee and the Company.

r. Provisions Contingent Liabilities and Contingent Assets

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate.

If the effect of time value of money is material, provisions are determined by discounting the expected future cash flows to net present value using an appropriate pre-tax discount rate that reflects current market assessments of the time value of money and where appropriate, the risks specific to the liability. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

NOTES FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2026 (CONTD.)

A present obligation that arises from past events, where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made, is disclosed as a contingent liability. Contingent liabilities are also disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the company.

Contingent assets are not recognised in the financial statements. However, when the realisation of income is virtually certain, then the related asset is not a contingent asset and is recognized.

s. Cash and Cash Equivalents

Cash and cash equivalents in the balance sheet comprise cash on hand, cheques and drafts on hand, balance with banks in current accounts and short-term deposits with an original maturity upto three months, which are subject to an insignificant risk of change in value.

t. Statement of Cash Flow

Statement of Cash flow are reported using the indirect method as set out in Ind-AS 7 "Statement of Cash Flows", whereby the net profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and items of income or expenses associated with investing or financing cash flows. The statement of cash flows from operating, investing and financing activities of the Company are segregated and presented.

u. Earnings Per Share ("EPS")

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for shares issued during the year.

For the purpose of calculating diluted EPS, profit after tax for the year attributable to the equity shareholders and the weighted average number of equity shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

3A. Recent Accounting Pronouncements

The Ministry of Corporate Affairs (**"MCA"**) notifies new standards or amendments to the existing standards under the Companies (Indian Accounting Standards) Rules, as issued from time to time.

Amendments applicable from April 1, 2025:

During the year ended March 31, 2026, the MCA notified amendments to the Indian Accounting Standards applicable for annual reporting periods beginning on or after April 1, 2025, relating to Ind AS 21 (Lack of Exchangeability), Ind AS 1 (Classification of Liabilities), Ind AS 7/Ind AS 107 (Supplier Finance Arrangements) and Ind AS 12 (Pillar Two Rules). The Company has evaluated the applicability and impact of these amendments and concluded that the amendments applicable to the Company did not have any material impact on the financial statements.

Amendments issued but not yet effective:

The MCA has notified amendments to Ind AS 1/ Ind AS 10 (Liabilities with Covenants), effective for annual reporting periods beginning on or after April 1, 2026. The Company has reviewed these amendments and does not expect them to have any material impact on the financial statements upon their application.

NOTES FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2026 (CONTD.)

(₹ Lakhs)

Particulars	As at 31st March 2026	As at 31st March 2025
4. CASH AND CASH EQUIVALENTS		
Cash on hand	**313.68**	226.19
Balance with Banks in Current Accounts	**1,071.31**	2,371.66
Cheques, drafts on hand	**0.21**	52.54
Term Deposits with Banks :		
- Free (With original maturity up to 3 months)	**13,200.00**	1,100.00
- Lien# (With Original maturity up to 3 months)	**950.00**	665.00
Total	**15,535.20**	4,415.39
4A. BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS		
Earmarked Balances with Banks :		
- Unpaid Dividend Accounts *	**89.75**	78.67
- For Listed Non-convertible debentures	**0.19**	0.19
Term Deposits with Banks :		
- Free	**101.00**	-
- Under Lien #		
- With maturity of more than 3 months but up to 1 year	**2,110.00**	-
- With maturity of more than 1 year	**410.00**	610.00
Total	**2,710.94**	688.86

 # Details of Term Deposits under lien

Particulars	**As at 31st March 2026**		As at 31st March 2025	
	Bank Balances other than Cash and Cash equivalents (Note 4, 4A)	**Other Financial assets (Note 8)**	Bank Balances other than Cash and Cash equivalents (Note 4, 4A)	Other Financial assets (Note 8)
For Statutory Liquid Assets**	**960.00**	**69.17**	610.00	27.80
For Redemption of Listed Non-convertible debentures	**2,510.00**	**8.53**	665.00	0.71
Total	**3,470.00**	**77.70**	1,275.00	28.51

* Includes minimum bank balance

** In accordance with the Reserve Bank of India Directions, the Company has created a floating charge on Statutory Liquid Assets (Bank Deposits and interest accrued thereon) in favour of IDBI Trusteeship Services Ltd, Trustee representing the Public deposit holders of the company.

Particulars	As at 31st March 2026	As at 31st March 2025
5. RECEIVABLES		
(i) Trade Receivables		
- Unsecured - Considered good	**11.50**	31.20
- Unsecured - Credit Impaired	**28.36**	80.17
Less: Impairment Loss Allowance	**(5.32)**	(14.88)
Total	**34.54**	96.49
(ii) Other Receivables		
Unsecured - Considered good		
Rent Receivables	**8.76**	22.89
Total	**8.76**	22.89

Out of the above an amount of ₹ 0.11 lakhs is due from a Private Limited Company in which a director of the Company is a Director.

The Company's impairment assessment and measurement approach for Trade Receivables is mentioned Note 3a(v) of material accounting policies. (under the Heading "Simplified approach for Trade/Other receivables")

NOTES FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2026 (CONTD.)

Trade Receivables Ageing Schedule as at 31st March 2026

(₹ Lakhs)

Particulars	Outstanding for following periods from due date of payment					
	Less than 6 Months	**6 months - 1 Year**	**1-2 Years**	**2-3 years**	**More than 3 years**	**Total**
Undisputed Trade receivables – considered good	**11.50**	**-**	**-**	**-**	**-**	**11.50**
Undisputed Trade Receivables – which have significant increase in credit risk	**-**	**-**	**-**	**-**	**-**	**-**
Undisputed Trade Receivables – credit impaired	**-**	**-**	**0.24**	**-**	**28.12**	**28.36**
Disputed Trade Receivables– considered good	**-**	**-**	**-**	**-**	**-**	**-**
Disputed Trade Receivables – which have significant increase in credit risk	**-**	**-**	**-**	**-**	**-**	**-**
Disputed Trade Receivables – credit impaired	**-**	**-**	**-**	**-**	**-**	**-**

Trade Receivables Ageing Schedule as at 31st March 2025

(₹ Lakhs)

Particulars	Outstanding for following periods from due date of payment					
	Less than 6 Months	6 months - 1 Year	1-2 Years	2-3 years	More than 3 years	Total
Undisputed Trade receivables – considered good	30.15	1.05	-	-	-	31.20
Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
Undisputed Trade Receivables – credit impaired	-	-	-	-	80.17	80.17
Disputed Trade Receivables– considered good	-	-	-	-	-	-
Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
Disputed Trade Receivables – credit impaired	-	-	-	-	-	-

Trade Receivables - Impairment Movement

(₹ Lakhs)

Particulars	**31st March 2026**	31st March 2025
Impairment Loss Allowance - Opening	**14.88**	32.69
Add: Additions during the year	**-**	5.96
(Less): Reductions during the year	**(9.56)**	(23.77)
Impairment Loss Allowance - Closing	**5.32**	14.88

NOTES FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2026 (CONTD.)

(₹ Lakhs)

Particulars	As at 31st March 2026	As at 31st March 2025
6. LOANS		
(A) Loans (at amortised cost) *		
Loans#	**1,10,273.14**	1,20,929.00
Loans Repayable on Demand	**1,613.89**	2,692.37
Other Loans ##	**344.51**	331.04
Total (Gross)	**1,12,231.54**	1,23,952.41
Less: Impairment Loss Allowance (Refer Note 45)	**(4,921.13)**	(5,872.71)
Total (Net)	**1,07,310.41**	1,18,079.70
(B) (i) Secured by Tangible Assets Financed	**1,10,273.14**	1,20,929.00
(ii) Secured by Intangible Assets	-	-
(iii) Covered by Bank / Govt. Securities	-	-
(iv) Covered by Security deposit	**60.00**	60.00
(v) Unsecured	**1,898.40**	2,963.41
Total (Gross)	**1,12,231.54**	1,23,952.41
Less: Impairment Loss Allowance (Refer Note 45)	**(4,921.13)**	(5,872.71)
Total (Net)	**1,07,310.41**	1,18,079.70
(C) (i) Loans in India		
(a) Public Sector		
(b) Others	**1,12,231.54**	1,23,952.41
Total (Gross)	**1,12,231.54**	1,23,952.41
Less: Impairment Loss Allowance (Refer Note 45)	**(4,921.13)**	(5,872.71)
Total (Net) - C (i)	**1,07,310.41**	1,18,079.70
(ii) Loans Outside in India	-	-
Less: Impairment Loss Allowance	-	-
Total (Net) - C (ii)	-	-
Total (Net) - C (i+ ii)	**1,07,310.41**	1,18,079.70
(D) (i) Loans - where there has not been significant increase in credit risk - Secured	**98,182.18**	1,08,636.98
(ii) Loans - where there has not been significant increase in credit risk - Unsecured	**998.01**	1,184.16
(iii) Loans - which have Significant Increase in Credit Risk - Secured	**6,749.93**	6,197.05
(iv) Loans - which have Significant Increase in Credit Risk - Unsecured	**960.39**	1,839.25
(v) Loans - Credit Impaired - Secured	**5,341.03**	6,094.97
(vi) Loans - Credit Impaired - Unsecured	-	-
Total (Gross)	**1,12,231.54**	1,23,952.41
Less : Impairment Loss Allowance (Refer Note 45)	**(4,921.13)**	(5,872.71)
Total (Net)	**1,07,310.41**	1,18,079.70

* There are no loan assets measured or designated at FVTOCI or FVTPL

\# Includes Repossessed Assets (Refer Note 3(b)) and Related Party Transactions (Refer Note 43)

\## Represents Staff Loans

Refer Note 45 on Financial Risk Management Framework for an overview of Stage wise Classification of Gross Carrying Amount and Expected Credit Loss of Loan Assets.

NOTES FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2026 (CONTD.)

(₹ Lakhs)

Particulars	Number	Face Value per unit (₹)	As at 31st March 2026	As at 31st March 2025
7. INVESTMENTS				
At Amortised Cost				
Investments in Government Securities				
Quoted				
Bonds of Central and State Governments #	33,04,000	100	**3,332.12**	2,167.20
Total (A)			**3,332.12**	2,167.20
At Fair value through Other Comprehensive Income ("FVTOCI")				
Quoted				
Investments in Equity Instruments (Refer Note 3(a)(ii))				
Sakthi Sugars Limited	5,52,833	10	**78.78**	113.28
Total (B)			**78.78**	113.28
At Fair value through Profit and Loss Account ("FVTPL")				
Investment in Alternative Investment Fund - Debt			**2,586.61**	-
Total (C)			**2,586.61**	-
At Cost				
Unquoted				
Investments in Equity Instruments				
ABT Industries Limited	1,50,000	10	**15.00**	15.00
ABT Foods Agrovet Limited (Formerly Sakthi Beverages Ltd)	1,25,000	10	**12.50**	12.50
Sri Bhagavathi Textiles Limited	5	100	**0.04**	0.04
Sri Chamundeswari Sugars Limited	1,86,666	10	**7.82**	7.82
ABT Co-operative Stores Limited	500	10	**0.05**	0.05
Stiles India Limited	100	10	**-**	-
Sakthi Soft Drinks Pvt Limited	30,000	10	**3.00**	3.00
Chokhani International Limited	100	10	**0.02**	0.02
Total (D)			**38.43**	38.43
Total (Gross) - (A+B+C+D)			**6,035.94**	2,318.91
(i) Investments Outside India			**–**	–
(ii) Investments In India			**6,035.94**	2,318.91
Total			**6,035.94**	2,318.91
Less: Impairment Loss Allowance			**12.56**	12.56
Total (Net)			**6,023.38**	2,306.35

In accordance with Reserve Bank of India (Non-Banking Financial Companies - Acceptance of Public Deposits) Directions 2025 (as amended), the Company has created a floating charge on the statutory liquid assets comprising investment in Government securities on the above investments in favour of IDBI Trusteeship Services Ltd, Trustees representing the Public Deposit holders of the company.

Particulars	As at 31st March 2026	As at 31st March 2025
8. OTHER FINANCIAL ASSETS		
- Interest accrued on Government Securities	**53.26**	34.46
- Interest accrued on Term Deposits		
- Free	**9.71**	0.47
- Under Lien (Refer Note 4A)	**77.70**	28.51
- Security Deposits	**338.54**	271.02
- Other Loans and Advances	**1,010.85**	1,434.27
- Advance to Employees	**2.03**	1.74
Total	**1,492.09**	1,770.47

NOTES FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2026 (CONTD.)

(₹ Lakhs)

Particulars	As at 31st March 2026	As at 31st March 2025
9. DEFERRED TAX ASSETS (net)*		
a. Application of Expected Credit Loss on Financial Assets	**973.46**	1,224.75
b. Employee benefit expenses	**4.78**	19.45
c. Right of Use Assets and Lease Liabilities	**3.80**	2.92
d. Application of EIR on Financial Liabilities	**(305.79)**	(144.07)
e. Differences in carrying amount of Property, Plant and Equipment	**(399.10)**	(623.70)
Total	**277.15**	479.35

* Refer Note 41

10. a) INVESTMENT PROPERTY*

Particulars	Land	Building	Total
Carrying amount as at 1st April 2024	**66.87**	**226.75**	**293.62**
Additions	-	7.87	7.87
Disposals	-	-	-
Carrying amount as at 31st March 2025	**66.87**	**234.62**	**301.49**
Additions	-	-	-
Disposals	-	-	-
Carrying amount as at 31st March 2026	**66.87**	**234.62**	**301.49**
Accumulated depreciation / amortisation and impairment			
Balance as at 1st April 2024	-	27.60	27.60
Depreciation for the year	-	5.64	5.64
Depreciation on disposals	-	-	-
Balance as at 31st March 2025	-	**33.24**	**33.24**
Depreciation for the year	-	5.85	5.85
Depreciation on disposals	-	-	-
Balance as at 31st March 2026	-	**39.09**	**39.09**
Net Carrying amount			
As at 31st March 2025	66.87	201.38	268.25
As at 31st March 2026	**66.87**	**195.53**	**262.40**

*Refer Note 3(h)

10. b) Rental Income with respective expenses

Particulars	Year ended 31st March 2026	Year ended 31st March 2025
Rental Income - (Building) from Investment Property (IP)	**31.53**	26.31
Less : Direct operating expenses arising from IP that generated rental income during the year	**1.07**	1.68
Profit/(Loss) from Investment property before depreciation	**30.46**	24.63
Less : Depreciation charge for the year	**5.85**	5.64
Profit/(Loss) from Investment property after depreciation	**24.61**	18.99

NOTES FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2026 (CONTD.)

10. c) Fair Value of Investment Property with assumptions applied in determining the fair value of investment property

Particulars	Valuation technique	Significant unobservable inputs	Range (Weighted avg)	Sensitivity of the input to fair value	Fair value ₹ lakhs	Sensitivity ₹ lakhs
Sensitivity analysis						
Investment Property As at 31st March 2026	**Professional valuer**	**Price per Square Feet**	**₹ 2,500 - 5,000 per Square Feet**	**5%**	**400**	**19**
Investment Property As at 31st March 2025	Professional valuer	Price per Square Feet	₹ 2,500 - 5,000 per Square Feet	5%	388	19

10.d) Carrying value of Investment Property pledged as collateral for liabilities as at 31st March 2026 is "Nil" (31st March 2025 is "Nil")

10.e) Some of the Investment Properties are leased out to tenants. Agreements provide for cancellation by either party or contain clause for escalation and renewal of agreements. The agreements are cancellable with mutual consent.

10.f) The Company has no contractual obligations to purchase, construct or develop investment property as at 31st March 2026 and 31st March 2025.

NOTES FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2026 (CONTD.)

11 (a) Property, Plant and Equipment - Tangible Assets*

(₹ Lakhs)

Particulars	Freehold Land	Buildings	Plant and Machinery	Plant - Wind Mills	Furniture and Fixtures	Vehicles	Office Equipments	Total Tangible Assets
Carrying amount as at 1st April 2024	**2,766.47**	**1,738.16**	**130.53**	**1,615.39**	**403.54**	**96.04**	**364.23**	**7,114.36**
Additions	-	-	0.76	-	14.62	49.68	48.76	113.82
Disposals	-	-	-	-	0.25	20.98	16.56	37.79
Carrying amount as at 31st March 2025	**2,766.47**	**1,738.16**	**131.29**	**1,615.39**	**417.91**	**124.74**	**396.43**	**7,190.39**
Additions	-	-	5.37	-	57.45	166.24	29.36	258.42
Disposals	-	-	0.49	-	-	6.93	-	7.42
Carrying amount as at 31st March 2026	**2,766.47**	**1,738.16**	**136.17**	**1,615.39**	**475.36**	**284.05**	**425.79**	**7,441.39**
Accumulated depreciation / amortisation and impairment								
Balance as at 1st April 2024	-	**309.32**	**44.19**	**627.42**	**212.41**	**73.91**	**181.20**	**1,448.45**
Depreciation for the year	-	50.60	9.67	104.57	41.89	11.32	44.79	262.84
Depreciation on disposals	-	-	-	-	0.23	14.00	14.19	28.42
Balance as at 31st March 2025	-	**359.92**	**53.86**	**731.99**	**254.07**	**71.23**	**211.80**	**1,682.87**
Depreciation for the year	-	50.41	9.21	104.57	44.47	13.92	47.14	269.72
Depreciation on disposals	-	-	0.22	-	-	6.57	-	6.79
Balance as at 31st March 2026	**-**	**410.33**	**62.85**	**836.56**	**298.54**	**78.58**	**258.94**	**1,945.80**
Net Carrying amount								
As at 31st March 2025	2,766.47	1,378.24	77.43	883.40	163.84	53.51	184.63	5,507.52
As at 31st March 2026	**2,766.47**	**1,327.83**	**73.32**	**778.83**	**176.82**	**205.47**	**166.85**	**5,495.59**

*Refer Note 3(f) & 36(a)

The Company has not revalued any of its Property, Plant and Equipment during the year ended March 31, 2026 and year ended March 31, 2025. The amount of change in gross and net carrying amount due to impairment losses/reversals is nil.

Freehold land is not depreciated.

As at 31st March 2026 and 31st March 2025, there are no Immovable Properties (including Investment Properties) whose title deeds are not held in the name of the Company. Hence disclosures contemplated in Division III of Schedule III to the Companies Act, 2013 is not applicable and hence not reported.

Carrying Value of Assets Pledged Against borrowings / Debt Securities as at 31st March 2026 (Refer Note 14 & 15)

(₹ Lakhs)

Particulars	Freehold Land	Buildings	Plant and Machinery	Plant - Wind Mills	Furniture and Fixtures	Vehicles	Office Equipments	Total Tangible Assets
As at 31st March 2026	-	-	-	-	-	**161.30**	-	**161.30**
As at 31st March 2025	-	1,227.67	-	-	-	-	-	1,227.67

NOTES FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2026 (CONTD.)

11 (b) Right of use Assets*

(₹ Lakhs)

Particulars	Amount
Carrying amount as at 1st April 2024	**2,108.46**
Additions	252.36
Disposals	-
Carrying amount as at 31st March 2025	**2,360.82**
Additions	537.20
Disposals	-
Carrying amount as at 31st March 2026	**2,898.02**
Accumulated depreciation / amortisation and impairment	
Balance as at 1st April 2024	**1,162.76**
Depreciation for the year	290.78
Depreciation on Deductions	-
Balance as at 31st March 2025	**1,453.54**
Depreciation for the year	322.95
Depreciation on Deductions	-
Balance as at 31st March 2026	**1,776.49**
Net Carrying amount	
As at 31st March 2025	907.28
As at 31st March 2026	**1,121.53**

*Refer Note 3(q) & Refer Note 48

11 (c) Capital work-in-progress

(₹ Lakhs)

Particulars	Amount
Carrying amount as at 1st April 2024	-
Additions	13.69
Disposals	-
Carrying amount as at 31st March 2025	**13.69**
Additions	-
Disposals	**13.69**
Carrying amount as at 31st March 2026	-
As at 31st March 2025	13.69
As at 31st March 2026	-

*Refer Note 3(f)

Capital Work in Progress (CWIP) ageing schedule
As at 31st March 2026

Capital Work in Progress	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	-	-	-	-	-
Projects temporarily suspended	-	-	-	-	-

Note: There were no Intangible Assets under Development, whose completion is overdue or has exceeded its cost compared to its original plan

As at 31st March 2025

Capital Work in Progress	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	13.69	-	-	-	13.69
Projects temporarily suspended	-	-	-	-	-

Note: There were no Capital Work in Progress, whose completion is overdue or has exceeded its cost compared to its original plan

NOTES FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2026 (CONTD.)

11 (d) Intangible Assets under development*

(₹ Lakhs)

Particulars	Amount
Carrying amount as at 1st April 2024	67.79
Additions	179.07
Disposals	-
Carrying amount as at 31st March 2025	**246.86**
Additions	**61.98**
Disposals	308.84
Carrying amount as at 31st March 2026	-
As at 31st March 2025	246.86
As at 31st March 2026	-

*Refer Note 3(g)

Intangible Assets under Development ageing schedule
As at 31st March 2026

(₹ Lakhs)

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

Note: here were no Intangible Assets under Development, whose completion is overdue or has exceeded its cost compared to its original plan

As at 31st March 2025

Intangible Assets under Development	Amount in Intangible Asset under Development for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	179.07	67.79	-	-	246.86
Projects temporarily suspended	-		-	-	-

11 (e) Other Intangible Assets - Computer Software*

(₹ Lakhs)

Particulars	Amount
Carrying amount as at 1st April 2024	**453.24**
Additions	8.33
Disposals	-
Carrying amount as at 31st March 2025	**461.57**
Additions	1,050.16
Disposals	-
Carrying amount as at 31st March 2026	**1,511.73**
Accumulated depreciation / amortisation and impairment	
Balance as at 1st April 2024	**287.93**
Depreciation for the year	35.33
Depreciation on disposals	-
Balance as at 31st March 2025	**323.26**
Depreciation for the year	43.98
Depreciation on disposals	-
Balance as at 31st March 2026	**367.24**
Net Carrying amount	
As at 31st March 2025	138.31
As at 31st March 2026	**1,144.49**

Refer Note 3(g)

NOTES FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2026 (CONTD.)

