

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

On-line submission through Listing Centre
ISIN: INE302E01014

Dear Sir / Madam,

Notice of the 68th Annual General Meeting ("AGM") and Annual Report for the financial year ended March 31, 2025 – Regulations 30, 34, 53 and 58 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 ("Listing Regulations")

1. We request you to refer our letter No. SFL: BSEBM:116:2025-26 dated August 14, 2025 and SFL:BSEBM:129:2025-26 dated September 1, 2025 respectively regarding the convening of the 68th Annual General Meeting ("AGM") of the Company on Saturday, September 27, 2025 at 12.00 Noon through Video Conferencing ("VC"), in compliance with the relevant General Circulars issued by the Ministry of Corporate Affairs, 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 an electronic copy of the Notice of AGM along with Annual Report 2025 convening the 68th AGM of the Company. It is also available on the website of the Company at below mentioned link:

<https://sakthifinance.com/investor-information/>

3. Further, in accordance with Regulation 36 of the Listing Regulations, dispatch of letters providing weblink of Annual Report for the financial year 2024-25, available on the website of the Company, to the members who have not registered their email addresses with the Company's Registrar and Share Transfer Agent / Depositories as on Friday, August 29, 2025 is being initiated.



4. The electronic copies of the AGM Notice and the Annual Report 2025 is being circulated to all the members holding shares in dematerialized form and whose e-mail address is registered with their respective Depository Participants ("DP") as well as to the members holding shares in physical form, whose e-mail address is registered with the Company/ Registrar and Share Transfer Agent of the Company for communication purposes. The Annual Report 2025 is being circulated to all the Non-Convertible Debenture Holders ("NCDs") also. The Annual Report 2025, along with AGM Notice, is being uploaded on the website of the Company at www.sakthifinance.com.
5. In view of the exemptions provided by MCA / SEBI, no physical or hard copies of the AGM Notice and the Annual Report 2025 are circulated to the members.
6. Members of the Company who have not registered their e-mail address with the Company were informed by a public notice in newspapers dated Saturday, August 30, 2025 about the process for registration of their e-mail address to receive the AGM Notice, Annual Report 2025 and the log-in credentials for participating in the AGM through VC/OAVM facility. Detailed instructions are also given in the AGM Notice.
7. As per Section 108 of 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.
8. 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.



9. The remote e-Voting period commences on Wednesday, September 24, 2025 at 9.00 a.m. and concludes on Friday, September 26, 2025 5.00 p.m. During this period, members of the Company holding shares either in physical form or in dematerialized form, as on the cut-off date i.e. Saturday, September 20, 2025 may cast their votes electronically. The voting rights of the Members shall be in proportion to their shareholding in the Company as on the cut-off date, i.e., Saturday, September 20, 2025. The AGM Notice contains the detailed procedure for remote e-Voting and e-Voting through CDSL.
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.
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

We request you to take the documents on record.

Yours faithfully
For Sakthi Finance Limited



S Venkatesh
Company Secretary and
Chief Compliance Officer
FCS 7012



Encl: (2)

68th
ANNUAL
REPORT
2024-25



FIND PURPOSE.
SAKTHI WILL FOLLOW.


BOARD OF DIRECTORS

Dr. M Manickam, Chairman
 Sri M Balasubramaniam
 Vice Chairman and Managing Director
 Sri M Srinivaasan
 Smt Priya Bhansali
 Sri K P Ramakrishnan
 Dr. S Veluswamy
 Sri M Bhaskar (up to May 21, 2025)
 Sri Advait Kurlekar

CHIEF FINANCIAL OFFICER

Sri Srinivasan Anand (up to June 30, 2024)
 Sri Sundaramurthy Kumarasamy (w.e.f. July 1, 2024)

COMPANY SECRETARY AND CHIEF COMPLIANCE OFFICER

Sri C Subramaniam (up to September 10, 2024)
 Sri S Venkatesh (w.e.f. September 10, 2024)

REGISTERED OFFICE
SAKTHI FINANCE LIMITED

CIN : L65910TZ1955PLC000145
 62, Dr. Nanjappa Road, Coimbatore - 641 018
Phone : (0422) 2231471-474, 4236200
E-mail : sakthif_info@sakthifinance.com
 investors@sakthifinance.com
Website : www.sakthifinance.com

REGISTRAR AND SHARE TRANSFER AGENTS
MUG INTIME INDIA PRIVATE LIMITED

(formerly known as Link Intime India Private Limited)

Branch Office at :

"Surya", 35, May Flower Avenue, Behind Senthil Nagar
 Sowripalayam Road, Coimbatore - 641 028
Phone : (0422) 4958995, 2539835-836
E-mail : coimbatore@in.mpms.mufg.com
Website : https://in.mpms.mufg.com

DEBENTURE TRUSTEE
CATALYST TRUSTEESHIP LIMITED

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

BANKERS

The Karur Vysya Bank Limited
 State Bank of India
 Central Bank of India
 The Karnataka Bank Ltd
 Indian Overseas Bank

STATUTORY AUDITORS

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

INTERNAL AUDITOR

Sri B Muralidharan FCA
 Chartered Accountant
 Coimbatore

SECRETARIAL AUDITORS

M/s. Sriram Krishnamurthy & Co
 Company Secretaries
 Chennai

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Scan this QR Code or visit us at
<https://sakthifinance.com/investor-information/>

NOTICE TO MEMBERS

NOTICE is hereby given that the Sixty Eighth (68th) Annual General Meeting ("AGM") of the members of the Company will be held on **Saturday, September 27, 2025 at 12.00 Noon** 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 March 31, 2025 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 ₹ 8.25 per share (8.25 per cent) on 3,31,000 Redeemable, Cumulative, Preference Shares of ₹ 100 each amounting to ₹ 1.35 Lakhs (including tax deduction of ₹ 0.08 Lakhs) declared by the Board of Directors at their meeting held on May 25, 2024 for the financial year ended March 31, 2025 and an Interim Dividend 9 per share (9 per cent) on 21,55,150 Redeemable, Cumulative, Preference Shares of ₹ 100 each amounting to ₹ 181.66 Lakhs (including tax deduction of ₹ 4.78 Lakhs), declared by the Board of Directors at their meeting held on March 25, 2025 for the financial year ended March 31, 2025 on *pro rata* basis and paid out of the profits of the company be and are 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 March 31, 2025 on 6,47,05,882 equity shares of ₹ 10 each to be paid out of the profits of the Company for the said financial year and the said dividend be paid to those equity shareholders whose names stand on the Register of Members in case the equity shares are held in physical form and also to the beneficial holders of the dematerialised shares as per the details provided by the Depositories in case the equity shares are held in the electronic form, as on **Saturday, September 20, 2025**.