(₹ Lakhs)

Particulars	As at 31st March 2026	As at 31st March 2025
12. OTHER NON-FINANCIAL ASSETS		
Considered good-Unsecured		
- Advance for Property, Plant and Equipment	**1,500.00**	1,500.00
- Prepaid Expenses	**106.15**	75.38
- GST Input Tax Credit	**231.59**	201.73
- NCD Public Issue Expenses	**-**	40.95
- Others - Stock of Stationery Items	**2.83**	1.78
Total	**1,840.57**	1,819.84

Refer Note 43 on disclosure pursuant to Ind AS "24" - Related Party Disclosures for Loans and Advances given and outstanding dues from related parties

LIABILITIES AND EQUITY

Particulars	As at 31st March 2026	As at 31st March 2025
13. PAYABLES		
(I) Trade Payables		
(i) Total outstanding dues of micro enterprises and small enterprises	**9.66**	11.22
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	**123.54**	117.64
(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	**131.09**	431.48
Total	**264.29**	560.34

Micro, Small and Medium Enterprises:

Based on and to the extent of the information received by the Company from the suppliers during the year regarding their status under the Micro, Small and Medium Enterprises Development Act,2006 **("MSMED Act")** the total outstanding dues of Micro and Small enterprises, which are outstanding for more than the stipulated period and other disclosures as per MSMED Act are given below

(₹ Lakhs)

a) Dues remaining unpaid to any supplier at the year end		
- Principal	**9.66**	11.22
- Interest on the above	**-**	-
b) Interest paid in terms of Section 16 of the MSMED Act along with the amount of payment made to the supplier beyond the appointed day during the year		
- Principal paid beyond the appointed date	**-**	-
- Interest paid in terms of Section 16 of the MSMED Act	**-**	-
c) Amount of interest due and payable for the period of delay on payments made beyond the appointed day during the year	**-**	-
d) Amount of interest accrued and remaining unpaid	**-**	-
e) Further interest due and payable even in the succeeding years, until such date when the interest due as above are actually paid to the small enterprises	**-**	-
Total	**9.66**	11.22

NOTES FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2026 (CONTD.)

Trade Payables Ageing Schedule as at 31st March 2026 (₹ Lakhs)

Particulars	Outstanding for following periods from the due date of payment				
	Less than - 1 year	1-2 Years	2-3 years	More than 3 years	Total
MSME	9.66	-	-	-	9.66
Others	254.63	-	-	-	254.63
Disputed Dues - MSME	-	-	-	-	-
Disputed Dues - Others	-	-	-	-	-

Trade Payables Ageing Schedule as at 31st March 2025

Particulars	Outstanding for following periods from the due date of payment				
	Less than - 1 year	1-2 Years	2-3 years	More than 3 years	Total
MSME	11.22	-	-	-	11.22
Others	547.13	1.99	-	-	549.12
Disputed Dues - MSME	-	-	-	-	-
Disputed Dues - Others	-	-	-	-	-

Particulars	As at 31st March 2026	As at 31st March 2025
14. DEBT SECURITIES		
At Amortised Cost		
Redeemable, Non-Convertible Debentures - Secured	**78,211.30**	67,368.98
Total	**78,211.30**	67,368.98
Debt Securities in India	**78,211.30**	67,368.98
Debt Securities outside India	–	–
Total	**78,211.30**	67,368.98

Note:

i. There are no debt securities measured at FVTOCI or designated at FVTPL.

ii. The Non-Convertible Debentures are secured by Loan receivables of the Company having carrying value of ₹ **87,522.67** lakhs (31st March 2025: ₹ 75,997.90 Lakhs).

iii. For Debt securities subscribed and held by the related parties, refer Note 43.

Details of Redeemable, Non-Convertible Debentures - Secured:

Particulars	As at 31st March,2026	As at 31st March,2025
A. Issued on private placement basis - Face Value of ₹ 1,000		
- Repayable on maturity:		
Interest Range 9.00% to 10.25%		
Maturing within 1 year	**781.00**	2,587.00
Maturing between 1 to 2 years	**1,309.00**	781.00
Maturing between 2 to 3 years	**2,414.29**	1,309.00
Maturing between 3 to 4 years	-	2,414.29
Sub-Total (A)	**4,504.29**	7,091.29
Add : Interest accrued but not due	**439.83**	489.75
Less: unamortized charges	**17.50**	32.31
(A) Total Amortized Cost	**4,926.62**	7,548.73

NOTES FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2026 (CONTD.)

(₹ Lakhs)

Particulars	As at 31st March,2026	As at 31st March,2025
B) Issued on private placement basis - Face Value of Rs 1,00,000		
- Repayable on maturity:		
Interest Range 9.50% to 10.25%		
Maturing between 2 to 3 years	**458.00**	-
Maturing between 3 to 4 years	**395.00**	458.00
Maturing between 4 to 5 years	**-**	395.00
Sub-Total (B)	**853.00**	853.00
Add : Interest accrued but not due	**26.15**	9.28
Less: unamortized charges	**6.11**	8.93
(B) Total Amortized Cost	**873.04**	853.35
C) Public Issue - Face value of ₹ 1,000		
- Repayable on maturity:		
Interest Range 9% to 10%		
Maturing within 1 year	**6,735.33**	12,583.04
Maturing between 1 years to 2 years	**14,615.33**	6,735.33
Maturing between 2 years to 3 years	**17,558.92**	8,615.10
Maturing between 3 years to 4 years	**22,543.15**	14,950.83
Maturing between 4 years to 5 years	**3,575.84**	7,967.46
Maturing between 5 years to 6 years	**2,863.15**	3,575.84
Maturing between 6 years to 7 years	**-**	1,047.16
Sub-Total (C)	**67,891.72**	55,474.76
Add : Interest accrued but not due	**5,529.58**	4,308.52
Less: unamortized charges	**1,009.66**	816.38
(C)Total Amortized Cost	**72,411.64**	58,966.90
TOTAL (A)+(B)+(C)	**78,211.30**	67,368.98
Total Amortized Cost (A)+(B)+(C)	**78,211.30**	67,368.98

15. BORROWINGS (OTHER THAN DEBT SECURITIES)*

At amortized cost		
Term Loans -Secured		
- From Banks	**1,785.88**	5,700.36
- From Other Lenders	**934.91**	1,574.54
Loan Repayable on Demand		
- Cash Credit Facilities and Working Capital Demand Loan from Banks (Secured)	**5,369.81**	5,109.92
Total	**8,090.60**	12,384.82
Borrowings in India	**8,090.60**	12,384.82
Borrowings outside India	**-**	-
Total	**8,090.60**	12,384.82

There are no borrowings measured at FVTOCI or designated at FVTPL.

*Refer Note 36(c) & 36(d) for additional disclosures

NOTES FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2026 (CONTD.)

a) Term loans from Banks are secured as under :

i) The Karur Vysya Bank Ltd

(₹ Lakhs)

Sl No	Amount of Term Loan sanctioned	Rate of Interest per annum	Repayment		Moratorium period in months	Security details	**Amount outstanding as on 31st March 2026**	Amount outstanding as on 31 March 2025
			Commencement date	End date				
1	2,500.00	12.50%	25.12.2024	05.11.2028	-	Hypothecation of specified Loan receivables and personal guarantee by a director	**1,666.67**	2,291.67
						Add : Interest accrued but not due	**14.19**	20.41
						Less: unamortized charges	**19.53**	27.34
						Total Amortized Cost	**1,661.33**	2,284.74

ii) State Bank of India

(₹ Lakhs)

Sl No	Amount of Term Loan sanctioned	Rate of Interest per annum	Repayment		Moratorium period	Security details	**Amount outstanding as on 31st March 2026**	Amount outstanding as on 31 March 2025
			Commencement date	End date				
1	5,000.00	17.90%	30.09.2020	30.06.2025	-	Hypothecation of specified Loan receivables and personal guarantee by a director	-	269.51
2	4,500.00	17.90%	31.10.2023	30.09.2028			-	3,149.43
						Add : Interest accrued but not due	-	-
						Less: unamortized charges	-	3.32
						Total Amortized Cost	-	3,415.62

iii) The Karnataka Bank Ltd

(₹ Lakhs)

Sl No	Amount of Term Loan sanctioned	Rate of Interest per annum	Repayment		Moratorium period	Security details	**Amount outstanding as on 31st March 2026**	Amount outstanding as on 31 March 2025
			Commencement date	End date				
1	129.17	8.00%	11.01.2026	10.02.2031	-	Hypothecation of New Vehicles	**124.55**	-
						Add : Interest accrued but not due	-	-
						Less: unamortized charges	-	-
						Total Amortized Cost	**124.55**	-

b) Term loans from other Lenders are secured as under:

i) Shriram Finance Ltd

(₹ Lakhs)

Sl No	Amount of Term Loan sanctioned	Rate of Interest per annum	Repayment		Moratorium period in months	Security details	**Amount outstanding as on 31st March 2026**	Amount outstanding as on 31 March 2025
			Commencement date	End date				
1	1,000.00	13.25%	05.11.2023	05.10.2026	-	Hypothecation of specified Loan receivables and a personal guarantee by a director	-	578.78
2	1,500.00	13.25%	05.02.2024	05.01.2027	-		-	987.73
						Add : Interest accrued but not due	-	14.77
						Less: unamortized charges	-	6.74
						Total Amortized Cost	-	1,574.54

NOTES FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2026 (CONTD.)

ii) IKF Finance Ltd

(₹ Lakhs)

Sl No	Amount of Term Loan sanctioned	Rate of Interest per annum	Repayment		Moratorium period in months	Security details	**Amount outstanding as on 31st March 2026**	Amount outstanding as on 31 March 2025
			Commencement date	End date				
1	1,250.00	13.25%	03.05.2025	03.04.2029	-	Hypothecation of specified Loan receivables and a personal guarantee by a director	**963.54**	-
			Add : Interest accrued but not due				**8.87**	-
			Less: unamortized charges				**37.50**	-
			Total Amortized Cost				**934.91**	-

c) **Loans repayable on demand - Cash credit facilities with banks (Secured)**

Particulars	**As at 31st March 2026**		As at 31st March 2025	
	Interest Rate Range	**Amount outstanding**	Interest Rate Range	Amount outstanding
Maturing within 1 Year	**11.25 % to 11.50%**	**5,372.48**	11.25 % to 13.10%	5,123.22
Add : Interest accrued but not due		-		-
Less: unamortized charges		**2.67**		13.30
Total Amortized Cost		**5,369.81**		5,109.92

The cash credit facilities from Banks are secured by hypothecation of specified loan receivables and a personnel guarantee by Director(s).

d) There are no defaults in repayment of loans and interest thereon.

(₹ Lakhs)

Particulars	**As at 31st March 2026**	As at 31st March 2025
16. DEPOSITS (UNSECURED)		
At amortized cost		
Public Deposits	**21,905.47**	18,712.18
Total	**21,905.47**	18,712.18

There are no Deposits measured at FVTOCI or designated at FVTPL

Details of Deposits - Unsecured :

Particulars	**As at 31st March 2026**	As at 31st March 2025
- Repayable on maturity:		
Interest Range 8.25% to 9%		
Maturing within 1 year	**6,072.42**	2,764.65
Maturing between 1 to 2 years	**5,194.46**	5,047.04
Maturing between 2 to 3 years	**5,238.04**	4,115.85
Maturing between 3 to 4 years	**3,297.95**	4,012.11
Maturing between 4 to 5 years	**977.49**	2,275.39
Subtotal	**20,780.36**	18,215.04
Add : Interest accrued but not due	**1,241.62**	647.93
Less: unamortized charges	**116.51**	150.79
Total Amortized Cost	**21,905.47**	18,712.18

For Deposits repaid to related parties, refer Note 43

NOTES FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2026 (CONTD.)

(₹ Lakhs)

Particulars	As at 31st March 2026	As at 31st March 2025
17. SUB-ORDINATED LIABILITIES (UNSECURED)		
At amortized cost		
Redeemable, Non-Convertible Debentures - Unsecured	**5,765.90**	7,590.61
Redeemable Cumulative Preference Shares **("RCPS")**	**2,895.42**	2,131.70
Sub-Ordinated Liabilities	**-**	1,566.23
Loan from Others	**-**	1,100.00
Total	**8,661.32**	12,388.54
Sub-Ordinated Liabilities in India	**8,661.32**	12,388.54
Sub-Ordinated Liabilities outside India	**-**	-
Total	**8,661.32**	12,388.54

There are no Subordinated liabilities measured at FVTOCI or designated at FVTPL.

Terms/rights attached to RCPS

The RCPS do not have voting rights other than matters which directly affect them. In the event of any dividends due and payable remain unpaid for an aggregate period of at least two years prior to the start of any general meeting of the equity shareholders, RCPS holders shall have voting rights in line with their voting rights of the equity shareholders. The RCPS will be redeemed at the end of three years from the date of allotment and the payment of dividend would be in accordance with the terms agreed at the time of issuance of RCPS.

On winding up or repayment of capital, RCPS holders enjoy preferential rights vis a vis equity shareholders, for repayment of capital paid-up and shall include any unpaid dividends.

For the year ended 31st March 2026, the Company declared and paid an interim dividend of ₹ **235.34 lakhs** after deduction of tax deducted at source of ₹ **6.09 lakhs** on RCPS of ₹ 100 each fully paid (31st March 2025 : ₹ 176.88 lakhs)

Details of Sub-Ordinated Liabilities - Unsecured : (₹ Lakhs)

Particulars	As at 31st March 2026	As at 31st March 2025
A) Redeemable Non-Convertible Debentures - Unsecured :		
Issued on Public Issue		
Repayable on maturity:		
Interest Range 10% to 11%		
Maturing within 1 year	**4,759.47**	1,603.70
Maturing between 1 years to 2 years	**-**	4,759.47
Sub-Total (A)	**4,759.47**	6,363.17
B) Preference Shares		
Repayable on maturity:		
9% Redeemable Preference Shares		
Maturing within 1 year	**1,439.15**	-
Maturing between 1 to 2 years	**716.00**	1,439.15
Maturing between 2 to 3 years	**766.25**	716.00
Sub-Total (B)	**2,921.40**	2,155.15

NOTES FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2026 (CONTD.)

(₹ Lakhs)

Particulars	As at 31st March 2026	As at 31st March 2025
C) Sub-Ordinated Debts		
- Repayable on maturity:		
Interest Range 10% to 11%		
Maturing within 1 year	-	1,244.40
Sub-Total (C)	-	1,244.40
D) Loan from Others		
- Repayable on maturity:		
Interest Range 12%		
Maturing within 1 year	-	1,100.00
Sub-Total (D)	-	1,100.00
Sub-Total (A+B+C+D)	**7,680.87**	10,862.72
Add : Interest accrued but not due		
A) Non convertible Debentures - Unsecured	**1,014.63**	1,258.44
B) Preference Shares	-	-
C) Sub-Ordinated Debts	-	322.28
Less: Unamortized charges		
A) Non-Convertible Debentures - Unsecured	**8.20**	31.00
b) Preference Shares	**25.98**	23.44
c) Sub-Ordinated Debts	-	0.46
Total amortized cost	**8,661.32**	12,388.54

In respect of Sub-Ordinated Liabilities held by related parties, refer Note 43

(₹ Lakhs)

Particulars	**As at 31st March 2026**	As at 31st March 2025
18. OTHER FINANCIAL LIABILITIES		
Investor Education and Protection Fund shall be credited by the following amounts (as and when due)		
- Unpaid dividends	**89.59**	73.83
- Unpaid matured deposits and Interest accrued theron	**106.88**	144.37
- Unpaid matured Sub-Ordinated Debts and Interest accrued theron	**149.20**	450.26
- Unpaid matured debentures and Interest accrued theron	-	32.70
- Advances from Customers	**596.66**	700.53
Security Deposits	**228.33**	211.75
Lease Liabilities (Refer Note 48)	**516.30**	269.02
Total	**1,686.96**	1,882.46

Note : Equity Dividend pertaining to the financial year 2011 and 2012 for an amount of ₹ 500 have not been transferred to Investor Education and Protection Fund due to pending legal proceedings.

NOTES FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2026 (CONTD.)

(₹ Lakhs)

Particulars	As at 31st March 2026	As at 31st March 2025
19. PROVISIONS		
Provision for Employee Benefits		
Provision for bonus	**82.14**	75.84
Provision for gratuity (net)	**10.94**	9.31
Provision for leave encashment	**47.38**	68.41
Total	**140.46**	153.56
20. OTHER NON-FINANCIAL LIABILITIES		
Statutory Liabilities	**259.82**	257.34
Total	**259.82**	257.34
21. SHARE CAPITAL		
Authorised Share Capital		
10,00,00,000 Equity shares of ₹ 10 each (FY 2025: 10,00,00,000 Equity Shares of ₹ 10 each)	**10,000.00**	10,000.00
50,00,000 Redeemable Cumulative Preference Shares of ₹ 100 each (FY 2025: 30,00,000 Redeemable Cumulative Preference Shares of ₹ 100 each)	**5,000.00**	3,000.00
	15,000.00	13,000.00
Issued, Subscribed and Paid up Share capital		
6,47,05,882 Equity shares of ₹ 10 each fully paid up (FY 2025: 6,47,05,882 Equity Shares of ₹ 10 each)	**6,470.59**	6,470.59
	6,470.59	6,470.59

Equity Shares held by promoters at at 31st March 2026

Promoter Name	**No of Shares**	**% of Total Number of Shares**	**% change during the Year**
Dr M Manickam, Chairman	**92,813**	**0.14%**	**-**
Sri M Balasubramaniam, Vice Chairman and Managing Director	**10,91,636**	**1.69%**	**-**

Equity Shares held by promoters at 31st March 2025

Promoter Name	No of Shares	% of Total Number of Shares	% change during the Year
Dr M Manickam, Chairman	92,813	0.14%	-
Sri M Balasubramaniam, Vice Chairman and Managing Director	10,91,636	1.69%	1.39%

a) Reconciliation of shares outstanding at the beginning and end of the year

Particulars	**As at 31st March 2026**		As at 31st March 2025	
	No. of Shares	**Amount**	No. of Shares	Amount
Equity Shares with Voting Rights				
Number of Shares at the beginning of the year	**6,47,05,882**	**6,470.59**	6,47,05,882	6,470.59
Add: Issue of Equity Shares during the year	-	-	-	-
Number of Shares at the end of the year	**6,47,05,882**	**6,470.59**	6,47,05,882	6,470.59

Aggregate number of equity shares issued for consideration other than cash / Bonus shares issued during the year : Nil
Aggregate number of equity shares bought back by the Company during the year : Nil

NOTES FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2026 (CONTD.)

b) Details of shareholders holding more than 5 per cent shares in the share capital of the company

Particulars	As at 31st March 2026		As at 31st March 2025		Change during the year	
	% of Holding	No. of Shares	% of Holding	No. of Shares	% of Holding	No. of Shares
Equity Shares with Voting Rights						
Sakthifinance Financial Services Limited	**19.19**	**1,24,20,000**	19.19	1,24,20,000	-	-
ABT Investments (India) Private Limited	**13.49**	**87,27,400**	13.49	87,27,400	-	-
Sakthi Financial Services (Cochin) Private Limited	**11.06**	**71,57,128**	11.06	71,57,128	-	-
Avdhoot Finance and Investment Private Limited	**8.69**	**56,24,208**	8.69	56,24,208	-	-
Sakthi Management Services (Coimbatore) Limited	**6.70**	**43,35,434**	6.70	43,35,434	-	-
Bridgewater Investment Corporation Limited	**6.88**	**44,50,000**	6.88	44,50,000	-	-
The Gounder and Company Auto Limited	**6.07**	**39,25,000**	6.07	39,25,000	-	-
ABT Finance Limited	**3.76**	**24,31,526**	3.76	24,31,526	-	-

c) Terms/ rights attached to equity shares

The Company has only one class of equity shares having a par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share. The dividend is subject to the approval of the Members at the ensuing annual general meeting. The Board of Directors have, at their meeting held on 23rd May 2026, recommended a dividend of **8 per cent, ₹ 0.80 per share** (31st March 2025 : ₹ 0.80 per share) on equity shares. The Company declares and pays dividend in Indian rupees.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the members.

The proposed dividend for the Financial Year 2025-26 complies with the ceiling limits on dividend payment ratios for NBFCs as prescribed by the Reserve Bank of India (Non-Banking Financial Companies - Prudential Norms on Declaration of Dividends) Directions 2025.

Details of Dividends proposed (₹ Lakhs)

Particulars	31st March 2026	31st March 2025
Face Value per share (₹)	**10.00**	10.00
Dividend Percentage	**8%**	8%
Dividend per Share (₹)	**0.80**	0.80
Dividend on equity shares	**517.65**	517.65
Total Dividend	**517.65**	517.65

Note : The dividends proposed for the financial year 31st March 2026 shall be paid to share holders subject to the approval of the members of the company at the ensuing Annual General Meeting.

d) For the years ended 31st March 2026 and 31st March 2025

i) There are no equity shares of the Company held by a holding Company or ultimate holding Company or by subsidiaries or associates of the holding Company or the ultimate holding Company.

ii) There are no shares reserved for issue under options and contracts / commitments for the sale of shares or divestment.

iii) There are no securities issued which are convertible into equity shares.

iv) There are no calls unpaid and further there are no forfeited shares to report.

e) For the period of five years immediately preceeding 31st March 2026 and 31st March 2025.

i) There are no equity shares allotted as fully paid up pursuant to contract a without payment being received in cash.

ii) There are no equity shares allotted as fully paid up by way of bonus shares.

iii) There are no equity shares bought back.

NOTES FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2026 (CONTD.)

(₹ Lakhs)

Particulars	As at 31st March 2026	As at 31st March 2025
22. OTHER EQUITY		
Reserves and Surplus		
Capital Reserve		
Balance as at the Opening and Closing of the year	**52.61**	52.61
Securities Premium		
Balance as at the Opening and Closing of the year	**1,429.80**	1,429.80
General Reserve		
Balance as at the Opening and Closing of the year	**4,436.00**	4,436.00
Statutory Reserve as per Section 45-IC of the RBI Act 1934		
Opening Balance	**4,440.06**	4,107.03
Add : Transfer from Retained Earnings	**344.98**	333.03
Closing balance	**4,785.04**	4,440.06
Retained Earnings		
Opening Balance	**6,081.39**	5,266.92
Add : Profit after tax for the year	**1,724.90**	1,665.15
	7,806.29	6,932.07
Less: Appropriations		
Equity Dividend (31st March 2025 : ₹ 0.80 per share)	**517.65**	517.65
Transfer to Statutory Reserve	**344.98**	333.03
Closing Surplus	**6,943.66**	6,081.39
Item of Other Comprehensive Income ("OCI")		
(i) Fair value changes in Equity Instruments		
Opening Balance	**4.54**	42.89
Add : Income/(Expenses) for the year	**(24.24)**	(38.35)
Closing Balance	**(19.70)**	4.54
(ii) Actuarial changes in Defined benefit obligations		
Opening Balance	**34.32**	31.13
Add : Income/(Expenses) for the year	**(0.25)**	3.19
Closing Balance	**34.07**	34.32
Closing Balance (i) + (ii)	**14.37**	38.86
Total	**17,661.48**	16,478.72

NOTES FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2026 (CONTD.)

(₹ Lakhs)

Particulars	For the Year ended 31st March 2026	For the Year ended 31st March 2025
23. INTEREST INCOME		
(On Financial Instruments measured at amortised cost)		
Income from operations	**18,833.20**	20,410.24
Interest from:		
- Loans	**663.81**	416.54
- Bank deposits	**529.93**	161.76
- Investments	**478.75**	117.41
Total	**20,505.69**	21,105.95
There are no income on Financial Instruments measured at FVTOCI		
24. FEES AND COMMISSION (Service rendered at a point in time)		
- Stamp and documentation charges	**71.58**	71.01
Total	**71.58**	71.01
25. SALE OF POWER FROM WIND MILLS		
Income from Wind mill -Sale of Electricity	**199.61**	169.87
Total	**199.61**	169.87
26. OTHER INCOME		
- Profit on sale of Property, Plant and Equipment	**2.52**	2.49
- Profit on Sale of Investment	**9.77**	-
- Gain on Fair value of Investment at FVTPL	**6.41**	-
- Dividend Income	-	0.93
- Miscellaneous income	**0.29**	2.43
- Provision no longer required	-	15.68
Total	**18.99**	21.53
27. FINANCE COSTS		
(On Financial Liabilities measured at amortised cost)		
- Deposits	**1,964.74**	1,314.39
- Borrowings	**1,370.25**	1,596.83
- Debt Securities	**7,755.52**	6,646.81
- Sub-Ordinated Liabilities	**918.14**	1,908.41
- Lease Liability (Refer Note 48)	**38.86**	16.92
Bank Charges	**89.56**	94.64
Debenture Issue Expenses	**464.92**	406.00
Total	**12,601.99**	11,984.00
There are no Finance liabilities measured at FVTOCI		
28. IMPAIRMENT ON FINANCIAL INSTRUMENTS		
(On Financial instruments measured at amortised cost)		
Loans (Refer Note 6)	**(951.59)**	325.18
Bad Debts	**932.18**	403.13
Trade Receivables (Refer Note 5)	**(9.56)**	(17.81)
Investments	**5.58**	1.71
Total	**(23.39)**	712.21
There are no impairment on Financial Instruments measured at FVTOCI		

NOTES FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2026 (CONTD.)

(₹ Lakhs)

Particulars	For the Year ended 31st March 2026	For the Year ended 31st March 2025
29. EMPLOYEE BENEFIT EXPENSES		
Salaries, wages and Commission #	**3,116.85**	3,258.05
Contributions to Provident and Other Funds	**124.70**	117.90
Staff Welfare Expenses	**148.31**	212.76
Gratuity (Refer Note 42)	**27.65**	25.89
Leave Encashment (Refer Note 42)	**14.34**	33.82
Total	**3,431.85**	3,648.42
# For transactions with related parties, Refer Note 43		
30. DEPRECIATION AND AMORTIZATION		
Depreciation on Property, Plant and Equipment (Refer Note 11(a) & 3(f))	**269.72**	262.84
Depreciation on Investment property (Refer Note 10(a) & 3(h))	**5.85**	5.64
Amortization - Intangibles (Refer Note 11(d) & 3(g))	**43.98**	35.33
Depreciation - Right of use assets (Refer Note 48)	**322.95**	290.78
Total	**642.50**	594.59
31. OTHER EXPENSES		
Rent (Refer Note 48)	**42.27**	57.41
Rates, Taxes and Licences	**239.18**	241.20
Stamping on documents	**22.43**	20.44
Communication	**52.63**	47.67
Insurance	**22.61**	21.97
Travelling and Conveyance	**351.94**	383.84
Printing and Stationery	**49.05**	48.78
Power and Fuel	**52.94**	56.77
Advertisements	**22.59**	16.28
Auditor's Remuneration :		
As Auditor:		
- Audit Fee	**22.00**	22.00
- Tax Audit Fee	**5.50**	5.50
- Limited Review Fee	**14.00**	13.50
- Certification Fee	**14.60**	16.35
- Reimbursement of Expenses	**4.74**	2.72
Legal and Professional Charges	**371.72**	366.84
Repairs and Maintenance on:		
- Buildings	**82.36**	73.47
- Machinery	**91.98**	89.83
- Information Technology	**253.33**	433.38
- Other Assets	**35.83**	38.01
Filing Fees	**5.50**	14.84
Directors' Sitting Fees (Refer Note 43)	**58.85**	29.90
Corporate Social Responsibility Expenses (Refer Note 37)	**50.28**	47.76
Loss on Sale of Property, Plant and Equipment	**0.22**	1.55
Miscellaneous Expenses	**104.44**	98.69
Total	**1,970.99**	2,148.70

NOTES FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2026 (CONTD.)

(₹ Lakhs)

Particulars	**For the Year ended 31st March 2026**	For the Year ended 31st March 2025
32. (i) CONTINGENT LIABILITIES		
(i) Claims against the Company not acknowledged as debt;		
a) Income Tax issues	**217.16**	217.16
The Company has disputed Income Tax Demand pertaining to the Assessment year 2016-17 for an amount of ₹ **217.16** Lakhs (Previous year 31st March 2025: ₹ 217.16 Lakhs) in relation to certain disallowances under Income Tax Act. The matter is pending before Commissioner of Income Tax (Appeals). During the Financial year 2022-23, the Company has remitted an amount of ₹ 42.24 Lakhs under protest against the demand.		
b) Service Tax Issues	**2,082.34**	2,082.34
The Company has disputed Service Tax demands in respect of Service Tax liability on finance income for the period from 1st October 2014 to 30th June 2017. The total demand along with penalty but excluding non-determined interest amounts to ₹ **2,082.34** Lakhs (31st March 2025 : ₹ 2,082.34 Lakhs). The Company has been legally advised that such demands are not sustainable. The Company has filed an appeal before Central Excise and Service Tax Appellate Tribunal (CESTAT), Chennai and the matter is pending before CESTAT. The Company has pre-deposited an amount of ₹ **143.30** Lakhs (31st March 2025 : ₹ 143.30 Lakhs) under protest.		
c) Consumer Court cases pending	**18.35**	18.35
There are certain consumer claims pending against the Company, where such claims are disputed and contested by the Company in appropriate forums. The management has estimated that such claims amounts to ₹ 18.35 Lakhs (31st March 2025: ₹ 18.35 Lakhs).		
Future cash outflows in respect of above from (i) is determinable only on receipt of judgements/decisions/negotiations pending with various forums/authorities/parties. It is not practicable for the Company to estimate the timings of the cash flows if any. The Company does not expect any reimbursement in respect of the above contingent liabilities. The Company is of the opinion that above demands/claims are not sustainable and expects to succeed in appeals (wherever applicable). Hence no provision on account of the same is made in the financial statements.		
33. EXPENDITURE IN FOREIGN CURRENCY ON ACCOUNT OF :		
Expenditure in Foreign Currency	**2.43**	-

NOTES FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2026 (CONTD.)

(₹ Lakhs)

Particulars	For the Year ended 31st March 2026	For the Year ended 31st March 2025
34. REMITTANCE OF DIVIDEND IN FOREIGN CURRENCY		
Year to which the dividend relates	**2024-25**	2023-24
No. of non-resident share holders	**1**	1
No. of shares on which dividend remittance was made	**44,50,000**	44,50,000
Amount (₹ Lakhs)	**35.60***	35.60

* Includes ₹ 28.19 lakhs remains unclaimed due to KYC compliance

35. DETAILS OF CRYPTO CURRENCY OR VIRTUAL CURRENCY

Particulars	31st March 2026	31st March 2025
Profit or Loss on transactions involving Crypto currency or Virtual Currency	**Nil**	Nil
Amount of currency held as at the reporting date	**Nil**	Nil
Deposits or advances from any person for the purpose of trading or investing in Crypto Currency or virtual currency	**Nil**	Nil

36. Additional Regulatory Disclosures (for the year ended 31st March 2026 and 31st March 2025)

a. The Company has not granted any loans or advance on the nature of loans to Promoters, Directors or KMPs and other related parties (as defined under the Companies Act, 2013), either severally or jointly with any other persons that are repayable on demand or without specifying the terms or period of repayment.

b. There were no proceedings that have been initiated or pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 and the rules made thereunder.

c. In respect of borrowings from banks or financial institutions on the basis of security of current assets, the quarterly returns or statements of current assets filed by the Company with banks or financial institutions are in agreement with the books of account.

d. The Company has not been declared as a wilful defaulter by any bank or financial Institution or other lender.

e. The company did not have any transactions with the Companies struck off under Section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956 except the following :

Name of the Struck off company	Balance outstanding as at		Relationship with struck off company
	31st March 2026	31st March 2025	
First Choice Financial Services Private Limited	**0.04**	0.04	Equity Shareholder
Kothari & Sons (Nominees) Private Limited	**0.02**	0.02	Equity Shareholder
Kwality General Finance Associates Limited	**0.10**	0.10	Equity Shareholder
West Mambalam Suga Leasing & Finance Limited	**0.02**	0.02	Equity Shareholder
Sivnat Invts & Finance P Ltd	**0.04**	0.04	Equity Shareholder
The North K.G.S.B. Co-Op Bank Ltd	**0.03**	0.03	Equity Shareholder
"The Blind" Society	**0.01**	0.01	Equity Shareholder
Silpa Avenues Private Limited	**0.01**	0.01	Equity Shareholder

During the Financial years ended March 31, 2026 and March 31, 2025, the Company did not have any transaction with above equity shareholders, being the Companies whose names have been struck off under Section 248 of the Companies Act, 2013 or Section 560 of the Companies Act, 1956. The shareholding data is as per the record of beneficiary position downloaded by the Registrar and Transfer Agent of the Company from the database maintained by the depositories and reported to us for the purpose of this disclosure.

f. The Company did not have any charges or satisfaction of charges under the Companies Act, 2013, which are yet to be registered with ROC beyond the statutory period.

g. The Company as a part of its normal business grants loans and advances, make investment, provides guarantees to its customer, other entitles and persons. These transactions are part of the Companies normal NBFC business, which is conducted ensuring adherence to all regulatory requirements. Other than the transactions described above. The Company has not advanced or loaned or invested funds (either borrowed funds or share premium or any other sources

NOTES FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2026 (CONTD.)

or kind of funds) to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding (whether recorded in writing or otherwise) that the Intermediary shall (i) 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 (ii) provide any guarantee, security or the like for on behalf of the Ultimate Beneficiaries

h. The Company has not advanced or loaned or invested funds (either borrowed funds or share premium or any other sources or kind of funds) to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding (whether recorded in writing or otherwise) that the Intermediary shall (i) 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 (ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

i. The Company has not entered into any Scheme of Arrangements that has been approved by the Competent Authority in terms of Sections 230 to 237 of the Companies Act, 2013. Therefore disclosures pertaining to it are not applicable.

j. The Company has no layers as per the provisions of Clause (87) of Section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017 for the financial years ended March 31, 2026 and March 31, 2025.

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

37. NOTE ON EXPENDITURE ON CORPORATE SOCIAL RESPONSIBILITY

The following is the information regarding projects/programmes undertaken and expenses incurred on CSR activities during the year ended 31st March 2026:

I. Amount required to be spent by the company during the year: ₹ **50.28 Lakhs** (FY 2024-25 : ₹ 47.76 Lakhs)

II. Amount spent during the year on: (by way of contribution to the trusts and the projects undertaken)

(₹ Lakhs)

Particulars	31st March 2026	31st March 2025
a. Construction / acquisition of any asset	-	-
b. On purposes other than (a) above:	**50.52**	47.76
Total	**50.52**	47.76

Particulars	Year ended 31st March 2026	Year ended 31st March 2025
Amount required to be spent by the company during the year	**50.52**	47.36
Amount of expenditure incurred during the year	**50.28**	47.76
Amount of expenditure incurred in previous year and set off during the year	**0.24**	-
Shortfall at the end of the year		
Total of previous years shortfall	**Nil**	Nil
Reason for shortfall	**Nil**	Nil
Nature of CSR activities		
1. Education	**23.82**	8.26
2. Health Care	**9.73**	17.00
3. Others	**16.73**	22.50
Details of related party transactions, e.g., contribution to a trust controlled by the company in relation to CSR expenditure as per relevant Indian Accounting Standard	**15.50**	-
Where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year shall be shown separately.	**Nil**	Nil

Refer Note 43 on disclosure pursuant to Ind AS 24 - Related Party Disclosures for contributions to related party.

NOTES FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2026 (CONTD.)

38. CAPITAL MANAGEMENT

The company determines the amount of capital required on the basis of factors like funding structure, capital adequacy ratio and leveraging ratios. The capital adequacy ratio working are given below. The capital structure is also monitored on the basis of Capital Adequacy Ratio.

Particulars	As at 31st March 2026			As at 31st March 2025 Ratio (%)	% of Variance	Reason for variance (If above 25%)
	Numerator	Denominator	Ratio (%)			
Capital to Risk weighted Assets Ratio (CRAR)	**24,618.16**	**1,20,398.47**	**20.45**	18.63	**9.76**	NA
Tier - I Capital	**20,136.84**	**1,20,398.47**	**16.73**	14.95	**11.87**	NA
Tier - II Capital	**4,481.32**	**1,20,398.47**	**3.72**	3.68	**1.14**	NA
Liquidity Coverage Ratio	**3,554.46**	**589.44**	**603.02**	194.41	**210.18**	Due to increase in HQLA on account of inflow and decrease in outflow

Components of Numerator

"Tier I Capital" means owned fund as reduced by investment in shares of other non-banking financial companies and in shares, debentures, bonds, outstanding loans and advances including hire purchase and lease finance made to and deposits with subsidiaries and companies in the same group exceeding, in aggregate, ten per cent of the owned fund.

"Owned fund" means paid up equity capital, preference shares which are compulsorily convertible into equity, free reserves, balance in share premium account and capital reserves representing surplus arising out of sale proceeds of asset, excluding reserves created by revaluation of asset, as reduced by accumulated loss balance, book value of intangible assets and deferred revenue expenditure, if any.

"Tier II Capital" includes the following :

a. preference shares other than those which are compulsorily convertible into equity;

b. revaluation reserves at discounted rate of fifty five percent;

c. General provisions (including that for Standard Assets) and loss reserves to the extent these are not attributable to actual diminution in value or identifiable potential loss in any specific asset and are available to meet unexpected losses, to the extent of one and one fourth percent of risk weighted assets

d. hybrid debt capital instruments; and

e. Sub-Ordinated debt to the extent the aggregate does not exceed Tier I Capital.

f. perpetual debt instruments issued by a non-deposit taking non-banking financial company which is in excess of what qualifies for Tier I Capital, to the extent the aggregate does not exceed Tier I Capital.

Components of Denominator

Aggregate Risk Weighted Assets:

Under RBI Directions, degrees of credit risk expressed as percentage weightages have been assigned to each of the on balance sheet assets and off- balance sheet assets. Hence, the value of each of the on-balance sheet assets and off- balance sheet assets requires to be multiplied by the relevant risk weights to arrive at risk adjusted value of assets. The aggregate shall be taken into account for reckoning the minimum capital ratio.

The Company has complied with all regulatory requirements related to capital and capital adequacy ratios as prescribed by RBI.

(₹ Lakhs)

Particulars	As at 31st March 2026	As at 31st March 2025
Tier - I Capital	**20,136.84**	19,279.52
Tier - II Capital	**4,481.32**	4,743.79
Total Capital	**24,618.16**	24,023.31
Aggregate of Risk Weighted Assets	**1,20,398.47**	1,28,964.17
Tier-I Capital adequacy ratio	**16.73%**	14.95%
Total Capital adequacy ratio	**20.45%**	18.63%

NOTES FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2026 (CONTD.)

39. MATURITY ANALYSIS OF ASSETS AND LIABILITIES

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

(₹ Lakhs)

Particulars	Notes	As at 31st March 2026			As at 31st March 2025		
		Less than 12 months	**More than 12 months**	**Total**	Less than 12 months	More than 12 months	Total
ASSETS							
Financial Assets							
Cash and cash Equivalents	4	**15,535.20**	**-**	**15,535.20**	4,415.39	-	4,415.39
Bank Balances other than Cash and cash Equivalents	4A	**2,199.94**	**511.00**	**2,710.94**	688.86		688.86
Receivables	5						
(i) Trade Receivables		**34.54**	**-**	**34.54**	96.49	-	96.49
(ii) Other Receivables		**8.76**	**-**	**8.76**	22.89	-	22.89
Loans	6	**45,529.63**	**61,780.78**	**1,07,310.41**	56,222.85	61,856.85	1,18,079.70
Investments	7	**2,636.73**	**3,386.65**	**6,023.38**	150.13	2,156.22	2,306.35
Other Financial Assets	8	**1,492.09**		**1,492.09**	1,770.47	-	1,770.47
Non-Financial Assets							
Current tax Assets (net)		**-**	**95.24**	**95.24**	-	-	-
Deferred tax Assets (net)	9	**-**	**277.15**	**277.15**	-	479.35	479.35
Investment Property	10	**-**	**262.40**	**262.40**	-	268.25	268.25
Property Plant and Equipment	11(a)	**-**	**5,495.59**	**5,495.59**	-	5,507.52	5,507.52
Right of use assets	11(b)	**-**	**1,121.53**	**1,121.53**	-	907.28	907.28
Capital work-in-progress	11(c)	**-**	**-**	**-**	-	13.69	13.69
Intangible Assets under development	11(d)	**-**	**-**	**-**	-	246.86	246.86
Other Intangible Assets	11(e)	**-**	**1,144.49**	**1,144.49**	-	138.31	138.31
Other Non-Financial Assets	12	**340.57**	**1,500.00**	**1,840.57**	319.84	1,500.00	1,819.84
Total Assets		**67,777.46**	**75,574.83**	**1,43,352.29**	63,686.92	73,074.33	1,36,761.25

NOTES FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2026 (CONTD.)

(₹ Lakhs)

Particulars	Notes	As at 31st March 2026			As at 31st March 2025		
		Less than 12 months	More than 12 months	Total	Less than 12 months	More than 12 months	Total
LIABILITIES AND EQUITY							
Liabilities							
Financial Liabilities							
Payables	13						
(I) Trade Payables							
(i) Total outstanding dues of micro enterprises and small enterprises		**9.66**		**9.66**	11.22	-	11.22
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises		**123.54**	**-**	**123.54**	117.64	-	117.64
(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		**131.09**		**131.09**	431.48		431.48
Debt Securities	14	**13,423.45**	**64,787.85**	**78,211.30**	15,170.04	52,198.94	67,368.98
Borrowings (Other than debt securities)	15	**6,333.15**	**1,757.45**	**8,090.60**	7,764.33	4,620.49	12,384.82
Deposits	16	**6,487.69**	**15,417.78**	**21,905.47**	2,911.60	15,800.58	18,712.18
Sub-Ordinated Liabilities	17	**7,192.25**	**1,469.07**	**8,661.32**	3,948.10	8,440.43	12,388.53
Other Financial Liabilities	18	**1,458.63**	**228.33**	**1,686.96**	1,401.69	480.78	1,882.47
Non-Financial Liabilities							
Current tax Liabilities (net)		**-**		**-**	103.72		103.72
Provisions	19	**140.46**		**140.46**	153.56	-	153.56
Deferred tax Liabilities (net)		**-**		**-**	-	-	-
Other Non-Financial Liabilities	20	**259.82**		**259.82**	257.34	-	257.34
Equity							
Equity Share Capital	21	**-**	**6,470.59**	**6,470.59**	-	6,470.59	6,470.59
Other Equity	22	**-**	**17,661.48**	**17,661.48**	-	16,478.72	16,478.72
Total Liabilities and Equity		**35,559.74**	**1,07,792.55**	**1,43,352.29**	32,270.72	1,04,490.53	1,36,761.25

NOTES FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2026 (CONTD.)