4. Re-appointment of Dr S Veluswamy (DIN : 05314999), 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 S Veluswamy, holding DIN : 05314999, who retires by rotation and being eligible for re-appointment, be and is hereby reappointed as a Director of the Company.

SPECIAL BUSINESS

5. Appointment of Secretarial Auditor

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

RESOLVED THAT in terms of Regulation 24A of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), as amended from time to time read with the provisions of Section 204 and all other applicable provisions, if any, of the Companies Act 2013 ("the Act") and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014, including any amendment, modification or variation thereof and based on the recommendations of the Audit Committee and the Board of Directors, Sri R. Dhanasekaran (ICSI Membership No. FCS 7070), Company Secretary in Practice, having Certificate of Practice No. 7745 allotted by the Institute of Company Secretaries of India ("ICSI"), who has confirmed his eligibility and has also given his consent for appointment as Secretarial Auditors in terms of Regulation 24A(1A) of the Listing Regulations and other applicable rules, be and is hereby appointed as Secretarial Auditor of the Company for a term of five (5) consecutive years to hold office from the financial year 2025-26 till the financial year 2029-30.

RESOLVED FURTHER THAT the approval of the members be and is hereby given to the Board of Directors of the Company (including any Committee constituted by the Board of Directors) to fix the remuneration during his term of appointment as may mutually be agreed between the Board of Directors of the Company (including any Committee constituted thereof) and the Secretarial Auditor, from time to time, during his tenure of appointment, in addition to applicable taxes and reimbursement of travelling and other out of pocket expenses incurred by him and to avail any other services, certificates or reports as may be permissible under applicable laws and to do all such acts, deeds and things as may be necessary, proper or expedient to give effect to the above resolution.

6. Appointment of Smt. Susheela Balakrishnan (DIN: 07140637) as an 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 149, 150, 152 and other applicable provisions, if any, of the Companies Act 2013 ("the Act") read with Schedule IV to the Act and the Companies (Appointment and Qualification of Directors) Rules 2014 and pursuant to Regulations 17, 17(1A) and 25 and other applicable provisions, if any, of the SEBI (Listing Obligations and Disclosure Requirements)

Regulations 2015 ("Listing Regulations"), as amended from time to time and based on the recommendation of Nomination and Remuneration Committee and Board of Directors of the Company, Smt. Susheela Balakrishnan (DIN: 07140637), who was appointed as an Additional Director (Independent) of the Company with effect from August 14, 2025 as per Section 161(1) of the Act and Article 81(a) of the Articles of Association of the Company in the category of Non-Executive, Independent Director and who has submitted a declaration that she meets the criteria of Independence as provided in Section 149(6) of the Act and Regulation 16(1)(b) of the Listing Regulations and who is eligible for appointment and in respect of whom the Company has received a notice in writing from a member under Section 161 of the Act proposing the candidature of Smt. Susheela Balakrishnan for the office of the Director, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, for a term of five (5) consecutive years commencing from August 14, 2025 to August 13, 2030 (both days inclusive) and she shall continue to act as an Independent Director notwithstanding the fact that she has already attained the age of 75 years.

RESOLVED FURTHER THAT the Board of Directors and the Company Secretary and Chief Compliance Officer of the Company be and are hereby severally authorised to do all such acts, deeds, matters and things and execute all such documents, instruments and writings as may be required to give effect to the above resolution.

7. Appointment of Sri. S Shivram (DIN: 07946245) as an 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 149, 150, 152 and other applicable provisions, if any, of the Companies Act 2013 ("the Act") read with Schedule IV to the Act and the Companies (Appointment and Qualification of Directors) Rules 2014 and pursuant to Regulations 17 and 25 and other applicable provisions, if any, of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 ("Listing Regulations"), as amended from time to time and based on the recommendation of Nomination and Remuneration Committee and Board of Directors of the Company, Sri. S Shivram (DIN: 07946245), who was appointed as an Additional Director (Independent) of the Company with effect from September 1, 2025 as per Section 161(1) of the Act and Article 81(a) of the Articles of Association of the Company in the category of Non-Executive, Independent Director and who has submitted a declaration that he meets the criteria of Independence as provided in Section 149(6) of the Act and Regulation 16(1)(b) of the Listing Regulations and who is eligible for appointment and in respect of whom the Company has received a notice in writing from a member under Section 161 of the Act proposing the candidature of Sri. S. Shivram for the office of the Director, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, for a term of

5 (five) consecutive years commencing from September 1, 2025 to August 31, 2030 (both dates inclusive).

RESOLVED FURTHER THAT the Board of Directors and the Company Secretary and Chief Compliance Officer of the Company be and are hereby severally authorised to do all such acts, deeds, matters and things and execute all such documents, instruments and writings as may be required to give effect to the above resolution.

8. Appointment of Sri. S Chandrasekhar (DIN: 00011901) as a Non-Executive, Non-Independent Director of the Company

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

RESOLVED THAT in accordance with Section 152 and all other applicable provisions, if any, of the Companies Act 2013 ("the Act"), the Companies (Appointment and Qualifications of Directors) Rules, 2014 and SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 ("Listing Regulations") (including any statutory modification(s) or amendment(s) thereto or re-enactment(s) thereof for the time being in force), Sri. S Chandrasekhar (DIN: 00011901), who was appointed by the Board of Directors as an Additional Director (Non-Executive, Non-Independent) of the Company, with effect from September 1, 2025 under Section 161 of the Act and Article 81(a) of the Articles of Association of the Company and who holds office up to the date of this Annual General Meeting of the Company and in respect of whom the Company has received a Notice in writing from a Member under Section 160 of the Act, proposing his candidature for the office of Director of the Company, being so eligible, be appointed as a Non-Executive, Non-Independent Director of the Company and he is liable to retire by rotation.