40. DISCLOSURE PURSUANT TO IND AS "7" - Change in Liabilities arising from Financing Activities

(₹ Lakhs)

Particulars	31st March 2025	Cash Flows	Others	31st March 2026
Debt Securities	67,368.98	10,824.69	17.63	78,211.30
Deposits	18,712.18	3,103.89	89.40	21,905.47
Borrowings Other than Debt securities	12,384.82	(4,351.99)	57.77	8,090.60
Sub-Ordinated Liabilities	12,388.54	(3,744.31)	17.09	8,661.32
Lease Liabilities	269.02	185.21	62.07	516.30
Total	1,11,123.54	**6,017.49**	**243.96**	**1,17,384.99**

41. DISCLOSURE PURSUANT TO IND AS "12" INCOME TAX

a. Explanation of Relationship between Tax Expense and Accounting Profit

(₹ Lakhs)

Sl No	Particulars	FY 2025-26	FY 2024-25
1	Profit before Tax	**2,340.06**	2,333.13
2	Applicable Income Tax Rate (%)	**25.17%**	25.17%
3	Expected Income Tax Expense	**588.95**	587.20
4	Tax effect of adjustments to reconcile expected Income tax expense at tax rate to reported income tax expense:		
	Effect of expenses / provisions not deductible in determining taxable profit	**77.47**	61.55
	Effect of expenses / provisions deductible in determining taxable profit	**(51.26)**	20.29
	Effect of expenses / provisions deductible in determining taxable profit		(1.06)
5	Tax Expense/(Income)	**615.16**	667.98

b. Deferred Tax Asset/(Liabilities) - Major Components

(₹ Lakhs)

Sl No	Particulars	Balance as at 31st March 2025	Tax Expense/ (Income) charged in P&L Statement	Tax Expense/ (Income) charged in OCI	Balance as at 31st March 2026
		(A)	(B)	(C)	D = (A) - (B+C)
1	Application of Expected Credit Loss on Financial Assets	1,224.75	**261.54**	**(10.26)**	**973.47**
2	Employee benefit expenses	19.45	**14.75**	**(0.08)**	**4.78**
3	Right of Use Assets & Lease Liabilities	2.92	**(0.88)**	**-**	**3.80**
4	Application of EIR on Financial Liabilities	(144.07)	**161.73**	**-**	**(305.80)**
5	Differences in Carrying amount of Property,Plant and Equipment	(623.70)	**(224.60)**	**-**	**(399.10)**
	Deferred Tax Asset / (Liabilities)	479.35	**212.54**	**(10.34)**	**277.15**

NOTES FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2026 (CONTD.)

c. Tax Items in Statement of Profit and Loss

(₹ Lakhs)

Sl No	Particulars	31st March 2026	31st March 2025
1	Current Tax Expense/(Income)	**402.62**	748.81
2	Deferred Tax Expense/(Income)		
	Amount of deferred tax expense/(income) relating to originating and reversal of temporary difference	**212.54**	(80.83)
	Income Tax Expense / (Income) recognised in Statement of Profit and Loss	**615.16**	667.98

d. Tax Items recognised in Other Comprehensive Income

Sl No	Particulars	31st March 2026	31st March 2025
1	Tax Expense		
	- Current Tax Expense	**-**	-
	- Deferred Tax Expense	**(10.34)**	(11.48)
	Income Tax Expense/(Income) recognised in Other Comprehensive Income	**(10.34)**	(11.48)

e. There is no tax expense charged directly to other equity.

42. DISCLOSURE REQUIREMENTS UNDER IND AS 19 ("Employee Benefits")

a. Defined benefit obligation - Gratuity

The Gratuity scheme is a defined benefit plan, that provides for a lumpsum payment upon death while in employment or at the time of separation. Based on rules of the scheme, the benefits are calculated on basis of last drawn salary and the period of service rendered and paid as lumpsum. There is a vesting period of 5 years. The plan involves the following risks that affect the liabilities and cash flows

1. **Interest rates risk:**

   The defined benefit obligation calculated using a discount rate based on government bonds. If bond yields fall, the defined benefit obligation will tend to increase.

2. **Salary inflation risk:**

   Higher than expected increases in salary will increase the defined benefit obligation.

3. **Demographic risks:**

   This is the risk of volatility of results due to unexpected nature of decrements that include mortality attrition, disability and retirement. The effects of this decrement on the DBO depend upon the combination of salary increase, discount rate, and vesting criteria and therefore not very straight forward. It is important not to overstate withdrawal rate because the cost of retirement benefit of a short service employees will be less compared to long service employees.

4. **Actuarial Risk:**

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

   Adverse Salary Growth Experience: Salary hikes that are higher than the assumed salary escalation will result into an increase in Obligation at a rate that is higher than expected.

   Variability in mortality rates: If actual mortality rates are higher than assumed mortality rate assumption then the Gratuity benefits will be paid earlier than expected. Since there is no condition of vesting on the death benefit, the acceleration of cash flow will lead to an actuarial loss or gain depending on the relative values of the assumed salary growth and discount rate.

   Variability in withdrawal rates: If actual withdrawal rates are higher then assumed withdrawal rate assumption then the Gratuity benefits will be paid earlier than expected. The impact of this will depend on whether the benefits are vested as at the resignation date

5. **Investment Risk:**

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

NOTES FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2026 (CONTD.)

The following table summarises the components of net benefit expense recognised in the Statement of Profit and Loss and the funded status and amounts recognised in the Balance Sheet for the Gratuity plan.

(₹ Lakhs)

Sl No	Particulars	As at 31st March 2026	As at 31st March 2025
I	**Present Value of Defined Benefit Obligation**		
	Defined benefit obligation at the beginning of the period	**154.81**	149.32
	(i) Current service cost	**25.63**	25.94
	(ii) Past Service Cost		
	(iii) Interest Cost	**9.72**	9.80
	(iv) Re-measurement Loss/(gain) due to :		
	(a) Changes in financial assumptions	**(2.56)**	4.04
	(b) Changes in demographic assumptions	**0.15**	-
	(c) Experience on defined benefit obligation	**1.81**	(8.65)
	(v) Benefits paid	**(17.41)**	(25.64)
	Defined benefit obligation as at the end of the period	**172.15**	154.81
II	**Fair Value of Plan Assets**		
	Fair Value of Plan Assets at the beginning of the period	**145.50**	138.07
	(i) Benefits Paid	**(17.41)**	(25.64)
	(ii) Employer Contribution	**24.16**	23.90
	(iii) Expected Interest Income on Plan assets	**9.90**	9.85
	(iv) Actuarial (Loss)/Gain from Return on plan assets	**(0.94)**	(0.68)
	Fair Value of Plan Assets as at the end of the period	**161.21**	145.50
	Net (Asset)/Liability Recognised in Balance Sheet (I-II)	**10.94**	9.31
III	**Cost of Defined Benefit Plan for the Year**		
	(i) Current service cost	**25.63**	25.94
	(ii) Past Service Cost	**-**	-
	(iii) Interest Cost	**9.72**	9.80
	(iv) Expected Interest Income on Plan assets	**(9.90)**	(9.85)
	Net Cost recognized in the Statement of Profit and Loss	**25.45**	25.89
IV	**Re-measurement (Loss)/gain due to**		
	(a) Changes in financial assumptions	**(2.56)**	4.04
	(b) Changes in demographic assumptions	**0.15**	-
	(c) Experience on defined benefit obligation	**1.80**	(8.65)
	Actuarial (Loss)/Gain from Return on Plan Assets	**0.94**	0.68
	Net cost recognised in Other Comprehensive Income	**0.33**	(3.93)
V	**Significant Actuarial Assumptions**		
	(i) Discount Rate	**6.99%**	6.65%
	(ii) Expected Return on Plan Assets	**6.65%**	7.18%
	(iii) Salary Escalation Rate	**4.00%**	4.00%
	(iv) Attrition Rate	**21.00%**	19.00%
		Indian Assured Lives Mortality (2012-14) Ultimate	Indian Assured Lives Mortality (2012-14) Ultimate

NOTES FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2026 (CONTD.)

(₹ Lakhs)

Sl No	Particulars	As at 31st March 2026	As at 31st March 2025
VI	**Sensitivity Analysis for significant actuarial assumption**	**Impact on defined benefit obligation**	Impact on defined benefit obligation
	(i) Discount Rate		
	+ 100 Basis Rate	**-4.36%**	-4.49%
	- 100 Basis Rate	**4.76%**	4.94%
	(ii) Salary Growth		
	+ 100 Basis Rate	**4.54%**	4.71%
	- 100 Basis Rate	**-4.22%**	-4.35%
	(iii) Attrition Rate		
	+ 100 Basis Rate	**0.09%**	0.05%
	- 100 Basis Rate	**-0.12%**	-0.08%

Expected payment for future years

Particulars	As at 31st March 2026	As at 31st March 2025
Within the next 12 months	**28.60**	27.45
Between 2 and 5 years	**104.48**	59.22
Between 5 and 10 years	**68.27**	28.05
Beyond 10 years	**97.99**	40.09
Total Expected Payments	**299.34**	154.81

Notes :

1. The Company expects to contribute ₹ **25.64** Lakhs to the fund in the next financial year.
2. The weighted average duration of the defined benefit obligation as at 31st March 2026 is **5.08** years (31st March 2025: 6.63 years).
3. The estimate of future salary increase takes into account inflation, promotions, productivity gains and other relevant factors.
4. Discount rate is based on the prevailing market yields of Indian Government Bonds as at the Balance Sheet date for the estimated term of the obligation.
5. The entire Plan Assets are invested in insurer managed funds with Life Insurance Corporation of India (LIC).
6. The above sensitivity analysis are based on change in an assumption which is holding all the other assumptions constant. In practice, this is unlikely to occur, and changes in some assumptions may be correlated. When calculating the sensitivity of defined benefit obligation to significant actuarial assumptions the same method of present value of defined benefit obligations calculated with Projected unit credit method at the end of the reporting period has been applied while calculating defined benefit liability recognised in the balance sheet.
7. The method and type of assumptions used in preparing the sensitivity analysis does not change as compared to the prior period.

b. **Other Long Term Benefits - Leave Encashment**

The leave encashment is long term benefit plan, that provides for a lumpsum payment upon death of employee or at the time of separation. Based on scheme rules the benefits are calculated on the basis of last drawn salary and the leave count and paid as lumpsum.

The benefit involves the following risks that affect the liabilities and cash flows.

1. **Interest rates risk :**

   The defined benefit obligation calculated using a discount rate based on government bonds. If bond yield falls, the defined benefit obligation will tend to increase.

2. **Salary inflation risk:**

   Higher than expected increases in salary will increase the defined benefit obligation.

NOTES FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2026 (CONTD.)

3. Demographic risks:

This is the risk of volatility of results due to unexpected nature of decrements that include mortality attrition, disability and retirement. The effects of this decrement on the DBO depend upon the combination salary increase, discount rate, and vesting criteria and therefore not very straight forward. It is important not to overstate withdrawal rate because the cost of retirement benefit of a short service employees will be less compared to long service employees.

The following table summarises the components of net benefit expense recognised in the Statement of Profit and Loss and the funded status and amounts recognised in the Balance Sheet for the Leave encashment plan.

(₹ Lakhs)

Sl No	Particulars	As at 31st March 2026	As at 31st March 2025
I	**Present Value of Defined Benefit Obligation**		
	Defined benefit obligation at the beginning of the year	**68.42**	62.38
	(i) Current service cost	**13.70**	17.19
	(ii) Interest cost	**3.59**	3.53
	(iii) Re-measurement Loss/(gain) due to :		
	(a) Changes in financial assumptions	**(0.21)**	1.74
	(b) Changes in demographic assumptions	**(0.07)**	-
	(c) Experience on defined benefit obligation	**(9.08)**	10.05
	(iv) Benefits paid	**(28.97)**	(26.47)
	Defined benefit obligations as at the end of the year	**47.38**	68.42
II	**Cost of Defined Benefit Plan for the Year**		
	(i) Current service cost	**13.70**	17.19
	(ii) Interest cost	**3.59**	3.53
	(iii) Others	**(9.36)**	11.78
	Net Cost recognized in the Statement of Profit and Loss	**7.93**	32.50
III	**Significant Actuarial Assumptions**		
	(i) Discount Rate	**6.84%**	6.65%
	(ii) Expected Return on Plan Assets	**-**	-
	(iii) Salary Escalation Rate	**4.00%**	4.00%
	(iv) Attrition Rate	**21.00%**	19.00%
		Indian Assured Lives Mortality (2012-14) Ultimate	Indian Assured Lives Mortality (2012-14) Ultimate
IV	**Sensitivity Analysis for significant actuarial assumption**	**Impact on defined benefit obligation**	Impact on defined benefit obligation
	Employees Earned Leave Scheme		
	(i) Discount Rate		
	+ 100 Basis Rate	**-3.54%**	-4.68%
	- 100 Basis Rate	**3.84%**	5.26%
	(ii) Salary Growth		
	+ 100 Basis Rate	**3.52%**	4.42%
	- 100 Basis Rate	**-3.30%**	-3.98%
	(iii) Attrition Rate		
	+ 100 Basis Rate	**-0.41%**	0.85%
	- 100 Basis Rate	**0.38%**	-0.96%

NOTES FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2026 (CONTD.)

(₹ Lakhs)

Sl No	Particulars	As at 31st March 2026	As at 31st March 2025
	Sensitivity Analysis for significant actuarial assumption	**Impact on defined benefit obligation**	Impact on defined benefit obligation
	Employees Sick Leave Scheme		
	(i) Discount Rate		
	+ 100 Basis Rate	**-3.14%**	-4.16%
	- 100 Basis Rate	**3.42%**	4.68%
	(ii) Salary Growth		
	+ 100 Basis Rate	**3.13%**	3.95%
	- 100 Basis Rate	**-2.92%**	-3.54%
	(iii) Attrition Rate		
	+ 100 Basis Rate	**-0.34%**	0.77%
	- 100 Basis Rate	**0.33%**	-0.87%

Expected payment for future years

Particulars	As at 31st March 2026	As at 31st March 2025
Within the next 12 months	**6.50**	12.63
Between 2 and 5 years	**15.21**	28.93
Between 5 and 10 years	**9.65**	12.80
Beyond 10 years	**28.06**	14.06
Total Expected Payments	**59.42**	68.42

Notes :

1. The Company has not funded its Compensated Absences Liability and the same continues to remain as unfunded as at 31st March 2026 and 31st March 2025.
2. The estimate of future salary increase takes into account inflation, promotions, productivity gains and other relevant factors.
3. Discount rate is based on the prevailing market yields of Indian Government Bonds as at the Balance Sheet date for the estimated term of the obligation.

c. Defined Contribution Plan

A defined Contribution plan is a plan under which the Company pays fixed contributions and where there is no legal or constructive obligation to pay further contributions.

Contribution by the Company to Statement of Profit and Loss on account of Defined Contribution Plans are as follows:

a) Provident Fund contribution (Refer Note 29)	**124.70**	117.90
b) Employees State Insurance Scheme (included in staff welfare expenses in Note 29)	**10.35**	12.77

NOTES FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2026 (CONTD.)

43. Disclosure pursuant to Ind AS "24" - Related Party Disclosures

Nature of Relationships

A	Enterprises in which the Key Management Personnel and their relatives can exercise significant influence	ABT Ltd. ABT Finance Ltd. ABT Foundation Ltd. ABT Industries Ltd. ARC Retreading Co. Pvt. Ltd. N Mahalingam & Co Nachimuthu Industrial Association Ramanandha Adigalar Foundation Sakthifinance Financial Services Ltd. Sakthifinance Financial Services (Cochin) Private Ltd Sakthifinance Holdings Ltd. Sakthi Realty Holdings Ltd. Sakthi Sugars Ltd. Sakthi Digital Ltd. Sakthi Auto Components Ltd Sakthi Properties (Coimbatore) Ltd Sri Chamundeswari Sugars Ltd. Sri Sakthi Textiles Ltd. Sakthi Pelican Insurance Broking Private Limited The Gounder and Company Auto Ltd Sakthi Foundation Suddha Sanmarga Nilayam The Vanavarayar Foundation Trust
B	Key Management Personnel	Dr M Manickam, Chairman Sri M Balasubramaniam, Vice Chairman and Managing Director Sri M Srinivaasan, Director Dr S Veluswamy, Non-Executive Director Sri Advait Kurlekar, Independent Director Smt Priya Bhansali, Independent Director (up to 27.09.2025) Sri K P Ramakrishnan, Independent Director (up to 27.09.2025) Sri K V Ramachandran, Independent Director (from 04.07.2025) Sri Smt Susheela Balakrishnan, Independent Director (from 14.08.2025) Sri S Shivram, Independent Director (from 01.09.2025) Sri S Chandrasekhar, Non-Executive Director / Non-Independent-Director (from 01.09.2025) Sri Saurabh Jain, Independent Director (from 27.09.2025) Sri Sundaramurthy Kumarasamy Chief Financial Officer Sri S Venkatesh, Company Secretary and Chief Compliance Officer
C	Close relatives of members of Key Management Personnel	Smt Vinodhini Balasubramaniam, wife of Sri M Balasubramaniam Smt Samyuktha Vanavarayar, daughter of Sri M Balasubramaniam Ms Shruthi Balasubramaniam, daughter of Sri M Balasubramaniam Mr Amrith Vishnu Balasubramaniam, son of Sri M Balasubramaniam Sri M Harihara Sudhan, son of Dr M Manickam Smt Karunambal Vanavarayar, sister of Dr M Manickam Miss Anusha Bhansali, daughter of Smt.Priya Bhansali (up to 27.09.2025)

NOTES FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2026 (CONTD.)

Transactions / Material Transactions with Related Parties made during the year

(₹ Lakhs)

Sl No	Nature of Transactions	Related parties where significant influence is exercised where controls exist	Key Management Personnel	Close Relatives of members of Key Management Personnel	For the year ended 31st March 2026	For the year ended 31st March 2025
1	**Income**					
	Rent received					
	Sakthifinance Financial Services Ltd	**21.74**	-	-	**21.74**	28.38
	ABT Industries Ltd.	**32.27**	-	-	**32.27**	25.83
	Sakthi Pelican Insurance Broking Pvt Ltd	**1.42**	-	-	**1.42**	1.42
	Interest Income					
	Sakthi Foundation	-	-	-	-	0.01
	ABT Industries Ltd.	**58.61**	-	-	**58.61**	1.91
	Other Income					
	Sakthi Pelican Insurance Broking Pvt Ltd	**48.52**	-	-	**48.52**	55.46
	Reimbursement of Expenses / Income					
	ABT Industries Ltd	-	-	-	-	1.00
2	**Expenses**					
	Purchase of fuel & Others					
	N.Mahalingam & Co	-	-	-	-	6.61
	Purchase of Intangible Assets/Fixed Assets					
	N.Mahalingam & Co	-	-	-	-	0.12
	Sakthi Digital Limited	**420.94**	-	-	**420.94**	-
	Reimbursement of Expenses (Electricity / Internet charges)					
	ABT Industries Ltd	**12.65**	-	-	**12.65**	8.46
	Sakthifinance Financial Services Ltd.	**0.29**	-	-	**0.29**	0.50
	Repairs and Maintenance Expenses					
	Sakthi Digital Limited	**4.88**	-		**4.88**	6.10
	Professional Service charges					
	Ramanandha Adigalar Foundation	**1.56**	-	-	**1.56**	-
	Rent paid					
	Smt.Vinodhini Balasubramaniam	-	-	**2.40**	**2.40**	2.40
	M. Srinivaasan	-	**153.62**	-	**153.62**	129.56
	ARC Retreading Company Pvt Ltd	**2.57**	-	-	**2.57**	2.57
	N.Mahalingam & Co	**18.89**	-	-	**18.89**	13.64
	Sakthifinance Financial Services Ltd.	-	-	-	-	-
	Resource Mobilisation Charges					
	Sakthifinance Financial Services Ltd.	**475.99**	-	-	**475.99**	365.18
	ABT Industries Ltd	-	-	-	-	11.34
	Printing charges					
	Sakthi Sugars Ltd.(Om Sakthi)	**3.27**	-	-	**3.27**	2.77
	Sakthi Foundation	**0.32**	-	-	**0.32**	1.26
	Corporate Social Responsibility Expenses					
	Ramanandha Adigalar Foundation	**15.50**	-	-	**15.50**	-
	Remuneration					
	M.Balasubramaniam	-	**49.80**	-	**49.80**	43.80
	Sundaramurthy K	-	**29.14**	-	**29.14**	19.19
	Venkatesh S	-	**28.62**	-	**28.62**	12.57

NOTES FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2026 (CONTD.)