RESOLVED FURTHER THAT the Board of Directors and the Company Secretary and Chief Compliance Officer of the Company be and are hereby severally authorised to do all such acts, deeds, matters and things and execute all such documents, instruments and writings as may be required to give effect to the above resolution.

9. 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

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

RESOLVED THAT in accordance with Sections 196, 197, 198 and 203 and other applicable provisions, if any, of the Companies Act 2013 ("the Act") (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) read with Schedule V to the Act, Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014, Regulation 17(1C) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 ("Listing Regulations"), RBI's Master Direction - Reserve Bank of India (Non-Banking Financial Company - Scale Based Regulation) Directions 2023 ("RBI-MD-SBR") as amended, the provisions of Articles

of Association of the Company and based on the recommendations of Nomination and Remuneration Committee ("**NR Committee**"), Audit Committee and the Board of Directors and subject to such other approval, permissions and sanctions as may be required, approval of the Company be and is hereby given for the 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), who is not liable to retire by rotation and that Sri M Balasubramaniam be paid remuneration on the following terms and conditions and he shall continue to hold such position even after attaining the age of seventy (70) years during his tenure.

Salary	₹ 3.00 lakhs per month
Perquisites	Not exceeding the Annual Salary as may be decided by the Board of Directors from time to time. In addition to the salary, Sri M Balasubramaniam shall also be entitled to the following perquisites: a. Contribution to Provident and Superannuation Funds to the extent not taxable under the Income Tax Act 1961; b. Gratuity at the rate of half a month's salary for each completed year of service; and c. Encashment of leave at the end of tenure as per the rules of the Company
Commission	3 per cent on the Net Profits of the Company, subject to a maximum ceiling specified in Section I of Part II of Schedule V to the Act

RESOLVED FURTHER THAT approval of the Company be and is hereby given to the Board of Directors of the Company (hereinafter referred to as the "**Board**" which shall be deemed to include the NR Committee of the Board) to have the liberty to grant increments and to alter, modify, vary, amend or change etc the terms and conditions, from time to time, during his tenure as Managing Director of the Company, as may be agreed to between the Company and Managing Director under the applicable provisions of the Act / RBI Directions.

RESOLVED FURTHER THAT the approval for payment of remuneration in the event of loss or inadequacy of profit shall be for a period not exceeding three years during the said tenure of five years.

RESOLVED FURTHER THAT where in any financial year during the currency of the tenure of Sri M Balasubramaniam as Managing Director, the Company has no profit or its profits are inadequate, the Company may pay to Sri M Balasubramaniam, the above remuneration by way of salary and perquisites not exceeding the limits specified under Section II of Part II of Schedule V to the Act (including any statutory modification or re-enactment thereof for the time being in force) or such other limit as

may be prescribed by the government, from time to time, as minimum remuneration.

RESOLVED FURTHER THAT the Board of Directors of the Company (including any Committee thereof) be and are hereby authorized to do all such acts, deeds, matters and things, as in its absolute discretion, may consider, necessary, expedient or desirable to give effect to the Resolution.

10. 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

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

RESOLVED THAT pursuant to the provisions of Sections 42, 71 and other applicable provisions, if any, of the Companies Act 2013 ("**the Act**") (including any statutory modification(s) or re-enactment thereof for the time being in force) read with the Companies (Prospectus and Allotment of Securities) Rules 2014 and the Companies (Share Capital and Debentures) Rules 2014 ("**the Rules**") and in accordance with the provisions of the Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations 2021 (including any statutory modification(s) or re-enactment thereof for the time being in force) ("**NCS Regulations**") read with the Master Circular, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015 ("**Listing Regulations**") read with Master Circular for Issue and Listing of Non-Convertible Securities, Securitised Debt Instruments, Security Receipts, Municipal Debt Securities and Commercial Papers and other Circulars, guidelines and notifications issued by the Securities and Exchange Board of India ("**SEBI**") as applicable, RBI's Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions 2023 ("**RBI-MD-SBR**") as amended, read with the circulars, notifications and guidelines issued by Reserve Bank of India, as applicable (including any statutory modification(s) or re-enactment(s) thereof, for time being in force), Reserve Bank of India (Commercial Papers and Non-Convertible Debentures of original maturity up to one year) Directions 2024 ("**RBI Master Directions**"), the Memorandum and Articles of Association of the Company and subject to such other approvals as may be prescribed by regulatory authorities from time to time, the approval of the members of the Company be and is hereby given to the Board of Directors of the Company (hereinafter referred to as "**the Board**" which term shall be deemed to include any Committee duly constituted / authorized Committee of the Board) to make invitation(s), to subscribe and offer(s), issue and allot, Listed, Secured, Redeemable, Non-Convertible Debentures ("**NCDs**"), Issuance of Commercial Papers ("**CPs**") and/or other Debt Securities etc. on private placement basis, at such face value as may be permissible under the Act and RBI directions, for cash at par, premium and discount, in one or more tranches, for an amount not exceeding ₹ 250 crores, within the overall borrowing limits of the Company approved by the members.

RESOLVED FURTHER THAT the Board be and is hereby authorized to:

- decide whether to issue NCDs, in one or more series or tranches;
- decide whether to issue Commercial Papers, in one or more series or tranches;
- decide to list the tranches;
- finalize the other terms and conditions including the rate of interest, tenor and security cover thereof, the consideration of the issue, utilization of the issue proceeds and all matters connected to it;
- decide on the timing of each tranche.
- decide on the persons to whom it can be issued, including companies, bodies corporate, statutory corporations, commercial banks, lending agencies, financial institutions, insurance companies, mutual funds, pension / provident funds and individuals or such other person / persons eligible to subscribe; and
- do all such acts, deeds and things and give such directions and further to execute such documents, deeds, instruments and writings as may be deemed necessary, proper and desirable or expedient to give effect to the above Resolution.

RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any of the powers herein conferred to any Director(s), Key Managerial Personnel(s) and /or Officer(s) of the Company, to give effect to the resolutions.

11. Increasing the Authorised Share Capital of the Company

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

RESOLVED THAT in accordance with Section 61 and all other applicable provisions, if any, of the Companies Act 2013 ("the Act") and the rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and the Articles of Association of the Company, the Authorised Share Capital of the Company be and is hereby increased 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.

RESOLVED FURTHER THAT the Board of Directors ("the Board", which term shall be deemed to include any Committee authorised by the Board to exercise its powers including powers conferred on the Board by this resolution) of the Company be and is hereby authorised to do all such acts, deeds, matters and things and take all such steps as may be necessary, proper, expedient or desirable in relation to all matters connected therewith or incidental thereto, including delegation of any of the powers herein conferred to on any Director(s), Company Secretary and Chief Compliance Officer or Key Managerial Personnel or any other officer of the Company to give effect to the above resolution.

12. Alteration of Capital Clause 5 in the Memorandum of Association of the Company

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

RESOLVED THAT in accordance with the provisions of Section 13, 61(1)(a) and other applicable provisions, if any, of the Companies Act 2013 ("the Act") and the Articles of Association of the Company, the contents of the existing Clause 5 of the Company's Memorandum of Association be and is hereby altered by substituting in its place the following new Clause 5:

- The Authorized Share Capital of the Company is ₹ 150,00,00,000 (Rupees One Hundred and Fifty crore only) divided into 10,00,00,000 Equity Shares of ₹ 10 (Rupees Ten) each and 50,00,000 Redeemable, Cumulative, Preference Shares of ₹ 100 (Rupees One Hundred) each, with power to increase, reduce, re-classify, consolidate, sub-divide or otherwise dealt with in accordance with the Articles of Association of the Company and the provisions of the Act and the Rules made thereunder and other statutory / regulatory requirements as may be applicable from time to time.

RESOLVED FURTHER THAT the Board of Directors ("the Board", which term shall be deemed to include any Committee authorised by the Board to exercise its powers, including powers conferred on the Board by this resolution) of the Company be and is hereby authorised to do all such acts, deeds, matters and things and take all such steps as may be necessary, proper, expedient or desirable in relation to all matters connected therewith or incidental thereto, including delegation of any of the powers herein conferred to on any Director(s), Company Secretary and Chief Compliance Officer or Key Managerial Personnel or any other officer of the Company to give effect to the above resolution.

13. Alteration of Capital Clause (Article 3) of the Articles of Association of the Company

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

RESOLVED THAT in accordance with the provisions of Section 14 and other applicable provisions, if any, of the Companies Act 2013 ("the Act") and Articles of Association of the Company, the contents of the existing Article 3 of the Company's Articles of Association be and is hereby altered by substituting in its place the following new Article 3:

- The Authorised Share Capital of the Company shall be as per Clause 5 of the Memorandum of Association of the Company.

RESOLVED FURTHER THAT the Board of Directors / Company Secretary and Chief Compliance Officer of the Company be and are hereby severally authorised to do all such acts, deeds, matters and things and execute all such documents, instruments and writings as may be required to give effect to the above resolution.

14. Issue of Redeemable, Cumulative, Preference Shares on Private Placement basis for an amount not exceeding ₹ 2,000 Lakhs

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

RESOLVED THAT pursuant to the provisions of Sections 42, 55 and any other applicable provisions, if any, of the Companies Act 2013 ("**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 for the time being in force), 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, 20,00,000 (Twenty lakhs only) Redeemable, Cumulative, Preference Shares ("**Preference Shares**") of the face value of ₹ 100 each for cash at par for an amount not exceeding ₹ 2,000 lakh (Rupees Two Thousand lakh only) 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:

- 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 on a cumulative basis.
- 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.
- 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.
- The said shares will not be converted into equity shares.
- The voting rights of the persons holding the said shares shall be in accordance with the provisions of Section 47(2) of the Act.
- 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 is 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.

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 Circular dated September 19, 2024 read with its earlier circulars dated April 8, 2020, April 13, 2020, May 5, 2020, June 15, 2020, September 28, 2020, December 31, 2020, January 13, 2021, December 14, 2021, May 5, 2022, December 28, 2022 and September 25, 2023 (collectively referred to as "**MCA Circulars**") and the latest SEBI Circular No. SEBI/HO/CFD/CFD-PoD-2/P/CIR/2024/133 dated October 3, 2024 issued by Securities and Exchange Board of India ("**SEBI**"), permitted companies whose AGMs are to be conducted on or before September 30, 2025, to hold their AGMs through Video Conferencing ("**VC**") / Other Audio Visual Means ("**OAVM**") not requiring the physical presence of the Members at a common venue. Accordingly, in compliance with the provisions of the Act and SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 ("**Listing Regulations**") read with the above Circulars issued in this regard, the 68th AGM of the Company is being held through VC/OAVM. The deemed venue for the 68th 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 / SEBI Circulars, the route map is not attached to the Notice.

- In terms of Clause 3.A.II. of the General Circular No 20/2020 dated May 5, 2020, issued by MCA, the matters of Special Business as appearing at Item Nos. 5 to 14 of the accompanying Notice are considered to be unavoidable by the Board and hence form part of this Notice.
- 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 to 14 are annexed.
- The relevant details of Directors seeking appointment / re-appointment under Item Nos 4 and 6 to 9 pursuant to Regulation 36(3) of the Listing Regulations and Appointment of Secretarial Auditor under Item No. 5 pursuant to Regulation 36(5) 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 thereat 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 2025

In terms of Section 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 Notice of the 68th AGM along with the Annual Report for the year 2025 is being sent by electronic mode only to the members whose e-mail addresses are registered with the Company / Depository Participants.

Members may also note that the Notice of 68th AGM along with the Annual Report for the year 2025 will also be made available on the Company's website, www.sakthifinance.com for their download. Members can request for a physical copy of the Annual Report 2025 by sending a request to the e-mail, investors@sakthifinance.com.