(₹ Lakhs)

Sl No	Nature of Transactions	Related parties where significant influence is exercised where controls exist	Key Manage-ment Personnel	Close Relatives of members of Key Manage-ment Personnel	For the year ended 31st March 2026	For the year ended 31st March 2025
	Srinivasan Anand	-	-	-	-	6.14
	C.Subramaniam	-	-	-	-	8.80
	Amrit Vishnu B	-	-	-	-	4.06
	Perquisites					
	M.Balasubramaniam	-	**2.97**	-	**2.97**	9.19
	Employee Benefits					
	M.Balasubramaniam	-	**4.32**	-	**4.32**	4.32
	Sundaramurthy K	-	**0.22**	-	**0.22**	0.16
	Venkatesh S	-	**1.04**	-	**1.04**	0.63
	C.Subramaniam	-	-	-	-	0.51
	Amrit Vishnu B	-	-	-	-	0.08
	Commission					
	M.Balasubramaniam **	-	**18.14**	-	**18.14**	84.06
	S.Veluswamy	-	**15.04**	-	**15.04**	-
	Sitting Fees					
	Non-Executive Directors					
	M.Manickam	-	**2.65**	-	**2.65**	1.20
	M.Srinivaasan	-	**6.25**	-	**6.25**	1.90
	S.Veluswamy	-	**8.70**	-	**8.70**	3.40
	S Chandrasekhar	-	**3.00**	-	**3.00**	-
	Independent-Directors					
	A Selvakumar	-	-	-	-	2.80
	P S Gopalakrishnan	-	-	-	-	0.90
	Priya Bhansali	-	**5.20**	-	**5.20**	6.50
	K P Ramakrishnan	-	**3.85**	-	**3.85**	5.60
	M Bhaskar	-	-	-	-	4.90
	Advait Kurlekhar	-	**7.30**	-	**7.30**	2.70
	K V Ramachandran	-	**7.45**	-	**7.45**	-
	Susheela Balakrishnan	-	**6.45**	-	**6.45**	-
	S Shivram	-	**5.15**	-	**5.15**	-
	Saurabh Jain	-	**2.85**	-	**2.85**	-
	Reimbursement of Travelling Expense					
	Non-Executive Directors					
	M.Manickam	-	**0.15**	-	**0.15**	0.09
	M.Srinivaasan	-	**0.27**	-	**0.27**	0.12
	S.Veluswamy	-	**0.24**	-	**0.24**	0.21
	S Chandrasekhar	-	**0.18**	-	**0.18**	-
	Independent-Directors					
	A Selvakumar	-	-	-	-	0.09
	P S Gopalakrishnan	-	-	-	-	0.03
	Priya Bhansali	-	**0.15**	-	**0.15**	0.24
	K P Ramakrishnan	-	**0.15**	-	**0.15**	0.24

NOTES FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2026 (CONTD.)

(₹ Lakhs)

Sl No	Nature of Transactions	Related parties where significant influence is exercised where controls exist	Key Manage-ment Personnel	Close Relatives of members of Key Manage-ment Personnel	For the year ended 31st March 2026	For the year ended 31st March 2025
	M Bhaskar	-	-	-	-	0.21
	Advait Kurlekhar	-	**0.27**	-	**0.27**	0.15
	K V Ramachandran	-	**0.24**	-	**0.24**	-
	Susheela Balakrishnan	-	**0.21**	-	**0.21**	-
	S Shivram	-	**0.18**	-	**0.18**	-
	Saurabh Jain	-	**0.15**	-	0.15	-
	** subject to the approval of members at the ensuing Annual General Meeting					
3	**Assets**					
	Loans and advances given					
	ABT Industries Ltd	**2,820.00**	-	-	**2,820.00**	150.00
	ABT Ltd	**75.00**	-	-	**75.00**	-
	Advance for Intangible assets					
	Sakthi Digital Limited	**84.56**	-		**84.56**	336.38
	Loans and advances repaid					
	ABT Industries Ltd	**(2,825.40)**			**(2,825.40)**	(125.00)
	Sakthi Foundation	-			-	(1.05)
	Sakthi Digital Limited	**(420.94)**	-	-	**(420.94)**	-
	Outstanding as at the year end Loans and Advances					
	Sakthi Properties (Coimbatore) Ltd	**850.00**	-	-	**850.00**	850.00
	Sakthi Sugars Ltd	**1,500.00**	-		**1,500.00**	1,500.00
	ABT Industries Ltd	**19.60**			**19.60**	26.91
	ABT Ltd	**75.00**	-	-	**75.00**	-
	Sakthi Digital Limited	-	-	-	-	336.38
	Rent / Other reimbursement receivables					
	Sakthifinance Financial Services Ltd	**3.75**	-	-	**3.75**	2.88
	ABT Industries Ltd.	**8.36**	-	-	**8.36**	27.02
	Sakthi Pelican Insurance Broking Pvt Ltd	**20.90**	-	-	**20.90**	26.79
4	**Liabilities:**					
	Transactions during the year					
	Investment in NCDs:					
	Sakthifinance Financial Services Ltd.	**(25.00)**	-	-	**(25.00)**	(36.08)
	Sakthi Financial Services (Cochin) Pvt Ltd	**(24.40)**	-	-	**(24.40)**	(0.50)
	Smt Samyuktha Vanavaraayar	-	-	-	-	(75.00)
	Miss Shruthi Balasubramaniam	-	-	**(5.00)**	**(5.00)**	(5.00)
	Smt Vinodhini Balasubramaniam	-	-	**100.00**	**100.00**	(30.00)
	Sri Hariharasudhan Manickam			-	-	1.00
	S Chandrasekhar	-	**(10.00)**	-	**(10.00)**	-
	Sri Sundaramurthy K	-	**(25.00)**	-	**(25.00)**	25.00
	Investment in Deposits:					
	Sri Sundaramurthy K	-	**110.00**	-	**110.00**	175.00
	Subscription in Redeemable Cumulative Preference Shares ("RCPS"):					
	Sakthi Financial Services (Cochin) Pvt Ltd	-			-	(166.50)

NOTES FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2026 (CONTD.)

(₹ Lakhs)

Sl No	Nature of Transactions	Related parties where significant influence is exercised where controls exist	Key Manage-ment Personnel	Close Relatives of members of Key Manage-ment Personnel	For the year ended 31st March 2026	For the year ended 31st March 2025
	Outstanding as at the year end					
	Investment in NCDs:					
	Sakthifinance Financial Services Ltd.	**185.00**	-	-	**185.00**	210.00
	Sakthi Financial Services (Cochin) Pvt Ltd	-	-	-	-	24.40
	Smt Vinodhini Balasubramaniam	-	-	**350.00**	**350.00**	250.00
	Smt Samyuktha Vanavaraayar	-	-	**135.00**	**135.00**	135.00
	Miss Shruthi Balasubramaniam	-	-	**45.00**	**45.00**	50.00
	Mr. Amrit Vishnu Balasubramaniam	-	-	**22.00**	**22.00**	22.00
	Sri Hariharasudhan Manickam	-	-	**3.00**	**3.00**	3.00
	Smt Karunambal Vanavarayar	-	-	**524.00**	**524.00**	524.00
	S Chandrasekhar	-	-	-	-	10.00
	Sri Sundaramurthy K	-	-	-	-	25.00
	Subscription in Deposits:					
	Sri Sundaramurthy K	-	**285.00**	-	**285.00**	175.00
	Liabilities for Expenses Payable:					
	ARC Retreading Company Pvt Ltd	**0.21**	-	-	**0.21**	0.21
	N.Mahalingam and Co	**1.51**	-	-	**1.51**	1.91
	Sakthi Foundation	-	-	-	-	0.10
	Commission / perquisites payable to Directors					
	Sri M.Balasubramaniam	-	**18.14**	-	**18.14**	93.25
	Sri S.Veluswamy	-	**15.04**	-	**15.04**	-
	M.Srinivaasan	-	**8.54**	-	**8.54**	9.88

Terms and conditions of transaction with related parties:

1. Related Parties are identified by the management and relied on by the Auditors.
2. All transactions are in the ordinary course of business on terms equivalent to those that prevail in an arm's length transaction.
3. The Company has not granted loans or advances that is repayable on demand or without specifying any terms or period of repayment to promoters, directors, KMPs and the related parties (as defined under the Companies Act, 2013), either severally or jointly with any other person, for the financial years ended March 31, 2026 and March 31, 2025.
4. There have been no guarantees provided or received to/from any related party on receivables or payables.
5. For the year ended 31st March, 2026, the Company has not recorded any impairment of receivables relating to amounts owed by related parties. This assessment is undertaken each financial year through examining the financial position of the related party.
6. During the year ended 31st March 2026, the Company has not written off any receivables due from related parties.

44. Disclosure pursuant to Ind AS "33" - Earnings Per Share (Refer Note 3(u))

Basic EPS is calculated by dividing the profit for the year attributable to equity holders of the Company by the weighted average number of equity shares outstanding during the year.

Particulars	For the year ended 31st March 2026	For the year ended 31st March 2025
a) Weighted average number of equity shares of ₹ 10 each (For Basic and Diluted EPS)		
(i) Number of shares at the beginning of the year	**6,47,05,882**	6,47,05,882
(ii) Number of shares at the end of the year	**6,47,05,882**	6,47,05,882
(b) Weighted average number of shares outstanding during the year (nos) (For Basic and Diluted EPS)	**6,47,05,882**	6,47,05,882
(c) Net Profit after tax available for equity shareholders (₹ lakhs)	**1,724.90**	1,665.15
Basic and diluted earnings per share (Face Value: ₹ 10 per share)	**2.67**	2.57

NOTES FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2026 (CONTD.)

45. FINANCIAL RISK MANAGEMENT FRAMEWORK

The company is engaged in finance business and like any other NBFC is exposed to risks such as credit risk, liquidity risk, market risk, operational risks etc. The company follows pro-active risk management practices to mitigate these risks. The risk management policies are periodically reviewed by the Risk Management Committee and Audit Committee.

Credit Risk

Credit risk is the risk that arises when the borrowers of the company are unable to meet the financial obligations.

The Company has a comprehensive and well-defined credit policy, which encompasses a credit approval process for all businesses along with guidelines for mitigating the risks associated with them. The appraisal process includes a detailed risk assessment of the borrowers, physical verifications and field visits. The company has a robust post sanction monitoring process supervision and follow-up to identify portfolio trends and early warning signals. This enables the company to implement necessary changes to the credit policy, whenever the need arises. Also being in asset finance, the company's lending is secured by adequate collaterals from the borrowers. Repayment by individual customers and portfolio is tracked regularly and required steps for recovery are taken through follow ups and legal recourse.

In assessing the impairment of financial loans under Expected Credit Loss (**"ECL"**) Model, the assets have been segmented into three stages. The three stages reflect the general pattern of credit deterioration of a financial instrument. The difference in accounting between stages, relate to the recognition of expected credit losses and the measurement of interest income.

Expected Credit Loss ("ECL")

As a result of adoption of Ind AS, the company has followed Ind AS 109 for the calculation of expected credit loss. The measurement of ECL involves three main components namely:

Exposure At Default (**"EAD"**), Probability of Default (**"PD"**) and Loss Given Default (**"LGD"**) and weightages have been decided based on industry best practices and judgement. ECL is measured based on various stages of assets and by applying PD and LGD to arrive at impairment loss.

Exposure At Default ("EAD")

Exposure At Default **("EAD")** is defined as the sum of Principal outstanding and interest accrued at the reporting date.

Probability of Default ("PD")

The Probability of Default is an estimate of the likelihood of an account getting into default over a given time horizon. The PD model reflects the probability of default, taking into consideration the residual tenor of each contract and it relies not only on historical information and the current economic environment, but also considers forward-looking information such as the forecasts on the macro-economic factors like GDP, Inflation rate etc.

Loss Given Default ("LGD")

The Loss Given Default is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the Company would expect to receive, including from the realisation of any collateral. It is usually expressed as a percentage of the EAD.

Definition of Default

If the borrower is past due for more than 90 days on any material credit obligation to the Company or the borrower is unlikely to pay his credit obligations to the Company in full, it is considered as default.

The Company categorises loan assets into stages primarily based on the Days of Past Due Status.

Stage 1 : 0-30 days past due

Stage 2 : 31-90 days past due

Stage 3 : More than 90 days past due

Write-offs (Refer Note 3(c))

Financial assets are written off either partially or in their entirety only when the Company has no reasonable expectation of recovery. If the amount to be written off is greater than the accumulated loss allowance, the difference recorded as an expense in the period of write off. Any subsequent recoveries against such loans are credited to the statement of profit and loss.

NOTES FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2026 (CONTD.)

The following table provides an overview of the gross carrying amount of loan assets stage-wise :

(₹ Lakhs)

Particulars	31st March 2026				31st March 2025			
	Stage 1	**Stage 2**	**Stage 3**	**Total**	Stage 1	Stage 2	Stage 3	Total
Balance at the beginning of the year	**1,08,636.98**	**9,220.46**	**6,094.97**	**1,23,952.41**	1,04,132.21	14,991.67	6,596.05	1,25,719.93
New business - net of recovery	**58,564.98**	**3,064.36**	**362.87**	**61,992.21**	62,501.68	5,712.65	554.90	68,769.23
Transfer due to change in credit worthiness								
Stage 1	**1,766.25**	**(1,326.93)**	**(439.32)**	**-**	3,481.82	(2,966.16)	(515.66)	-
Stage 2	**(4,242.26)**	**4,382.54**	**(140.28)**	**-**	(2,887.59)	2,927.56	(39.97)	-
Stage 3	**(1,317.24)**	**(483.74)**	**1,800.98**	**-**	(1,627.53)	(494.30)	2,121.83	-
Financial Assets that have been derecognised	**(65,199.67)**	**(6,144.94)**	**(1,436.29)**	**(72,780.90)**	(56,956.16)	(10,947.15)	(2,230.30)	(70,133.61)
Write off during the year	**(26.86)**	**(3.42)**	**(901.90)**	**(932.18)**	(7.45)	(3.81)	(391.88)	(403.14)
Balance at the end of the year	**98,182.18**	**8,708.33**	**5,341.03**	**1,12,231.54**	1,08,636.98	9,220.46	6,094.97	1,23,952.41

The following table provides an overview of the Expected Credit Loss, stage-wise :

Particulars	31st March 2026				31st March 2025			
	Stage 1	**Stage 2**	**Stage 3**	**Total**	Stage 1	Stage 2	Stage 3	Total
Balance at the beginning of the year	**770.08**	**795.70**	**4,306.93**	**5,872.71**	438.99	1,168.25	3,940.30	5,547.54
New business - net of recovery	**191.37**	**342.56**	**114.46**	**648.39**	298.81	537.32	195.12	1,031.25
Transfer due to change in credit worthiness								
Stage 1	**12.05**	**(9.10)**	**(2.95)**	**-**	14.64	(12.06)	(2.58)	-
Stage 2	**(509.83)**	**528.53**	**(18.70)**	**-**	(228.40)	232.34	(3.94)	-
Stage 3	**(489.79)**	**(180.76)**	**670.55**	**-**	(587.66)	(206.94)	794.60	-
Financial Assets that have been derecognised	**791.96**	**(477.83)**	**(975.90)**	**(661.77)**	834.14	(917.91)	(224.12)	(307.89)
Write off during the year	**(2.03)**	**(5.07)**	**(931.10)**	**(938.20)**	(0.44)	(5.30)	(392.45)	(398.19)
Balance at the end of the year	**763.81**	**994.03**	**3,163.29**	**4,921.13**	770.08	795.70	4,306.93	5,872.71

Stage	31st March 2026			31st March 2025		
	Gross Value	**Impairment Allowance**	**Net Carrying Value**	Gross Value	Impairment Allowance	Net Carrying Value
Stage 1	**98,182.18**	**763.81**	**97,418.37**	1,08,636.98	770.08	1,07,866.90
Stage 2	**8,708.33**	**994.03**	**7,714.30**	9,220.46	795.70	8,424.76
Stage 3	**5,341.03**	**3,163.29**	**2,177.74**	6,094.97	4,306.93	1,788.04
Total	**1,12,231.54**	**4,921.13**	**1,07,310.41**	1,23,952.41	5,872.71	1,18,079.70

NOTES FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2026 (CONTD.)

Geographical break-up of portfolio - Loans (excluding loan repayable on demand and other loans) (₹ Lakhs)

Particulars	FY 2026	FY 2025
Tamil Nadu & Puducherry	83,426	96,719
Kerala	20,364	17,715
Karnataka	3,501	3,815
Andhra	2,982	2,680
Total	**1,10,273**	1,20,929

Portfolio composition - Loans (excluding loan repayable on demand and other loans)

Particulars	FY2026	FY2025
Commercial Vehicles	95,774	1,05,049
Cars & Jeeps	9,150	10,563
Construction Equipment	4,784	4,745
Machinery	565	572
Total	**1,10,273**	1,20,929

Liquidity Risk

Liquidity risk is the risk related to cash flows and the inability to meet the company's liabilities as and when they become due. It arises from the mismatches in the maturity pattern to cope with a decline in liabilities or increase in assets.

The Company monitors these risks through appropriate risk limits. Asset Liability Management Committee **("ALCO")** reviews these risks and related trends and helps adopt various strategies related to assets and liabilities, in line with company's risk management framework

The contracted cash flow arising out of the financial liabilities and financial assets as at 31st March 2026 is furnished hereunder :

Particulars	Note	Up to 3 months"	Over 3 months & up to 6 months"	Over 6 months & up to 1 year"	Over 1 year & up to 3 years"	Over 3 years & up to 5 years"	Over 5 years	Total
Financial Liabilities								
Deposits	16 & 18	988.20	1,749.51	3,856.87	10,948.92	4,468.85	-	22,012.35
Borrowings	14,15,17&18	3,541.13	8,190.35	10,477.97	41,971.82	27,796.45	3,134.70	95,112.42
Foreign Currency Assets		-	-	-	-	-	-	-
Foreign Currency Liabilities		-	-	-	-	-	-	-
Total		4,529.33	9,939.86	14,334.84	52,920.74	32,265.30	3,134.70	1,17,124.77
Financial Assets								
Cash on hand	4	313.68	-	-	-	-	-	313.68
Bank balances	4 & 4A	15,311.46	1,550.00	560.00	511.00	-	-	17,932.46
Loans	6	12,393.80	11,395.40	21,740.44	53,590.20	7,719.86	470.71	1,07,310.41
Investments	7	-	2,586.60	50.13	402.89	719.82	2,263.94	6,023.38
Other financial assets		865.29	160.82	398.41	437.70	-	2,105.28	3,967.50
Total		28,884.23	15,692.82	22,748.98	54,941.79	8,439.68	4,839.93	1,35,547.43

The contracted cash flow arising out of the financial liabilities and financial assets as at 31st March 2025 is furnished hereunder :

Particulars	Note	Up to 3 months	Over 3 months & up to 6 months	Over 6 months & up to 1 year	Over 1 year & up to 3 years	Over 3 years & up to 5 years	Over 5 years	Total
Financial Liabilities								
Deposits	16 & 18	386.77	799.13	1,870.07	9,369.08	6,431.50	-	18,856.55
Borrowings	14,15 & 17	9,432.27	9,999.91	10,448.27	30,564.22	26,977.48	5,203.14	92,625.29
Foreign Currency Assets		-	-	-	-	-	-	-
Foreign Currency Liabilities		-	-	-	-	-	-	-
Total		9,819.04	10,799.04	12,318.34	39,933.30	33,408.98	5,203.14	1,11,481.84

NOTES FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2026 (CONTD.)

The contracted cash flow arising out of the financial liabilities and financial assets as at 31st March 2025 is furnished hereunder: (cont..)

(₹ Lakhs)

Particulars	Note	Up to 3 months	Over 3 months & up to 6 months	Over 6 months & up to 1 year	Over 1 year & up to 3 years	Over 3 years & up to 5 years	Over 5 years	Total
Financial Assets								
Cash on hand	4	226.19	-	-	-	-	-	226.19
Bank balances	4A	4,268.06	-	410.00	200.00	-	-	4,878.06
Loans	6	15,711.68	15,024.14	25,487.03	55,270.15	6,142.34	444.36	1,18,079.70
Investments	7	-	-	150.13	454.83	212.87	1,488.52	2,306.35
Other financial assets		941.35	195.26	404.88	550.09	-	2,138.32	4,229.90
Total		21,147.28	15,219.40	26,452.04	56,475.07	6,355.21	4,071.20	1,29,720.20

Market Risk

Market Risk is the risk arising in financial instruments due to changes in market variables such as interest rates, liquidity etc. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while maximising the return.

Interest Rate Risk

Interest Rate Risk is the possibility of loss arising from changes in the value of financial instruments as result of changes in market variables such as interest rates and other asset prices. The company's exposure to market risk is a function of asset liability management activities. Except the borrowings from banks, the interest rates of which are linked to MCLR, other borrowings are fixed rate instruments. The Company has not availed any foreign currency borrowings. The major portion of lending is at fixed rates.

The interest rate profile of the interest bearing financial instruments is as follows:

Particulars	**Note**	**As at 31st March 2026**	As at 31st March 2025
Financial assets			
Fixed rate instruments			
Loans	6	**1,12,231.54**	1,23,952.41
Investments	7	**3,332.12**	2,167.20
Term Deposits with Banks	4 & 4A	**16,771.00**	2,375.00
Variable rate Instruments			
Investment in Alternative Investment Fund - Debt	7	**2,586.61**	-
Total		**1,34,921.27**	1,28,494.61
Financial Liabilities			
Fixed rate instruments			
Debt securities	14 & 18	**78,211.30**	67,401.68
Borrowings (other than debt securities)	15	**934.91**	1,574.54
Deposits	16 & 18	**22,012.35**	18,856.55
Sub-Ordinated liabilities	17 & 18	**5,915.10**	9,607.09
Preference Shares	17 & 18	**2,895.42**	2,131.70
Variable rate instruments			
Bank Borrowings	15	**7,155.69**	10,810.28
Total		**1,17,124.77**	1,10,381.84

As the fixed rate instruments are carried at amortised cost, their carrying amount will not vary because of changes in market interest rate.

A cash flow sensitivity analysis for variable rate instruments, indicating the possible change in Profit and (Loss) / equity for 1% change in interest rate is furnished hereunder:

Particulars	**31st March 2026**		31st March 2025	
	1% increase in interest rate	**1% decrease in interest rate**	1% increase in interest rate	1% decrease in interest rate
Variable rate instruments- carrying amount	**71.66**	**(71.66)**	108.36	(108.36)

NOTES FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2026 (CONTD.)