9. Record Date and Dividend

Saturday, September 20, 2025 has been fixed as the Record Date for payment of dividend to the equity shareholders.

The dividend on equity shares for the year ended March 31, 2025, as recommended by the Board of Directors and if declared at the AGM, will be paid/ dispatched by the Company, through permitted modes, on or after **Saturday, September 27, 2025** to those shareholders or their mandatees:

- whose names appear as Members in the Register of Members of the Company as at the end of the business hours on **Saturday, September 20, 2025** 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, September 20, 2025**; and
- whose names appear as Beneficial Owners as at the end of the business hours on **Saturday, September 20, 2025** in the list of Beneficial Owners to be furnished

by National Securities Depository Limited and Central Depository Services (India) Limited in respect of the shares held in dematerialised form.

10. Tax Deducted at Source on Dividend

In terms of the provisions of the Income Tax Act 1961 ("IT Act"), dividend paid or distributed by a Company on or after 1st April 2020 shall be taxable in the hands of the members. Hence, the Company is required to deduct Tax Deducted at Source ("TDS") at the time of payment of dividend to the members at the prescribed rates. Details of the applicable tax rates for various categories of members and documentation required from them to claim exemption/ lower tax rates is set out in **Annexure-2** forming part of this Notice. Members are requested to update their Permanent Account Number ("PAN") with the Company / MUFG Intime India Private Limited (in case shares are held in physical mode) and with depositories (in case shares are held in demat mode). Members are requested to send the forms to the E-mail id, investors@sakthifinance.com, on or before **Saturday, September 20, 2025**. No documents will be accepted after **Saturday, September 20, 2025**.

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.

11. Electronic Credit of Dividend

SEBI has made it mandatory for all Companies to use the bank account details provided by the Depositories and the bank account details maintained by the Registrar and Transfer Agent for payment of dividend to the Members electronically. The Company has extended the facility of 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

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

- Form ISR-1 along with the supporting documents. The Form is available on the website of the Company <https://www.sakthifinance.com/investor-information/>
- Form ISR-2 duly signed by the Shareholders with:
 - Copy of Bank Statement with Bank Name, Bank Account Number and IFS Code attested by Bank Manager or

- ii. Original cancelled cheque bearing the name of the Member or first holder, in case shares are held jointly;
- iii. Self-attested PAN Card copy of all holders; and
- iv. 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.

In case Equity Shares are held in electronic form

Members may note that their bank account details as provided by the respective Depositories to the Company will be considered for remittance of dividend as per the applicable regulations of the Depositories and the Company will not be able to accede to any direct request from such Members for change/ addition/deletion in such bank account details. Accordingly, the Members holding equity shares in demat mode are requested to update their Electronic Bank Mandate with their respective Depository Participants ("DPs").

Further, please note that the instructions, if any, already given by the Members in respect of equity shares held in physical form, will not be automatically applicable to the dividend paid on equity shares held in electronic form.

For Members who are unable to receive the dividend directly in their bank accounts through Electronic Clearing Service or any other means, due to non-registration of the Electronic Bank Mandate, the Company shall dispatch the dividend warrant/ bankers' cheque/demand draft to such Members by post/courier/permitted modes.

12. Issuance of Securities only in Demat Mode

As per the Regulations 39 and 40 of the Listing Regulations, the Company shall issue securities in dematerialized form only while processing any requests from shareholders holding shares in physical mode in respect of i. Issue of duplicate securities certificate; ii. Claim from Unclaimed

Suspense Account; iii. Renewal / Exchange of securities certificate; iv. Endorsement; v. Sub-division / Splitting of securities certificate; vi. Consolidation of securities certificates/ folios; vii. Transmission and viii. Transposition ("service requests") etc.

The shareholders shall submit duly filled in Form ISR-4 along with requisite documents to RTA. The form ISR-4 is available in the website of the Company at <https://www.sakthifinance.com/investor-information/>. The RTA/ Company shall verify and process the service requests and thereafter issue a "Letter of Confirmation" to the shareholders in lieu of the physical share certificates. The "Letter of Confirmation" shall be valid for 120 days from the date of its issuance within which shareholders shall make a request to the Depository Participant for dematerializing the said shares. In case the shareholder fails to submit the demat request within the above period, RTA / Company shall credit the securities to Suspense Escrow Demat Account of the Company.

13. Instructions to Furnish/Update PAN, Bank Account, KYC and Nomination Details

SEBI has, by its Circular No. SEBI/HO/MIRSD/MIRSD-PoD-1/P/CIR/2023/37 dated March 16, 2023, mandated all physical shareholders to furnish their PAN, Nomination and KYC details (Contact Details, Bank Account Details and Specimen Signature) with Companies. Further, linking of PAN and Aadhaar is also mandated by the Central Board of Direct Taxes ("CBDT").

Non-updation of KYC, Bank account and Nomination will result in freezing of the folio of the Physical shareholders by the RTA and it shall be reverted to normal status only upon receipt of all the KYC and Nomination details and dematerialization of holdings. Brief procedure for updation of PAN, Bank Account, KYC and nomination details is given hereunder:

Type of Holder	Process to be followed		
Shareholders holding shares in physical form	Send a written request in the prescribed forms to MUFG Intime India Private Limited either by e-mail (duly e-signed) at coimbatore@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.		
	To register PAN, e-mail address, bank details and other KYC details or updation therein	Form ISR-1	For forms, please refer Company's website at https://www.sakthifinance.com/investor-information/
	To update signature of securities holder	Form ISR-2	
	Declaration to opt out nomination	Form ISR-3	
	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	

14. 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 (new) and any other relevant documents referred to in the Notice shall be made available electronically for inspection without any fee by the members during the AGM. Members seeking to inspect such documents can send e-mail to svenkatesh@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.

15. Transfer of Unclaimed/Unpaid Dividend and Shares to Investor Education and Protection Fund ("IEPF")

In accordance with Sections 124 and 125 of the Act, all unclaimed dividends up to the financial year ended March 31, 1997 and for the years ended March 31, 2007, 2011, 2012, 2013, 2014, 2015, 2016 and 2017 which remained unclaimed for a period of seven 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.