Operational Risk

Operational risk is the risk of loss resulting from inadequate or failed internal processes, people or systems or from external events.

The operational risks of the company are managed through comprehensive internal control systems and procedures and key back up processes.

Further submission of exceptional reports for procedural lapses at the branches level, risk-based audits on a regular basis across all business units/functions and IT disaster recovery plans are put in place for evaluating key operational risks the processes of which are meant to adequately mitigate them on an on-going basis.

46. Disclosures pursuant to Ind AS "108" - Operating Segments

a. The Company is primarily engaged in the business of asset financing. This, in the context of Ind AS 108 on "Operating Segments" notified by the Companies (Indian Accounting Standards) Rules 2016, is considered to constitute a single primary segment and there are no other separate reportable segments identified.

The Company operates in single segments only. There are no operations outside India and hence there is no external revenue or assets which require disclosure.

i) Information about geographical areas

The Company operates within India. Therefore, it neither generates any revenue from outside India nor has any non current assets located outside India for the financial years ended 31st March 2026 and 31st March 2025.

ii) Information about major customers

No single external customer contributes 10% or more to the revenues of the Company for the financial years ended 31st March 2026 and 31st March 2025.

b. Disclosures pursuant to Ind AS"23" - Borrowing Costs

There were no borrowing costs capitalized during the years ended 31st March 2026 and 31st March 2025 and hence disclosure of capitalization rate used to determine the amount of borrowing costs eligible for capitalization is not applicable.

c. The Company has no discounting operations during the financial years ended 31st March 2026 and 31t March 2025.

47. Disclosure pursuant to Ind AS "113"

Fair Valuation principle :

a. Financial Assets designated at Fair value through Other Comprehensive Income

(₹ Lakhs)

Particulars	Fair Value hierarchy	As at 31st March 2026	As at 31st March 2025
Investment in Equity Instruments (Quoted)	**Level 1**	**78.78**	113.28
Investment in Equity Instruments (Un-Quoted)	**Level 3**	**38.43**	38.43

b.i. Financial assets and financial liabilities measured at amortised cost as at 31st March 2026

Particulars	Notes	Carrying Amount	Fair Value			
			Level 1	Level 2	Level 3	Total
Financial Assets						
Cash and cash Equivalents	4	**15,535.20**	**15,535.20**	-	-	**15,535.20**
Bank Balances other than Cash and cash Equivalents	4A	**2,710.94**	-	**2,710.94**	-	**2,710.94**
Trade Receivables	5	**43.30**	-	-	**43.30**	**43.30**
Loans	6	**1,07,310.41**	-	-	**1,07,310.41**	**1,07,310.41**
Investments	7	**5,918.73**	**5,851.75**	-	**38.43**	**5,890.18**
Other Financial Assets	8	**1,492.09**	-	-	**1,492.09**	**1,492.09**
Financial Liabilities						
Payables	13					
(I) Trade Payables		**133.20**	-	**133.20**	-	**133.20**
(II) Other Payables		**131.09**	-	**131.09**	-	**131.09**
Debt Securities	14	**78,211.30**	**72,411.64**	**5,799.66**	-	**78,211.30**
Borrowings (Other than debt securities)	15	**8,090.60**	**8,090.60**	-	-	**8,090.60**
Deposits	16	**21,905.47**	-	-	**21,905.47**	**21,905.47**
Sub-Ordinated Liabilities	17	**8,661.32**	-	-	**8,661.32**	**8,661.32**
Other Financial Liabilities	18	**1,686.96**	-	-	**1,686.96**	**1,686.96**

NOTES FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2026 (CONTD.)

b.ii. Financial assets and financial liabilities measured at amortised cost as at 31st March 2025 (₹ Lakhs)

Particulars	Notes	Carrying Amount	Fair Value			
			Level 1	Level 2	Level 3	Total
Financial Assets						
Cash and cash Equivalents	3	4,415.39	2,650.39	1,765.00	-	4,415.39
Bank Balances other than Cash and cash Equivalents	4A	688.86	-	688.86	-	688.86
Trade Receivables	5	119.38	-	-	119.38	119.38
Loans	6	1,18,079.70	-	-	1,18,079.70	1,18,079.70
Investments	7	2,167.20	2,204.60	-	38.43	2,243.03
Other Financial Assets	8	1,770.47	-	-	1,770.47	1,770.47
Financial Liabilities						
Payables	13					
(I) Trade Payables		128.86	-	128.86	-	128.86
(II) Other Payables		431.48	-	431.48	-	431.48
Debt Securities	14	67,368.98	59,820.25	-	7,548.73	67,368.98
Borrowings (Other than debt securities)	15	12,384.82	-	-	12,384.82	12,384.82
Deposits	16	18,712.18	-	-	18,712.18	18,712.18
Sub-Ordinated Liabilities	17	12,388.53	7,590.61	-	4,797.92	12,388.53
Other Financial Liabilities	18	1,882.47	-	-	1,882.47	1,882.47

c. Financial assets and Financial Liabilities measured at Fair Value through Profit or Loss as at 31st March 2026 and as at 31st March 2025

The Company did not measure any of its Financial Assets and Financial Liabilities at Fair Value through Profit or Loss.

Note:

The Management assessed that cash and cash equivalents, bank balances other than cash and cash equivalents, receivables, other financial assets, payables, and other financial liabilities approximates their carrying amount largely due to short term maturities of these instruments.

There were no transfers between level 1 and level 2 for any asset or liabilities during the year.

48. Disclosure pursuant to Ind AS "116" Leases

In cases of leases where the Company is a lessee (Operating Lease)

The Company's lease asset class primarily consist of land and buildings taken on lease for Corporate office and Branch office premises used for operating activities. Certain agreements provide for cancellation by either party or certain agreements contain clause for escalation or renewal of agreements. There were no non-cancellable operating lease agreements as at 31st March 2026 and 31st March 2025. There are no restrictions imposed by lease arrangements.

(₹ Lakhs)

Particulars	**31st March 2026**	31st March 2025
(a) Depreciation charge for Right-of-Use Assets (included in depreciation and amortization expense)	**322.95**	290.78
(b) Interest expense on Lease Liabilities (included in finance cost)	**38.86**	16.92
(c) The expense relating to short-term leases (included in other expenses)	**42.27**	57.41
(d) The expense relating to leases of low-value assets (included in other expenses)	**-**	-
(e) Income on remeasurement of lease(s)	-	-
(f) Income from sub-lease right of use assets	**33.69**	24.29
(g) Gains or Losses from Sale and lease back transactions	**-**	-
(h) Total cash flow for leases	**326.47**	285.95
(i) Addition to right of use assets	**537.20**	252.36

NOTES FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2026 (CONTD.)

(₹ Lakhs)

Lease liability movement	**31st March 2026**	31st March 2025
Opening Balance	**269.02**	277.03
Add : Addition during the year	**245.32**	245.31
Interest on lease liability	**62.07**	32.62
Less : Deletions during the year	**-**	-
Lease rental payments	**326.47**	285.94
Closing Balance	**249.94**	269.02

Maturity Analysis of lease liability	**31st March 2026**	31st March 2025
Less than 1 year	**338.68**	152.34
1-3 years	**277.10**	147.44
3-5 years	**-**	3.31
More than 5 years	**-**	-
Total future undiscounted cash outflow on lease liability	**615.78**	303.09

The Company does not face a significant liquidity risk with regard to its lease liabilities as the assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

In cases of leases where the Company is a lessor (Operating Lease)

The Company has given buildings on operating lease for commercial purposes and recognises the income as per the contractual terms of lease.

NOTES FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2026

49. Disclosures as required under Reserve Bank of India (Non-Banking Financial Companies - Financial Statements: Presentation and Disclosures) Directions, 2025 vide Circular No.RBI /DOR/2025-26/359 DOR.ACC.REC.No.278/21.04.018/2025-26, as amended

49.1 Schedule to the Balance Sheet

(₹ Lakhs)

Sl No	Particulars	As at 31st March 2026		As at 31st March 2025	
		Amount outstanding	Amount Overdue #	Amount outstanding	Amount Overdue #
(1)	**Liabilities Side:**				
	Loans and advances availed by the Non Banking Financial Company inclusive of interest accrued thereon but not paid:				
	(a) Debentures : Secured	**78,211.30**	**-**	67,401.68	32.70
	: Unsecured				
	(Other than falling within the meaning of Public deposit)				
	(b) Deferred Credits				
	(c) Term Loans	**2,720.79**	**-**	7,274.90	-
	(d) Inter-Corporate loans and borrowing	**-**	**-**	1,100.00	-
	(e) Commercial paper	**-**	**-**	-	-
	(f) Public Deposits	**22,012.35**	**106.88**	18,856.55	144.37
	(g) Sub-Ordinated Debts	**5,915.10**	**149.20**	9,607.10	450.26
	(h) Other Loans - Cash Credit	**5,369.81**	**-**	5,109.92	-
(2)	**Break-up of (1) (f) and (g) above (Outstanding Public deposits and Sub-ordinated Debts inclusive of interest accrued thereon but not paid):**				
	(a) In the form of Unsecured Debentures	**5,765.90**	**-**	7,590.61	-
	(b) In the form of Partly secured Debentures	**-**	**-**	-	-
	(i.e.) debentures where there is a shortfall in the value of security				
	(c) Other Public Deposits	**22,012.35**		18,856.55	144.37
	(d) Sub-Ordinated Debts	**149.20**	**149.20**	2,016.49	450.26
	# Represents unclaimed deposits and interest accrued thereon				
(3)	**Assets Side:**				
	Break-up of Loans and Advances including bills receivables (Other than those included in (4) below):		**Amount outstanding**		Amount outstanding
	(a) Secured		**-**		-
	(b) Unsecured		**1,958.40**		3,023.41
(4)	**Break-up of Leased Assets and Stock on Hire and Other assets counting towards AFC activities:**				
	(1) Lease Assets including lease rentals under Sundry Debtors				
	(a) Financial Lease		**-**		-
	(b) Operational Lease		**8.76**		22.89
	(2) Assets on Hire including Hire charges under Sundry Debtors				
	(a) Stock on Hire		**-**		-
	(b) Repossessed Assets		**-**		-
	(3) Other Loans counting towards AFC activities				
	(a) Loans where assets have been repossessed		**87.94**		223.66
	(b) Loans other than (a) above		**1,10,185.20**		1,20,705.34

NOTES FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2026 (CONTD.)

(₹ Lakhs)

(5)	Break-up of Investments:	As at 31st March 2026	As at 31st March 2025
	Current Investments :		
	1. Quoted		
	(i) Shares : (a) Equity	-	-
	(b) Preference	-	-
	(ii) Debentures and Bonds	**2,586.61**	-
	(iii) Units of Mutual Funds	-	-
	(iv) Government Securities	-	-
	(v) Others	-	-
	2. Unquoted		
	(i) Shares : (a) Equity	-	-
	(b) Preference	-	-
	(ii) Debentures and Bonds	-	-
	(iii) Units of Mutual Funds	-	-
	(iv) Government Securities	-	-
	(v) Others	-	-
	Long Term Investments :		
	1. Quoted		
	(i) Shares : (a) Equity	**78.78**	113.28
	(b) Preference	-	-
	(ii) Debentures and Bonds	-	-
	(iii) Units of Mutual Funds	-	-
	(iv) Government Securities	**3,332.12**	2,167.20
	(v) Others	-	-
	2. Unquoted :		
	(i) Shares : (a) Equity	**38.43**	38.43
	(b) Preference	-	-
	(ii) Debentures and Bonds	-	-
	(iii) Units of Mutual Funds	-	-
	(iv) Government Securities	-	-
	(v) Others	-	-

NOTES FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2026 (CONTD.)

(₹ Lakhs)

(6)	**Borrower group-wise classification of assets financed as in 3 and 4 above**						
		31st March 2026 (Amount net of provisions)			31st March 2025 (Amount net of provisions)		
	Category	**Secured**	**Unsecured**	**Total**	Secured	Unsecured	Total
	1. Related parties						
	(a) Subsidiaries	**-**	**-**	**-**	-	-	-
	(b) Companies in the same group	**94.60**	**-**	**94.60**	-	26.91	26.91
	(c) Other related parties	**-**	**-**	**-**	-	-	-
	2. Other than related parties	**1,05,257.41**	**1,958.40**	**1,07,215.81**	1,15,056.29	2,996.50	1,18,052.79
	Total	**1,05,352.01**	**1,958.40**	**1,07,310.41**	1,15,056.29	3,023.41	1,18,079.70

(7)	**Investor group-wise classification of all Investments (Current and non-Current Long term) in shares and securities (both quoted and unquoted)**				
	Category	**Market value / Break up or fair value or NAV**	**Book value (Net of provisions)**	Market value / Break up or fair value or NAV	Book value (Net of provisions)
		31st March 2026		31st March 2025	
	1.Related parties				
	(a) Subsidiaries	**-**	**-**	-	-
	(b) Companies in the same group	**114.09**	**101.59**	136.09	123.59
	(c) Other related parties	**-**	**-**	-	-
	2. Other than related parties	**5,921.85**	**5,921.79**	2,170.32	2,182.76
	Total	**6,035.94**	**6,023.38**	2,306.41	2,306.35

(8)	**Other information**		
	Particulars	**Amount**	Amount
	(i) Gross Non Performing Assets	**5,341.03**	6,094.97
	(a) Related parties	**-**	-
	(b) Other than Related parties	**5,341.03**	6,094.97
	(ii) Net Non Performing Assets	**2,460.30**	2,885.24
	(a) Related parties	**-**	-
	(b) Other than Related parties	**2,460.30**	2,885.24
	(iii) Assets acquired in satisfaction of debt	**-**	-

49.2 Exposure

1) Exposure to real estate sector

(₹ Lakhs)

Particulars	31st March 2026	31st March 2025
i) Direct exposure		
a) Residential Mortgages		
Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented. Exposure would also include non-fund based (NFB) limits.	**-**	-
b) Commercial Real Estate		
Lending secured by mortgages on commercial real estate (office buildings, retail space, multipurpose commercial premises, multifamily residential buildings, multi tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.). Exposure would also include non-fund based (NFB) limits.	**-**	-
c) Investments in Mortgage-Backed Securities (MBS) and other securitized exposures:		
i. Residential	**-**	-
ii. Commercial Real Estate	**-**	-
ii) Indirect Exposure		
Fund based and non-fund-based exposures on National Housing Bank and Housing Finance Companies	**-**	-
Total Exposure to Real Estate Sector	**-**	-

NOTES FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2026 (CONTD.)

2) Exposures to capital market

(₹ Lakhs)

Particulars	31st March 2026	31st March 2025
i) Direct investment in equity shares, convertible bonds, convertible debentures and units of equity oriented mutual funds the corpus of which is not exclusively invested in corporate debt	**78.78**	113.28
ii) Advances against shares / bonds / debentures or other securities or on clean basis to individuals for investment in shares (including IPOs / ESOPs), convertible bonds, convertible debentures, and units of equity oriented mutual funds		-
iii) Advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security		-
iv) Advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares / convertible bonds / convertible debentures / units of equity oriented mutual funds does not fully cover the advances		-
v) Secured and unsecured advances to stock brokers and guarantees issued on behalf of stock-brokers and market makers		-
vi) Loans sanctioned to corporates against the security of shares / bonds / debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources		-
vii) Bridge loans to companies against expected equity flows / issues		-
viii) Underwriting commitments taken up by the NBFCs in respect of primary issue of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds		-
ix) Financing to stockbrokers for margin trading		-
x) All exposures to Alternative Investment Funds:		
(i) Category I	**-**	-
(ii) Category II	**2,586.61**	-
(iii) Category III	**-**	-
Total exposure to capital market	**2,665.39**	113.28

3) Sectoral exposures

(₹ Lakhs)

Sectors	31st March 2026			31st March 2025		
	Total Exposure (includes on balance sheet and off-balance sheet exposure)	**Gross NPAs**	**Percentage of Gross NPAs to total exposure in that sector**	Total Exposure (includes on balance sheet and off-balance sheet exposure)	Gross NPAs	Percentage of Gross NPAs to total exposure in that sector
1. Agriculture and Allied Activities	**3,536.08**	**120.63**	**3.41%**	3,841.31	122.30	3.18%
2. Industry						
3. Services						
i. Transport Operators	**1,00,923.92**	**5,078.59**	**5.03%**	1,08,397.83	5,488.84	5.06%
ii. Others						
Total of Services (i+ii+...+Others)	**1,00,923.92**	**5,078.59**	**5.03%**	1,08,397.83	5,488.84	5.06%
4. Personal Loans						
5. Others	**7,771.54**	**141.81**	**1.82%**	11,713.27	483.83	4.13%

4) Intra-group exposures

(₹ Lakhs)

Particulars	31st March 2026	31st March 2025
i) Total amount of intra-group exposures	**1,696.20**	1,999.39
ii) Total amount of top 20 intra-group exposures	**1,696.20**	1,999.39
iii) Percentage of intra-group exposures to total exposure of the NBFC on borrowers/customers	**1.51%**	1.61%

5) Unhedged foreign currency exposures

(₹ Lakhs)

Particulars	31st March 2026	31st March 2025
Details of Unhedged Foreign Currency Exposures	**Nil**	Nil
Policies to manage currency induced risk	**Nil**	Nil

NOTES FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2026 (CONTD.)

49.3 Related Party Disclosures

(₹ Lakhs)

Related Party / Items	Parent / Associates / Joint Venture		Promoter Group		Key Management Personnel		Directors		Relatives of Key Management Personnel		Enterprises in which the Key Management Personnel and their relatives can exercise significant influence		Total	
	31st March 2026	31st March 2025	**31st March 2026**	31st March 2025	**31st March 2026**	31st March 2025	**31st March 2026**	31st March 2025	**31st March 2026**	31st March 2025	**31st March 2026**	31st March 2025	**31st March 2026**	31st March 2025
Balance Outstanding at the end of the year														
Borrowings	-	-	**185.00**	234.40	**25.00**	25.00	-	60.00	**1,054.00**	1,019.00	-	-	**1,264.00**	1,338.40
Deposits	-	-	-	-	**285.00**	175.00	-	-	-	5.00	-	-	**285.00**	180.00
Placement of deposits	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Advances	-	-	**1,602.96**	1,891.29	-	-	-	-	-	-	**874.65**	876.79	**2,477.61**	2,768.08
Investments	-	-	-	-	-	-	-	-	-	-	**420.94**	0.12	**420.94**	0.12
Purchase of fixed/other assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Sale of fixed/other assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest paid	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest received	-	-	**58.61**	1.91	-	-	-	-	-	-	-	-	**58.61**	1.91
Maximum Outstanding during the year														
Borrowings			-	437.48	**25.00**	25.00	-	60.00	**1,054.00**	1,129.00	**185.00**	-	**1,264.00**	1,651.48
Deposits	-	-	-	-	**285.00**	175.00	-	-	-	-	-	-	**285.00**	175.00
Placement of deposits	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Advances	-	-	**1,606.71**	2,015.67	-	-	-	-	-	-	**850.00**	850.00	**2,456.71**	2,865.67
Investments	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Others			-		-		-		-		-			
Loans and advances given (Asset)	-	-	**2,895.00**	150.00	-	-	-	-	-	-	-	-	**2,895.00**	150.00
Advance for Property, Plant and Equipment (Asset)	-	-	**84.56**	336.38	-	-	-	-	-	-	-	-	**84.56**	336.38
Loans and advances repaid (Asset)	-	-	**2,825.40**	125.00	-	-	-	-	-	-	-	1.05	**2,825.40**	126.05
Investment in NCD (Liability)	-	-	-	-	-	-	-	-	-	524.00	-	-	-	524.00
Investment in Preference Shares (Liability)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rent Paid	-	-	-	-	-	-	**153.62**	129.56	-	-	-	-	**153.62**	129.56
Resource Mobilisation Charges	-	-	**475.99**	376.52	-	-	-	-	-	-	-	-	**475.99**	376.52

NOTES FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2026 (CONTD.)

49.4 Disclosure of Complaints

a) Complaints received by the NBFC from its customers and from the Offices of Ombudsman

Sl. No	Particulars	31st March 2026	31st March 2025
	Complaints received by the NBFC from its customers	-	-
1	Number of complaints pending at beginning of the year	-	-
2	Number of complaints received during the year	**31**	**17**
3	Number of complaints disposed during the year	**31**	**17**
3.1	Of which, number of complaints rejected by the NBFC	-	-
4	Number of complaints pending at the end of the year	-	-
	Maintainable complaints received by the NBFC from Office of Ombudsman	-	-
5	Number of maintainable complaints received by the NBFC from Office of Ombudsman	-	-
5.1.	Of 5, number of complaints resolved in favour of the NBFC by Office of Ombudsman	-	-
5.2	Of 5, number of complaints resolved through conciliation / mediation / advisories issued by Office of Ombudsman	-	-
5.3	Of 5, number of complaints resolved after passing of Awards by Office of Ombudsman against the NBFC	-	-
6	Number of Awards unimplemented within the stipulated time (other than those appealed)	-	-

b) Top five grounds of complaints received from customers

Grounds of complaints, (i.e. complaints relating to) (1)	Number of complaints pending at the beginning of the year (2)	Number of complaints received during the year (3)	% increase/ decrease in the number of complaints received over the previous year (4)	Number of complaints pending at the end of the year (5)	Of 5, number of complaints pending beyond 30 days (6)
31st March 2026					
Ground - 1 NOC Related	-	7	600.00%	-	-
Ground - 2 Statement of Account (SOA) Related	-	-	(100.00%)	-	-
Ground - 3 Process Related	-	-	(100.00%)	-	-
Ground - 4 Settlement Related	-	4	0.00%	-	-
Ground - 5 Penalty Charges Related	-	6	200.00%	-	-
Ground - 6 Others	-	14	133.33%	-	-
Total	-	**31**	**82.35%**	-	-
31st March 2025					
Ground - 1 NOC Related		1	(87.50%)	-	-
Ground - 2 Statement of Account (SOA) Related		1	100.00%	-	-
Ground - 3 Process Related		3	(25.00%)	-	-
Ground - 4 Settlement Related		4	(82.61%)	-	-
Ground - 5 Penalty Charges Related		2	(33.33%)	-	-
Ground - 6 Others		6	(45.00%)	-	-
Total	-	17	(65.31%)	-	-

49.5 Loans to Directors, Senior Officers and relatives of Directors

(₹ Lakhs)

Particulars	31st March 2026	31st March 2026	31st March 2025	31st March 2025
	Sanctioned during the year	Outstanding balance	Sanctioned during the year	Outstanding balance
Directors and their relatives	-	-	-	-
Entities associated with directors and their relatives	2,895.00	94.60	150.00	25.00
Senior Officers and their relatives #	-	-	-	-

NOTES FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2026 (CONTD.)

49.6 Disclosure on Liquidity

i. Funding concentration based on significant counterparty (both deposits and Borrowings)

Sl No	Type of Instruments	No. of Significant counter parties	Amount (₹ lakhs)	% of total deposits	% of total liabilities
1	**Borrowings As at 31st March 2026**	**3**	**7,163.70**	**34.32**	**6.01**
2	Borrowings As at 31st March 2025	4	11,346.42	61.88	9.97

ii.Top 20 Large Deposits (amount ₹ in Lakhs) and % of Total Deposits

Sl No	Descriptions	Amount (₹ lakhs)	% of total deposits
1	**Total for Top 20 Large Deposits as at 31st March 2026**	**1,909.70**	**9.15**
2	Total for Top 20 Large Deposits as at 31st March 2025	1,623.20	8.85

iii.Top 10 Borrowings (amount ₹ in Lakhs) and % of Total Borrowings

Sl No	Descriptions	Amount (₹ lakhs)	% of total Borrowings
1	**Total for Top 10 Borrowings as at 31st March 2026**	**11,154.46**	**10.14**
2	Total for Top 10 Borrowings as at 31st March 2025	15,542.88	14.75

iv. Funding concentration based on significant instrument / products

Sl No	Name of the Instrument / Products	31st March 2026		31st March 2025	
		Amount (₹ lakhs)	% of total Liabilities	Amount (₹ lakhs)	% of total Liabilities
1	Redeemable Non-Convertible Debentures - Public Issue	**67,891.72**	**56.95**	55,474.76	48.74
2	Sub-Ordinated Debts	**118.90**	**0.10**	1,602.01	1.41
3	Redeemable Non-Convertible Debentures - Secured Retail	**5,357.29**	**4.49**	7,974.29	7.01
4	From Bank: Cash Credit and Demand Loans	**5,372.48**	**4.51**	5,123.22	4.50
5	Non-Convertible Debentures - Unsecured	**4,759.47**	**3.99**	6,363.17	5.59
6	Fixed Deposits	**20,872.26**	**17.51**	18,336.79	16.11
7	Term Loans - Financial Institutions and Banks	**1,791.22**	**1.50**	5,710.61	5.02
8	Redeemable Cumulative Preference Shares	**2,921.40**	**2.45**	2,155.15	1.89
9	Term Loans - Corporates	**963.54**	**0.81**	1,566.51	1.38
10	Inter-Corporate Deposits	**-**	**-**	1,100.00	0.97
	Total	**1,10,048.28**	**92.31**	1,05,406.51	92.62

v. Stock Ratios:

a. a. Commercial Papers as a % of Total Public Funds, Total Liabilities and Total Assets

Sl No	Name of the Instrument / Products	31st March 2026		31st March 2025	
		Amount (₹ lakhs)	% of total deposits	Amount (₹ lakhs)	% of total deposits
1	Commercial Paper Outstanding	NA	NA	NA	NA
2	% to Total Public Funds	-	-	-	-
3	% to Total Liabilities	-	-	-	-
4	% to Total Public Assets	-	-	-	-

b. Non-Convertible Debentures (with original maturities of less than 1 year) as a % of Total Public Funds, total Liabilities and Total Assets

Sl No	Name of the Instrument / Products	31st March 2026	31st March 2025
1	Non-Convertible Debentures (on maturities of less than 1 year)	**-**	-
2	% to Total Public Funds	**-**	-
3	% to Total Liabilities	**-**	-
4	% to Total Assets	**-**	-

NOTES FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2026 (CONTD.)

c. Other Short term Liabilities, if any as a percentage of Total Public Funds, Total Liabilities and Total Assets

(₹ Lakhs)

Sl No	Name of the Instrument / Products	31st March 2026	31st March 2025
1	Other Short term Liabilities	**14,054.61**	13,340.66
2	% to Total Public Funds	**13.79%**	14.52%
3	% to Total Liabilities	**11.79%**	11.72%
4	% to Total Assets	**9.80%**	9.75%

vi. Institutional set-up of liquidity risk management

The Board of Directors of the Company have an overall responsibility for the management of all types of risks, including liquidity risk, to which the Company is exposed in the normal course of its business. Further, the Board of Directors have constituted a Risk Management Committee (**"RMC"**), as mandated by RBI, for the effective supervision, evaluation, monitoring and review of various aspects and types of risks, including liquidity risk, faced by the Company. The meetings of RMC are presently held as may be necessary, Moreover, the Board of Directors have also constituted an Asset Liability Committee ("ALCO"), for the management of the Company's short and long-term funding and meeting liquidity requirements. The Company manages liquidity risk by maintaining adequate reserves and surplus, accessing undrawn bank facilities and obtaining funding from various other sources, as may be feasible. ALCO provides guidance and direction in terms of interest rate, liquidity, funding sources etc. ALCO meetings are held as may be required, The minutes of ALCO meetings are placed before the Board of Directors at their next meeting for their perusal/approval/ratification.

Definition of terms as used in the table above:

a) Significant counter party:

A "Significant counterparty" is defined as a single counterparty or group of connected or affiliated counterparties accounting in aggregate for more than 1% of the NBFC's total liabilities.

b) Significant instrument/product:

A "Significant instrument/product" is defined as a single instrument/product of group of similar instruments/products which in aggregate amount to more than 1% of the NBFC's total liabilities.

c) Total liabilities:

Total liabilities include all external liabilities (other than equity).

d) Public funds:

"Public funds" includes funds raised either directly or indirectly through public deposits, inter-corporate deposits, bank finance and all funds received from outside sources such as funds raised by issue of commercial papers, debentures etc. but excludes funds raised by issue of instruments compulsorily convertible into equity shares within a period not exceeding 5 years from the date of issue. It includes total borrowings outstanding under all types of instruments/products.

e) Other short-term liabilities:

All short-term borrowings other than CPs and NCDs with original maturity less than 12 months for ₹ **5,372.48** Lakhs.

NOTES FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2026 (CONTD.)

49.7 A comparison between provisions required under extant prudential norms on Income Recognition, Asset Classification and Provisioning (IRACP) and impairment allowances made under Ind AS 109

For the year ended 31st March 2026

(₹ Lakhs)

Asset Classification as per RBI Norms	Asset classification as per Ind AS 109	Gross Carrying Amount as per Ind AS	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
(1)	(2)	(3)	(4)	(5)=(3)-(4)	(6)	(7)=(4)-(6)
Performing Assets						
Standard	Stage 1	**98,182.18**	**763.80**	**97,418.38**	**490.91**	**272.89**
	Stage 2	**8,708.33**	**994.03**	**7,714.30**	**43.54**	**950.49**
Sub-Total		**1,06,890.51**	**1,757.83**	**1,05,132.68**	**534.45**	**1,223.38**
Non-Performing Assets (NPA)						
Substandard	Stage 3	**2,422.31**	**879.52**	**1,542.79**	**421.41**	**458.11**
Doubtful - up to 1 year	Stage 3	**738.58**	**323.35**	**415.23**	**378.20**	**(54.85)**
1 to 3 years	Stage 3	**412.51**	**192.80**	**219.71**	**313.49**	**(120.69)**
More than 3 years	Stage 3	**-**	**-**	**-**	**-**	**-**
Sub-Total for doubtful assets		**1,151.09**	**516.15**	**634.94**	**691.69**	**(175.54)**
Loss	Stage 3	**1,767.63**	**1,767.63**	**-**	**1,767.63**	**-**
Sub-Total for NPA		**5,341.03**	**3,163.30**	**2,177.73**	**2,880.73**	**282.57**
Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current Income Recognition, Asset Classification and Provisioning (IRACP) norms		-	-	-	-	-
Sub-Total		-	-	-	-	-
Total	Stage 1	**98,182.18**	**763.80**	**97,418.38**	**490.91**	**272.89**
	Stage 2	**8,708.33**	**994.03**	**7,714.30**	**43.54**	**950.49**
	Stage 3	**5,341.03**	**3,163.30**	**2,177.73**	**2,880.73**	**282.57**
	Total	**1,12,231.54**	**4,921.13**	**1,07,310.41**	**3,415.18**	**1,505.95**

Note: In terms of the requirement of Reserve Bank of India, (Non-Banking Financial Companies - Income regonitation, Asset Classification and Provisioning) Directions, 2025 vide Circular No.RBI/DOR/2025-26/356 DOR.STR.REC.No.275/21.04.048/2025-26, as amended, NBFCs are required to create an impairment reserve for any shortfall in impairment allowances under Ind AS 109 and Income Recognition, Asset Classification and Provisioning (IRACP) norms (including provision on standard assets). The impairment allowances under Ind AS 109 made by the Company exceeds the total provision required under IRACP (including standard asset provisioning), as at 31st March 2026 and accordingly, no amount is required to be transferred to impairment reserve.

NOTES FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2026 (CONTD.)

For the year ended 31st March 2025

(₹ Lakhs)

Asset Classification as per RBI Norms	Asset classification as per Ind AS 109	Gross Carrying Amount as per Ind AS	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
(1)	(2)	(3)	(4)	(5) = (3)-(4)	(6)	(7) = (4)-(6)
Performing Assets						
Standard	Stage 1	1,08,636.98	770.07	1,07,866.91	542.92	227.15
	Stage 2	9,220.47	795.71	8,424.76	46.08	749.63
Sub-Total		1,17,857.45	1,565.78	1,16,291.67	589.00	976.78
Non-Performing Assets (NPA)						
Substandard	Stage 3	2,715.23	927.20	1,788.03	274.35	652.85
Doubtful - up to 1 year	Stage 3	686.11	686.11	-	274.89	411.22
1 to 3 years	Stage 3	207.25	207.25	-	174.70	32.55
More than 3 years	Stage 3	82.33	82.33	-	81.73	0.60
Sub-Total for doubtful assets		975.69	975.69	-	531.32	444.37
Loss	Stage 3	2,404.05	2,404.05	-	2,404.05	-
Sub-Total for NPA		6,094.97	4,306.94	1,788.03	3,209.72	1,097.22
Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current Income Recognition, Asset Classification and Provisioning (IRACP) norms		–	–	–	–	–
Sub-Total		–	–	–	–	–
Total	Stage 1	1,08,636.98	770.07	1,07,866.91	542.92	227.15
	Stage 2	9,220.47	795.71	8,424.76	46.08	749.63
	Stage 3	6,094.97	4,306.94	1,788.03	3,209.72	1,097.22
	Total	1,23,952.42	5,872.72	1,18,079.70	3,798.72	2,074.00

NOTES FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2026 (CONTD.)

50. Disclosure Requirements for NBFCs - Middle Layer under Reserve Bank of India (Non-Banking Financial Companies - Financial Statements: Presentation and Disclosures) Directions, 2025 vide Circular No.RBI /DOR/2025-26/359 DOR.ACC.REC.No.278/21.04.018/2025-26, as amended

(₹ Lakhs)

	Particulars	31st March 2026	31st March 2025
50.1	**Capital to Risk (Weighted) Assets Ratio**		
	CRAR (%)	**20.45**	18.63
	CRAR - Tier I Capital (%)	**16.73**	14.95
	CRAR - Tier II Capital (%)	**3.72**	3.68
	Amount of Sub-Ordinated debt considered as Tier-II capital	**-**	951.89
	Amount raised by issue of Perpetual Debt Instruments	**-**	-
50.2	**Investments**		
	Value of Investments		
	Gross Value of Investments		
	In India	**6,035.94**	2,318.91
	Outside India	**-**	-
	Provisions for Depreciation / Diminution in value of investments		
	In India	**12.56**	12.56
	Outside India	**-**	-
	Net Value of Investments		
	In India	**6,023.38**	2,306.35
	Outside India	**-**	-
	Movement of provisions held towards depreciation / diminution investments		
	Opening balance	**12.56**	12.56
	Add : Provisions made during the year	**-**	-
	Less: Write-off / write-back of excess provisions during the year	**-**	-
	Closing balance	**12.56**	12.56
50.3	**Derivatives**		
	Forward Rate Agreement / Interest Rate Swap	**-**	-
	Exchange Traded Interest Rate (IR) Derivatives	**-**	-
	Disclosures on Risk Exposure in Derivatives Qualitative Disclosure:-	**-**	-
	The Company has no derivatives transactions	**-**	-

50.4 Asset Liability Management Maturity pattern of certain items of Assets and Liabilities as on 31st March 2026 (₹ Lakhs)

Sl No	Particulars	Note	Upto 0 - 7 days	Upto 8 - 14 days	Upto 15 - 30 days	Over 1 Month upto 2 Month	Over 2 Months upto 3 Months	Over 3 Months & upto 6 Months	Over 6 Months & upto 1 year	Over 1 year & upto 3 years	Over 3 years & upto 5 years	Over 5 years	Total
(i)	Deposits	16 & 18	94.33	91.31	227.99	327.61	246.96	1,749.51	3,856.87	10,948.92	4,468.85	-	22,012.35
(ii)	Advances	6	2,121.51	484.63	1,035.96	4,293.96	4,457.74	11,395.40	21,740.44	53,590.20	7,719.86	470.71	1,07,310.41
(iii)	Investments	7	-	-	-	-	-	2,586.61	50.13	402.89	719.82	2,263.93	6,023.38
(iv)	Borrowings	14, 15 17 & 18	54.87	46.33	552.56	2,694.44	192.93	8,190.35	10,477.97	41,971.82	27,796.45	3,134.70	95,112.42
(v)	Foreign Currency Assets		-	-	-	-	-	-	-		-	-	-
(vi)	Foreign Currency Liabilities		-	-	-	-	-	-	-		-	-	-

Asset Liability Management Maturity pattern of certain items of Assets and Liabilities as on 31st March 2025 (₹ Lakhs)

Sl No	Particulars	Note	Upto 0 - 7 days	Upto 8 - 14 days	Upto 15 - 30 days	Over 1 Month upto 2 Month	Over 2 Months upto 3 Months	Over 3 Months & upto 6 Months	Over 6 Months & upto 1 year	Over 1 year & upto 3 years	Over 3 years & upto 5 years	Over 5 years	Total
(i)	Deposits	16 & 18	50.54	93.82	140.98	55.92	45.51	799.13	1,870.07	9,369.08	6,431.50	-	18,856.55
(ii)	Advances	6	1,441.37	777.94	3,064.69	5,529.63	4,898.05	15,024.14	25,487.03	55,270.15	6,142.34	444.36	1,18,079.70
(iii)	Investments	7	-	-	-	-	-	-	150.13	454.83	212.87	1,488.52	2,306.35
(iv)	Borrowings	14, 15 17 & 18	804.92	194.70	2,760.39	3,957.02	1,715.24	9,999.91	10,448.27	30,564.22	26,977.48	5,203.14	92,625.29
(v)	Foreign Currency Assets		-	-	-	-	-	-	-	-	-	-	-
(vi)	Foreign Currency Liabilities		-	-	-	-	-	-	-	-	-	-	-

50.5 Disclosure of Exposure (₹ Lakhs)

Sl. No.	Particulars	31st March 2026	31st March 2025
(i)	Details of Financing of Parent Company Products	**NA**	NA
(ii)	Details of Single Borrower Limit (SBL) / Group Borrower Limit (GBL) exceeded by the NBFC	**Nil**	Nil
(iii)	Unsecured Advances	**1,958.40**	3,023.41

NOTES FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2026 (CONTD.)

50.6 Corporate Governence

Ref. Page No.36 of the Annual Report 2026

50.7 Breach of covenant

There were no instances of default or breaches of covenant in respect of loan availed or debt securities issued during the financial years ended March 31, 2026 and March 31, 2025

50.8 Divergence in Asset Classification and Provisioning

a) The additional provisioning requirements assessed by RBI (or National Housing Bank (NHB) in the case of Housing Finance Companies) exceeds 5 % of the reported profits before tax and impairment loss on financial instruments for the reference period. Not applicable

b) The additional Gross NPAs identified by RBI/NHB exceeds 5 per cent of the reported Gross NPAs for the reference period.

(₹ Lakhs)

Sl.No	Particulars	Amount
1	Gross NPAs as on March 31, 2025* as reported by the NBFC	**6,094.97**
2	Gross NPAs as on March 31, 2025 as assessed by the Reserve Bank of India/ NHB	**6,094.97**
3	Divergence in Gross NPAs (2-1)	-
4	Net NPAs as on March 31, 2025 as reported by the NBFC	**2,885.24**
5	Net NPAs as on March 31, 2025 as assessed by Reserve Bank of India/ NHB	**2,885.24**
6	Divergence in Net NPAs (5-4)	-
7	Provisions for NPAs as on March 31, 2025 as reported by the NBFC	**3,209.72**
8	Provisions for NPAs as on March 31, 2025 as assessed by Reserve Bank of India/ NHB	**3,209.72**
9	Divergence in provisioning (8-7)	-
10	Reported Profit before tax and impairment loss on financial instruments for the year ended March 31, 2025	**3,045.34**
11	Reported Net Profit after Tax (PAT) for the year ended March 31, 2025	**1,629.99**
12	Adjusted (notional) Net Profit after Tax (PAT) for the year ended March 31, 2025 after considering the divergence in provisioning	**1,629.99**

March 31, 2025 is the close of the reference period in respect of which divergences were assessed.

(₹ Lakhs)

Sl.No	Particulars	Amount
1	Gross NPAs as on March 31, 2024* as reported by the NBFC	6,596.04
2	Gross NPAs as on March 31, 2024 as assessed by the Reserve Bank of India/ NHB	6,596.04
3	Divergence in Gross NPAs (2-1)	-
4	Net NPAs as on March 31, 2024 as reported by the NBFC	2,655.75
5	Net NPAs as on March 31, 2024 as assessed by Reserve Bank of India/ NHB	2,655.75
6	Divergence in Net NPAs (5-4)	-
7	Provisions for NPAs as on March 31, 2024 as reported by the NBFC	3,940.30
8	Provisions for NPAs as on March 31, 2024 as assessed by Reserve Bank of India/ NHB	3,940.30
9	Divergence in provisioning (8-7)	-
10	Reported Profit before tax and impairment loss on financial instruments for the year ended March 31, 2024	2,822.83
11	"Reported Net Profit after Tax (PAT) for the year ended March 31, 2024"	1,602.62
12	Adjusted (notional) Net Profit after Tax (PAT) for the year ended March 31, 2024 after considering the divergence in provisioning	1,602.62

March 31, 2024 is the close of the reference period in respect of which divergences were assessed.

50.9 Disclosure of Ratings

Ratings assigned by credit rating agencies and migration of ratings during the year

Sl No.	Particulars	ICRA Ltd
(i)	Deposits	(ICRA) BBB Stable
(ii)	Debentures	(ICRA) BBB Stable
(iii)	Long-Term Borrowings	(ICRA) BBB Stable
(iv)	Short-Term Borrowings	(ICRA) A2

Migration of ratings during the year : NIL

NOTES FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2026 (CONTD.)

50.10 Provisions and Contingencies

(₹ Lakhs)

Sl No	Particulars	31st March 2026	31st March 2025
	Break up of 'Provisions and Contingencies' shown under the head Expenditure in Statement of Profit and Loss		
a	Provisions for diminution in value of Investment	**5.58**	1.71
b	Provision towards NPA	**(951.59)**	325.18
c	Provision for Standard Assets	**-**	-
d	Provision made towards Income Tax	**615.16**	667.98
e	Other Provision and Contingencies (with details)	**-**	-

50.11 Concentration of Deposits, Advances, Exposures and NPAs

(₹ Lakhs)

Sl No	Particulars	31st March 2026	31st March 2025
a	Concentration of Deposits:-		
	Total Deposits of twenty largest depositors	**1,909.70**	1,623.20
	Percentage of Deposits of twenty largest depositors to Total Deposits	**9.15%**	8.85%
b	Concentration of Advances:-		
	Total Advances to twenty largest borrowers	**2,882.53**	2,952.95
	Percentage of Advances to twenty largest borrowers to Total Advances	**2.57%**	2.40%
c	Concentration of Exposures		
	Total Exposure to twenty largest borrowers / customers	**2,388.22**	2,482.58
	Percentage of Exposures to twenty largest borrowers / customers to Total Exposure of the NBFC on borrowers / customers	**2.13%**	2.05%
d	Concentration of NPAs		
	Total Exposure to top four NPA accounts	**149.51**	141.11

50.12 Movement of NPAs

(₹ Lakhs)

Sl No	Particulars	31st March 2026	31st March 2025
(i)	**Net NPAs to Net Advances (%)**	**2.25%**	2.39%
(ii)	**Movement of NPAs (Gross)**		
	Opening balance	**6,094.97**	6,596.04
	Additions during the year	**2,608.66**	2,993.17
	Reductions during the year	**3,362.60**	3,494.24
	Closing balance	**5,341.03**	6,094.97
(iii)	**Movement of Net NPAs**		
	Opening balance	**2,885.24**	3,206.68
	Additions during the year	**1,743.17**	2,400.49
	Reductions during the year	**2,168.11**	2,721.93
	Closing balance	**2,460.30**	2,885.24
(iv)	**Movement of provisions for NPAs (excluding provisions on standard assets)**		
	Opening balance	**3,209.73**	3,389.36
	Provisions made during the year	**865.49**	592.68
	Write-off / write-back of excess provisions	**1,194.49**	772.31
	Closing balance	**2,880.73**	3,209.73

NOTES FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2026 (CONTD.)