The unclaimed dividends in respect of the following years will be transferred to IEPF on various dates as detailed below:

Financial Year	Due date for transfer to IEPF
2017-18: Dividend on Equity Shares	31st October 2025
2018-19: Dividend on Equity Shares	30th October 2026
2019-20: Dividend on Equity Shares	23rd January 2028
2020-21: Dividend on Equity Shares	4th November 2028
2021-22: Dividend on Equity Shares	5th November 2029
2022-23: Dividend on Equity Shares	28th October 2030
2023-24: Dividend on Equity Shares	16th October 2031

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 submit their claim to MUFG Intime India Private Limited well in advance of the above due dates.

The members may 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 equity 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.

Accordingly, the Company has transferred 6,02,850 equity shares of ₹ 10 each to the dematerialized account of IEPF authority during the financial years 2018, 2019, 2020, 2021, 2022, 2023 and 2024.

The Company had sent individual notices to all the members whose shares were due to be transferred to IEPF Authority and had also published newspaper advertisements in this regard.

The details of such unclaimed dividends and shares for the financial years are available on the company's website at www.sakthifinance.com and on the website of Ministry of Corporate Affairs at <https://www.iepf.gov.in>.

16. 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).

17. 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, www.sakthifinance.com and on the website of CDSL, www.evotingindia.com within two days after the voting on the Resolutions at the 68th 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, September 20, 2025**. 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.

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

19. Permanent Registration of their 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: coimbatore@in.mpms.mufg.com.

20. 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.

21. 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/investor-information/>.

THE INSTRUCTIONS TO SHAREHOLDERS FOR REMOTE E-VOTING AND JOINING VIRTUAL MEETINGS ARE AS UNDER

In terms of 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, September 20, 2025**, 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 equity 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, September 20, 2025**, 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, September 24, 2025, at 9.00 a.m.** and will conclude on **Friday, September 26, 2025, 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, September 20, 2025**, 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, September 20, 2025**.

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 coimbatore@in.mpms.mufg.com.

For members holding equity shares in Demat form: Please update your e-mail id and mobile no. with your respective Depository Participant ("DP").

For Individual Demat Shareholders: Please update your email id and mobile no. with your respective depository participant ("DP") which is mandatory while e-Voting and joining virtual meetings through Depository.

THE INSTRUCTIONS FOR SHAREHOLDERS FOR REMOTE VOTING ARE AS UNDER

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 voting period commences on **Wednesday, September 24, 2025, at 9.00 a.m.** and will conclude on **Friday, September 26, 2025, at 5.00 p.m.** During this period, shareholders of the Company holding equity shares either in physical form or in dematerialised form, as on the cut-off date i.e. **Saturday, September 20, 2025**, may cast their vote electronically. The 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.

Pursuant to SEBI Circular No. SEBI/HO/CFD/CMD/ CIR/P/2020/242 dated December 9, 2020 and Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015, 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.

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.

- b. 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 the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.
- c. In terms of SEBI Circular no. SEBI/HO/CFD/CMD/ CIR/P/2020/242 dated 9th December 2020 in respect of e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account(s) maintained with Depositories and Depository Participants. Members are advised to update the details of their mobile number and e-mail Id in their demat accounts in order to access e-Voting facility.

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

- d. Pursuant to 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	<ol style="list-style-type: none"> 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. 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. If the user is not registered for Easi / Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration. 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 Email 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	<ol style="list-style-type: none"> 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.

	<p>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.</p> <p>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.</p> <p>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 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 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.</p>
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.

e 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). <ul style="list-style-type: none"> 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. <ul style="list-style-type: none"> 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.

- f. After entering these details appropriately, click on **"SUBMIT"** tab.
- g. 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.
- h. For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- i. Click on the EVSN of the Company, SAKTHI FINANCE LIMITED on which you choose to vote.
- j. 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.
- k. Click on the **"RESOLUTIONS FILE LINK"** if you wish to view the entire Resolution details.
- l. 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.
- m. Once you **"CONFIRM"** your vote on the resolution, you will not be allowed to modify your vote.
- n. You can also take a print of the votes cast by clicking on **"Click here to print"** option on the Voting page.
- o. 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.
- p. 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.
- q. **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 emailed 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 viz **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

- The procedure for attending meeting and e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
- The link for VC/OAVM to attend 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.
- 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.
- Members are encouraged to join the Meeting through Laptops/IPads for better experience.
- Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
- 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.
- 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 at **investors@sakthifinance.com** and register themselves as a speaker.
- Those Members who have registered themselves as a speaker will only be allowed to express their views/ask questions during the AGM.
- 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.
- If any Votes are cast by the members through the 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.
- The results declared along with the Scrutinizer's Report shall be placed on the Company's website, **www.sakthifinance.com** and on the website of CDSL i.e. **www.cdslindia.com** within two days of the passing of the Resolutions at the 68th Annual General Meeting of the Company and shall also be communicated to the Stock Exchanges where the shares of the Company are listed.
- Since the AGM will be held through VC/OAVM, the Route Map is not annexed in this Notice.
- Contact Details:

Company	Sakthi Finance Limited CIN: L65910TZ1955PLC000145 Regd. Office : 62, Dr Nanjappa Road, Coimbatore – 641 018 Phone : (0422) 2231471-74, 4236200 E-mail ID : sakthif_info@sakthifinance.com; investors@sakthifinance.com Website : www.sakthifinance.com
Registrar and Transfer Agent	MUFG Intime India Private Limited (formerly known as Link Intime India Private Limited) "Surya", 35, Mayflower Avenue, Behind Senthil Nagar Sowripalayam Road, Coimbatore – 641 028 Phone : (0422) 4958995, 2539835-836 E-mail ID : coimbatore@in.mpms.mufg.com Website : https://in.mpms.mufg.com
e-Voting Agency	Central Depository Services (India) Limited E-mail ID : helpdesk.evoting@cdslindia.com Toll free no.: 1800 21 09911
Scrutinizer	Sri. R. Sivasubramanian, Company Secretary in Practice

QUERIES

In case you have any queries or issues regarding attending AGM and e-Voting from the CDSL e-Voting system, you can write an email 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

September 1, 2025
Coimbatore-18

Registered Office:

62, Dr Nanjappa Road, Coimbatore – 641 018

CIN : L65910TZ1955PLC000145

Phone : (0422) 2231471-74, 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 to 14 of the accompanying Notice dated September 1, 2025.

SPECIAL BUSINESS

Item No.5

Appointment of Secretarial Auditors

In terms of Section 204 of the Companies Act 2013 ("the Act") read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014 and Regulation 24A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 ("Listing Regulations") and other applicable provisions if any, of the Act and the Listing Regulations, the Board of Directors have, at their meeting held on August 14, 2025, recommended the appointment of Sri R Dhanasekaran FCS, Practicing Company Secretary as Secretarial Auditor of the Company for a period of five (5) consecutive years with effect from April 1, 2025 to March 31, 2030 to conduct the Secretarial Audit of the Company and to provide the Secretarial Audit Report on such remuneration as may mutually be agreed between the Board of Directors of the Company and the Secretarial Auditor, from time to time, subject to the approval of members at the 68th Annual General Meeting.

Disclosures required to be made in terms of Regulation 36(5) of the Listing Regulations are given below:

a	Proposed Fees	To be mutually agreed upon between the Board of Directors of the Company and the Secretarial Auditor from time to time
b	Terms of appointment	Recommended for the appointment for a term of five consecutive years with effect from April 1, 2025 to March 31, 2030
c	Material Change in the fee payable to the new Auditor and rationale for change	There will be no material change in the fees to be paid to the Secretarial Auditor.
d	Basis of recommendation for Appointment and Credentials	<p>Sri R Dhanasekaran, aged about 62 years, holds a Master's degree in Commerce and is a Fellow Member of The Institute of Company Secretaries of India.</p> <p>A valid certificate of Practice holder having more than 18 years of post-qualification experience in the field of Company Law, Security Laws and allied laws and has office in Coimbatore.</p> <p>He holds a valid Peer Review Certificate (No. 6739/2025) issued by the Institute of Company Secretaries of India.</p> <p>He was Chairman of Coimbatore Chapter of the Institute of Company Secretaries of India during the year 2014.</p>

Brief Profile of Secretarial Auditor

Sri R Dhanasekaran FCS, aged about 62 years, holds a Master's degree in Commerce and is a Fellow Member of The Institute of Company Secretaries of India.

A valid certificate of Practice holder having more than 18 years of post-qualification experience in the field of Company Law, Security Laws and allied laws and having office at Coimbatore.

He holds a valid Peer Review Certificate (No. 6739/2025) issued by the Institute of Company Secretaries of India. He was Chairman of Coimbatore Chapter of the Institute of Company Secretaries of India during the year 2014.

The Board of Directors recommend the Ordinary Resolution as set out in this item of the AGM Notice for approval of members as required under Regulation 17(11) of the Listing Regulations along with other applicable provisions.

None of the Directors and/or Key Managerial Personnel ("KMP") of the Company and/or their respective relatives are concerned or interested, financially or otherwise, in the Ordinary Resolution set out at Item No.5 of the AGM Notice.

Item No.6

Appointment of Smt. Susheela Balakrishnan (DIN: 07140637) as an Independent Director of the Company

The Board of Directors have, based on the recommendation of the Nomination and Remuneration Committee ("NRC"), at their meeting held on August 14, 2025 and in terms of Sections 152 and 161 of the Act read with the Companies (Appointment and Qualification of Directors) Rules 2014 and Articles of Association of the Company, appointed Smt. Susheela Balakrishnan (DIN: 07140637), as an Additional Director (Independent) of the Company and also as an Independent Director, not liable to retire by rotation, for a term of five (5) consecutive years commencing from August 14, 2025 to August 13, 2030, subject to the approval of the Members.

The detailed profile of Smt. Susheela Balakrishnan is given in the **Annexure 1** to the Notice of the 68th AGM.

The Company has received a Notice from a Member under Section 160 of the Act, proposing the candidature of Smt. Susheela Balakrishnan (DIN: 07140637), for the office of an Independent Director of the Company.

The Company has received from Smt. Susheela Balakrishnan consent, declarations, confirmations and disclosures as per the requirements of the Act and the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 ("**Listing Regulations**"), including the following:

- a. consent in writing to act as director under Section 152(5) of the Act in Form DIR-2 pursuant to Rule 8 of the Companies (Appointment & Qualification of Directors) Rules 2014.
- b. declaration in Form DIR-8 in terms of the Companies (Appointment & Qualification of Directors) Rules 2014 that she is not disqualified under sub-section (2) of Section 164 of the Act from being appointed as a director of the Company.
- c. declaration confirming that she meets the criteria of independence as provided in sub-section (6) of Section 149 of the Act and Regulation 16(1)(b) of the Listing Regulations.
- d. confirmation in terms of Regulation 25(8) of the Listing Regulations that she is not aware of any circumstance or situation, which exists or may reasonably be anticipated, that could impair or impact her ability to discharge her duties with an objective independent judgment and without any external influence.
- e. confirmation in compliance with Securities and Exchange Board of India ("**SEBI**") Order dated June 14, 2018 to the Stock Exchanges and further BSE Circular No. LIST/COMP/ 14/2018-19 dated June 20, 2018 stating that she is not debarred from holding the office of director by virtue of any order of SEBI or any other such authority.
- f. confirmation that she satisfies the 'Fit and Proper' criteria as prescribed by the Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions 2023 ("**RBI-MD-SBR 2023**"), as amended.
- g. confirmation that Directorships/Committee Memberships are within the statutorily permitted limits.
- h. confirmation that she is registered with the Independent Directors' Databank maintained by the Indian Institute of Corporate Affairs ("**IICA**"); and
- i. exemption certificate from undertaking the on-line proficiency test conducted by IICA.