50.13 Disclosure on Liquidity Coverage Ratio ("LCR")

The Company has implemented the guidelines on Liquidity Risk Management Framework prescribed by the Reserve Bank of India requiring maintenance of Liquidity Coverage Ratio **("LCR")**, which aim to ensure that an NBFC maintains an adequate level of unencumbered (**"HQLAs"**) which can be converted into cash to meet its liquidity needs for a 30 calendar day time horizon under a significantly severe liquidity stress scenario.

The LCR is computed as per the formula given below:

LCR = Stock of High-Quality Liquid Assets (**"HQLAs"**) / Total Net Cash Outflows over the next 30 calendar days
HQLAs consist of Cash (would mean cash on hand and demand deposits with Scheduled Commercial Banks), Investment in Central and State Government Securities, and highly-rated Corporate Bonds and Commercial papers, including those of Public Sector Enterprises, as adjusted after assigning the haircuts as prescribed by RBI.

Total net cash outflows are arrived after taking into consideration total expected cash outflows minus total expected cash inflows for the subsequent 30 calendar days.

As prescribed by RBI, total net cash outflows over the next 30 days = Stressed Outflows [Min (stressed inflows; 75% of stressed outflows)]. Total expected cash outflows (stressed outflows) are calculated by multiplying the outstanding balances of various categories or types of liabilities and off-balance sheet commitments by 115% (15% being the rate at which they are expected to run off further or be drawn down). Total expected cash inflows (stressed inflows) are calculated by multiplying the outstanding balances of various categories of contractual receivables by 75% (25% being the rate at which they are expected to under-flow).

The Liquidity Risk Management framework of the Company is governed by its Liquidity Risk Management Policy and Procedures approved by the Board. The Asset Liability Management ("ALM") Committee oversee the implementation of liquidity risk management strategy of the Company and ensure adherence to the risk tolerance/limits set by the Board.
The Company maintains a robust funding profile with no undue concentration of funding sources. In order to ensure a diversified borrowing mix, concentration of borrowing through various sources is monitored. Further, the Company has prudential limits on investments in different instruments to maintain a healthy investment profile. Any potential collateral calls from the same forms a miniscule part of cash outflows. There is no currency mismatch in the LCR. The above is periodically monitored and reviewed by ALCO.

NOTES FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2026 (CONTD.)

For the year ended 31st March 2026

Major source of borrowings for the Company are Non-Convertible Debentures, Term loans from Banks, and Public deposits. Details of funding concentration from Significant counter party are given in Note 49.6

(₹ Lakhs)

Sl. No.	Particulars	Apr-Jun 2025		Jul - Sep 2025		Oct-Dec 2025		Jan - Mar 2026	
		Unweighted Value* (Average)	Weighted Value # (Average)	Unweighted Value* (Average)	Weighted Value # (Average)	Unweighted Value* (Average)	Weighted Value # (Average)	Unweighted Value* (Average)	Weighted Value # (Average)
	High Quality Liquid Assets								
1	Total High Quality Liquid Assets (HQLA)	3,221.31	2,634.20	3,943.69	3,259.17	3,920.88	3,172.45	4,358.34	3,554.46
	Cash Outflows:								
2	Deposits (for deposit taking companies)	195.55	224.89	342.45	393.82	504.51	580.19	333.41	383.43
3	Unsecured wholesale funding	1,048.94	1,206.28	294.68	338.88	152.60	175.49	130.23	149.76
4	Secured wholesale funding	1,962.82	2,257.23	2,879.47	3,311.40	633.09	728.05	1,099.51	1,264.44
5	Additional requirements, of which	-	-	-	-	-	-	-	-
(i)	Outflows related to derivative exposure and other collateral requirements	-	-	-	-	-	-	-	-
(ii)	Outflows related to loss of funding on debt products	-	-	-	-	-	-	-	-
(iii)	Credit and liquidity facilities	1,402.10	1,612.42	1,303.95	1,499.54	562.08	646.39	487.06	560.12
6	Other contractual funding obligations	-	-	-	-	-	-	-	-
7	Other contingent funding obligations	-	-	-	-	-	-	-	-
8	**TOTAL CASH OUTFLOWS**	4,609.41	5,300.82	4,820.55	5,543.64	1,852.28	2,130.12	2,050.21	2,357.75
	Cash Inflows:								
9	Secured Lending	5,927.04	4,445.28	6,602.64	4,951.98	4,792.52	3,594.39	4,446.86	3,335.14
10	Inflows from fully performing exposures	-	-	-	-	-	-	-	-
11	Other cash inflows	3,941.67	2,956.25	4,831.00	3,623.25	8,738.33	6,553.75	5,726.00	4,294.50
12	**TOTAL CASH INFLOWS**	9,868.71	7,401.53	11,433.64	8,575.23	13,530.85	10,148.14	10,172.86	7,629.64
13	**TOTAL HQLA**		2,634.20		3,259.17		3,172.45		3,554.46
14	**TOTAL NET CASH OUTFLOWS**		1,325.20		1,385.91		532.53		589.44
15	**LIQUIDITY COVERAGE RATIO (%)**		198.78		235.16		595.73		603.02
	Components of HQLA								
	- Cash on Hand		26.59		28.26		23.14		27.15
	- Balances with Banks		259.17		492.84		155.61		311.78
	- Fixed Deposit with Banks / SLR		610.00		610.00		610.00		687.78
	- Government Securities		2,325.54		2,812.59		3,132.13		3,331.62
	- Commercial Paper		-		-		-		-
	TOTAL		3,221.30		3,943.69		3,920.88		4,358.33

*Unweighted values are being calculated as outstanding balances maturing or callable within 30 days (for inflows and outflows).

#Weighted values are being calculated after the application of respective haircuts (for HQLA) and stress factors on inflow and outflow.

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NOTES FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2026 (CONTD.)

For the year ended 31st March 2025

Major source of borrowings for the Company are Non-Convertible Debentures, Term loans from Banks, and Public deposits. Details of funding concentration from Significant counter party are given in Note 49.6

(₹ Lakhs)

Sl. No.	Particulars	Apr-Jun 2024		Jul - Sep 2024		Oct-Dec 2024		Jan - Mar 2025	
		Unweighted Value* (Average)	Weighted Value # (Average)	Unweighted Value* (Average)	Weighted Value # (Average)	Unweighted Value* (Average)	Weighted Value # (Average)	Unweighted Value* (Average)	Weighted Value # (Average)
	High Quality Liquid Assets								
1	Total High Quality Liquid Assets (HQLA)	6,503.85	6,238.28	5,176.66	4,866.31	3,413.01	3,021.68	2,482.62	2,002.89
	Cash Outflows:								
2	Deposits (for deposit taking companies)	144.11	165.73	119.00	136.85	172.63	198.52	324.66	373.36
3	Unsecured wholesale funding	1,443.04	1,659.50	1,573.74	1,809.80	1,496.94	1,721.48	1,425.78	1,639.64
4	Secured wholesale funding	4,200.90	4,831.04	409.12	470.48	1,636.08	1,881.49	755.99	869.39
5	Additional requirements, of which								
(i)	Outflows related to derivative exposure and other collateral requirements	-	-	-	-	-	-	-	-
(ii)	Outflows related to loss of funding on debt products	-	-	-	-	-	-	-	-
(iii)	Credit and liquidity facilities	1,886.45	2,169.41	1,133.20	1,303.18	1,394.92	1,604.16	1,076.98	1,238.53
6	Other contractual funding obligations	110.33	126.88	-	-	-	-	-	-
7	Other contingent funding obligations	-	-	-	-	-	-	-	-
8	**TOTAL CASH OUTFLOWS**	7,784.83	8,952.56	3,235.06	3,720.31	4,700.57	5,405.65	3,583.41	4,120.92
	Cash Inflows:								
9	Secured Lending	6,633.39	4,975.04	6,187.30	4,640.47	6,773.30	5,079.98	6,678.48	5,008.86
10	Inflows from fully performing exposures	-	-	-	-	-	-	-	-
11	Other cash inflows	25.38	19.04	21.25	15.94	31.35	23.51	83.19	62.39
12	**TOTAL CASH INFLOWS**	6,658.77	4,994.08	6,208.55	4,656.41	6,804.65	5,103.49	6,761.67	5,071.25
13	**TOTAL HQLA**		6,238.28		4,866.31		3,021.68		2,002.89
14	**TOTAL NET CASH OUTFLOWS**		3,958.48		930.08		1,351.41		1,030.23
15	**LIQUIDITY COVERAGE RATIO (%)**		157.59		523.21		223.59		194.41
	Components of HQLA								
	- Cash on Hand		97.66		36.25		35.93		31.06
	- Balances with Banks		976.40		175.17		72.64		52.91
	- Fixed Deposit with Banks / SLR		4,222.49		3,763.50		1,749.78		424.88
	- Government Securities		1,207.30		1,201.74		1,554.66		1,973.77
	- Commercial Paper		-		-		-		-
	TOTAL		6,503.85		5,176.66		3,413.01		2,482.62

*Unweighted values are being calculated as outstanding balances maturing or callable within 30 days (for inflows and outflows).

#Weighted values are being calculated after the application of respective haircuts (for HQLA) and stress factors on inflow and outflow.

NOTES FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2026 (CONTD.)

50.14 Other Disclosure

(₹ Lakhs)

Sl No	Particulars	31st March 2026	31st March 2025
(i)	Registration obtained from other financial sector regulators	**NA**	NA
(ii)	Disclosure of Penalties imposed by RBI and other regulators	**-**	-
(iii)	Remuneration of Directors Refer Annual Report Page No. 36	**-**	-
(iv)	Draw Down from Reserves	**-**	-
(v)	Overseas Assets (for those with Joint Ventures and Subsidiaries abroad)	**Nil**	Nil
(vi)	Off-balance Sheet SPVs sponsored (which are required to be consolidated as per accounting norms)	**Nil**	Nil
(vii)	Net Profit or Loss for the period, prior period items and changes in accounting policies	**Nil**	Nil

51. Disclosure under clause 34(3) and 53(f) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

(₹ Lakhs)

Particulars	31st March 2026	31st March 2025
a) Loans and advances in the nature of loans to subsidiaries		
Name of the Company	**-**	-
Amount	**-**	-
b) Loans and advances in the nature of loans to associates		
Name of the Company	**-**	-
Amount	**-**	-
c) Loans and advances in the nature of loans to firms/companies in which directors are interested		
ABT Industries Limited	**19.60**	25.00
ABT Ltd	**75.00**	-
d) Investments by the loanee in the shares of parent company and subsidiary company, when the company has made a loan or advance in the nature of loan.	**-**	-

52. Disclosure under clause 53(e) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

The Debentures are secured by way of Loan Receivables as a first charge infavour of the Debenture Trustee, Catalyst Trusteeship Ltd, 'GDA House', First Floor, Plot No.85, Bhusari Colony (Right), Paud Road, Pune.

53. There are no items of income and expenditure of exceptional nature for the financial year ended 31st March 2026 and 31st March 2025.

54. Disclosure under New Labour Codes

The Government of India notified the provisions of Four Labour Codes - the Code on Wages 2019, the Industrial Relations Code 2020, the Code on Social Security 2020 and the Occupational Safety, Health and Working Conditions Code, 2020 (collectively called as "New Labour Codes") with effect from 21 November 2025. Based on the Company's assessment, there is no material impact on the financial statements of the company.

55. The Company does not fall under the definition of large corporate as per SEBI Master Circular No. SEBI/HO/DDHS/PoD1/CIR/2023-24 dated 22nd May 2024 and as such furnishing of necessary disclosures do not arise.

56. There were no whistle blower complaints received by the Company during the financial year ended March 31, 2026 and March 31, 2025. (Refer Note 21 of Board's Report and Refer Note 26(c) of Corporate Governance Report).

57. The Company has maintained proper books of accounts in electronic mode in servers physically located in India and further the Company has complied with the process of taking daily back-up of books of accounts as per Notification No. G.S.R.\624(E) dated 5th August 2023 issued by Ministry of Corporate Affairs.

NOTES FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2026 (CONTD.)

58. There have been no events after the reporting date that require disclosure in these financial statements. The Board of Directors of the Company have recommended a dividend of 8% being ₹ 0.80 per share on the equity shares of the Company, for the year ended 31st March 2026 (₹ 0.80 per share - 31st March 2025) which is subject to approval of shareholders.

59. No fraud by the Company or on the Company has been noticed or reported in relation to the Financial Year 2025-26 and 2024-25.

60. The Company has used the borrowings from banks, financial institutions and Debts securities for the specific purpose for which it was taken as at 31st March 2026 and 31st March 2025.

61. The Company has not raised any funds from green deposits during the financial years ended 31st March 2026 and 31st March 2025.

62. The Company has not sponsored any off-balance sheet SPV, which are required to be consolidated as per accounting norms.

63. Previous year figures have been regrouped, reclassified and rearranged, wherever necessary, to conform to current year presentation. There are no significant regroupings / reclassifications for the year under report.

As per our report of even date

For P N Raghavendra Rao & Co.,
Chartered Accountants
Firm Regn. No.: 003328S

P R VITTEL
Partner
Membership No. 018111

Place : Coimbatore
Date : 23rd May 2026

For and on behalf of the Board of Directors of
Sakthi Finance Limited
CIN : L65910TZ1955PLC000145

BALASUBRAMANIAM MAHALINGAM
Vice Chairman and Managing Director
DIN : 00377053

MAHALINGAM MANICKAM
Chairman
DIN : 00102233

S. VENKATESH
Company Secretary
Membership No. FCS 7012

SUNDARAMURTHY KUMARASAMY
Chief Financial Officer
Membership No.204905

Place : Coimbatore
Date : 23rd May 2026

BRANCH NETWORK

Sl.No.	Branch Offices		Address	Phones	
	TAMILNADU				
1	Coimbatore North	641 018	62, Dr.Nanjappa Road	0422	2231471
2	Coimbatore South	641 045	111-114, First Floor, Banyan Tree Complex, Nanjundapuram Road, Ramanathapuram	0422	2317900
3	Ariyalur	621 704	TMS Complex, No.2305-9, First Floor, Jeyankondam Road, Valajanagaram Post	04329	229747
4	Chennai - Mylapore	600 004	Raja Rajeswari Towers, No.29 & 30, Dr Radhakrishnan Salai, Mylapore	044	45487278
5	Dharmapuri	636 701	No.177/11Q , First Floor, Nethaji Bye-pass Road, Opp. Govt. Medical College Hospital	04342	270888
6	Dindigul	624 001	No.67/3, Nehruji Nagar, 80 Feet Road, Opp: IOB ATM	0451	4059576
7	Erode	638 003	Sakthi Sugars Building, No. 122, Veerabadra Road	0424	4060522
8	Hosur	635 109	Sri Krishna Towers, First Floor, Krishnagiri Bye Pass Road	04344	241142
9	Kallakurichi	606 202	59/5, Gopuram Towers, Second Floor, Durgam Road	04151	223567
10	Kanchipuram	631 501	14/69, Opp. Santhana Krishna Silk Street, Ground Floor, Mettu Street	044	45049715
11	Karaikudi	630 002	45, First Floor, Subramaniapuram, 4th Street South	04565	450825
12	Kumbakonam	612 001	Anna Ice Cream Building, No.1-E, Second Floor, Dr. Besant Road	0435	4059493
13	Madurai	625 016	87A, Second Floor, Naval Towers, Bye-pass Road	0452	2535585
14	Madhavaram	600 099	No. 15, Anthony Nagar, 200 Jawaharlal Nehru Road, Kolathur, Chennai	044	45488201
15	Mettupalayam	641 301	Sundaram Type Office Complex, No. 41/1-A, Annur Main Road	04254	450171
16	Nagercoil	629 001	No. 93/1A, Sarguna Veethi, Chettikulam Junction	04652	222008
17	Namakkal	637 001	3-A, Annai Palaniammal Plaza, First Floor, Salem Main Road, Opp. Old RTO Office	04286	275125
18	Perambalur	621 212	No.71, Second Floor, Deenadayalan Commercial Complex, Trichy Road, Venkatesapuram	04328	225570
19	Pollachi	642 002	N.Mahalingam & Company Building, 108, Coimbatore Road	04259	233021
20	Sakthi Nagar	638 315	Sakthi Nagar, Bhavani Taluk	04256	246238
21	Salem	636 004	215/4, Abiroopa Towers, Second Floor, Omalaur Main Road, Kurangu Chavadi	0427	4521286
22	Sankagiri	637 301	No.1/14/18. D6 F, Settia Gounder Complex-C, Bhavani Main Road	04283	240270
23	Sivakasi	626 123	100/A4, First Floor, Marutham Hotel Upstairs, Opp. Bell Hotel, Thiruthangal Road	04562	227226
24	Srirangam	620 006	AMP Towers, 2371/6 Panjakarai Road, Near Srees Hotel	0431	2231181
25	Tambaram	600 059	No.347, Second Floor, Old GST Road, Irumbuliyur, East Tambaram, Chennai	044	42066254
26	Theni	625 531	No.15-1-60, Devi Towers, Cumbam Road, Union Bank Upstairs, P.C. Patti	04546	264955
27	Tirunelveli	627 002	10-A/1, Trivandrum Road, Vannarapettai (Opp. RMKV Textiles)	0462	4809122
28	Tirupur	641 602	No.15, First Floor, Ganga Nagar, First Street, Avinashi Road, Bungalow Stop	0421	4269037
29	Trichy	620 017	19/1, Second Floor, Kingston Park, Puthur High Road, Ramalinga Nagar	0431	4513460
30	Tuticorin	628 003	Mangal Mall, 4/B/A 30 Mani Nagar, First Floor, Palayamkottai Road	0461	2323977
31	Vellore	632 006	No. 97, Second Floor, First West Main Road, Gandhi Nagar	0416	4056485
32	**Puducherry**	605 011	No. 94, Kamaraj Salai, Opp. Jeeva Rukmani Theatre	0413	2213786
	KERALA				
33	Alapuzha	688 011	1st Floor, Ratna Arcade, Amman Kovil Street, Mullackal	0477	2260111
34	Ernakulam	682 016	New No. 61/3537 (Old No: 61/3633-C), Second Floor, S.A. Road, Valanjambalam	0484	2357359
35	Kanhangad	671 315	Door No.KM/1353/Ward I/B5/B6, Brother's Buildings, Second Floor Main Road Near LIC Office	0467	2201102
36	Kannur	670 594	No. 4/145, First Floor, AG Towers, Near Indoor Stadium, Mundayad (PO)	0497	2703223
37	Kattappana	685 508	First Floor, XVII – 221/B2, Cheruthenkal Building, Near New Bus Stand	04868	250065
38	Kottayam	686 001	No.1x572/E, Madappalli Building, First Floor, Sastri Road	0481	2564167
39	Kozhikode	673 004	5/2248-D, Indira Gandhi Road, Noble Building	0495	2720414
40	Manjeri	676 121	Kurikkal Plaza, Opp. Court Complex, Kacheripadi	0483	2767468
41	Muvattupuzha	686 673	Door No.XXIII/392, 392(A), NH 49, Kottayil Buildings, Velloorkunnam, Market PO	0485	2812465
42	Pala	686 575	Vettipuzhichalil House, First Floor, Century VEE TEE Arcade, Ward No.18, Building No.303(4), Kottaramattam	04822	210930
43	Palakkad	678 003	15/564 (26), Lakshmi Grande, Calicut By-pass Road, Kalpathy Post, Sekharipuram	0491	2573232
44	Pathanamthitta	689 645	PMC IX /1128, 10(E), First Floor, Aban Arcade, Ring Road, Near Bus Stand	0468	2224300
45	Thrissur	680 001	DAZE Towers, Second Floor, Marar Road	0487	2445023
46	Vadakara	673 101	No.20/59 A-11, Building No. 20/69, Second Floor, Sri Gokulam Towers, Link Road	0496	2515632
	KARNATAKA				
47	Bengaluru	560 096	18, Second Floor, Second Cross, Second Block Opp. Dr. Rajkumar Samathi, Nandhiny Layout	080	25583365
48	JP Nagar, Bengaluru	560 078	No.57-132-4, 2nd Cross, Seventh Main, KSRTC Layout, 2nd Phase, JP Nagar	080	26583364
49	Mangaluru	575 002	No.205, Second Floor, Mangalore Gate, Near Kankanady Bye-pass Road	0824	4052295
	MAHARASHTRA				
50	Mumbai	400 021	1012, Dalamal Towers, 211, Nariman Point	022	22830942
	ANDHRA PRADESH				
51	Rajahmundry	533 103	79-16-12/2, Third Floor, E & S Reddy Complex, Tilak Road, Opp: Saibaba Temple	088	34079023
52	Vijayawada	520 008	No.54–20/12 C, Main Road, Opp. Anjaneya Restaurant, Gurunanak Colony	0866	4525636
53	Visakhapatnam	530 016	No.47-3-7, Roshni Palace, 1st Floor, G-4, Nehru Bazar Road, 5th Lane, Dwarakanagar	0891	4604095
54	**NEW DELHI**	110 057	No.149, Vasant Enclave	011	26141165

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