Further, the Board of Directors have adopted a skill matrix consisting of core skills/ expertise /competencies required to be collectively possessed by the Board of Directors of the Company in the context of the running the business of the Company. As per self-assessment of the skill/ expertise/ competence made by Smt. Susheela Balakrishnan and evaluated by the NRC and the Board of Directors, Smt. Susheela Balakrishnan possesses the required skill sets, expertise and experience as per the skill matrix approved by the Board of Directors of the Company and also meets the "Fit and Proper" criteria for appointment of director as prescribed under RBI-MD-SBR 2023.

In the opinion of the Board of Directors of the Company, Smt. Susheela Balakrishnan meets the conditions for appointment as an Independent Director as specified in the Act and the Listing Regulations and she is a person of integrity and is independent of the management.

The Board of Directors consider that the appointment of Smt. Susheela Balakrishnan, as an Independent Director of the Company would immensely benefit the Company and hence it is desirable to avail of her services as an Independent Director.

The proposed appointment is also in line with the requirements of the Articles of Association of the Company, the Company's "Policy on Fit and Proper Criteria for appointment of Directors" and Nomination and Remuneration Policy of the Company.

Smt. Susheela Balakrishnan 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 and for re-imbursement for expenses incurred in connection with attending Board / Committee meetings.

As per Section 161 of the Act, an Additional Director shall hold office up to the date of the next annual general meeting of the company or up to the last date on which the annual general meeting should have been held, whichever is earlier. Further, in terms of Regulation 17(1C) of the Listing Regulations, a listed entity shall ensure that approval of shareholders for appointment of a person on the board of directors is taken at the next general meeting or within a period of three months from the date of appointment, whichever is earlier. Accordingly, Smt. Susheela Balakrishnan can hold the office as an Additional Director (Independent) up to September 27, 2025, the date of 68th AGM.

In terms of Regulation 25(2A) of the Listing Regulations, the appointment of an Independent Director of a listed entity, shall require approval of members by way of a Special Resolution. Further, as Smt. Susheela Balakrishnan has already attained the age of more than seventy years, a Special Resolution is also required to be passed by the members for her appointment and she will continue to hold the position of an Independent Director as she has already attained the age of 75 years.

A copy of the draft letter of appointment setting out the terms and conditions of appointment would be available for electronic inspection without any fee by the Members at the Registered Office of the Company during normal business hours on any working day and will also be available on the website of the Company, www.sakthifinance.com.

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

Details pursuant to Listing Regulations and Secretarial Standard on General Meetings ("SS-2"), issued by the Institute of Company Secretaries of India, in respect of appointment of Smt. Susheela Balakrishnan are also given in the **Annexure 1** to the Notice.

Except Smt. Susheela Balakrishnan, none of the Directors, Key Managerial Personnel of the Company or their relatives is concerned or interested, financially or otherwise, in the Special Resolution proposed in Item No.6 of the accompanying Notice.

Item No.7

Appointment of Sri. S. Shivram (DIN : 07946245) as an Independent Director of the Company

The Board of Directors have, based on the recommendation of the Nomination and Remuneration Committee ("NRC"), at their meeting held on September 1, 2025 and in terms of Sections 152 and 161 of the Act read with the Companies (Appointment and Qualification of Directors) Rules 2014 and Articles of Association of the Company, appointed Sri. S. Shivram (DIN : 07946245), as an Additional Director of the Company and also as an Independent Director, not liable to retire by rotation, for a term of five (5) consecutive years commencing from September 1, 2025 to August 31, 2030, subject to the approval of the Members.

The detailed profile of Sri. S. Shivram is given in the **Annexure 1** to the Notice of the 68th AGM.

The Company has received a Notice from a Member under Section 160 of the Act, proposing the candidature of Sri. S. Shivram (DIN : 07946245), for the office of an Independent Director of the Company.

The Company has received from Sri. S. Shivram consent, declarations, confirmations and disclosures as per the requirements of the Act and the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 ("**Listing Regulations**"), including the following:

- a. consent in writing to act as director under Section 152(5) of the Act in Form DIR-2 pursuant to Rule 8 of the Companies (Appointment & Qualification of Directors) Rules 2014.
- b. declaration in Form DIR-8 in terms of the Companies (Appointment & Qualification of Directors) Rules 2014 that he is not disqualified under sub-section (2) of Section 164 of the Act from being appointed as a director of the Company.
- c. declaration confirming that he meets the criteria of independence as provided in sub-section (6) of Section 149 of the Act and Regulation 16(1)(b) of the Listing Regulations.
- d. confirmation in terms of Regulation 25(8) of the Listing Regulations that he is not aware of any circumstance or situation, which exists or may reasonably be anticipated, that could impair or impact his ability to discharge his duties with an objective independent judgment and without any external influence.
- e. confirmation in compliance with Securities and Exchange Board of India ("**SEBI**") Order dated June 14, 2018 to the Stock Exchanges and further BSE Circular No. LIST/COMP/ 14/2018-19 dated June 20, 2018 stating that he is not debarred from holding the office of director by virtue of any order of SEBI or any other such authority.
- f. confirmation that he satisfies the 'Fit and Proper' criteria as prescribed by the Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions 2023 ("**RBI-MD-SBR 2023**"), as amended.
- g. confirmation that Directorships/Committee Memberships are within the statutorily permitted limits;
- h. confirmation that he is registered with the Independent Directors' Databank maintained by the Indian Institute of Corporate Affairs ("**IICA**"); and
- i. a certificate for passing the on-line proficiency self-assessment test conducted by IICA.

Further, the Board of Directors have adopted a skill matrix consisting of core skills/ expertise /competencies required to be collectively possessed by the Board of Directors of the Company in the context of the running the business of the Company.

As per self-assessment of the skill/ expertise/ competence made by Sri. S. Shivram and evaluated by the NRC and the Board of Directors, Sri. S. Shivram possesses the required skill sets, expertise and experience as per the skill matrix approved by the Board of Directors of the Company and also meets the "Fit and Proper" criteria for appointment of director as prescribed under RBI-MD-SBR 2023.

In the opinion of the Board of Directors of the Company Sri. S. Shivram meets the conditions for appointment as an Independent Director as specified in the Act and the Listing Regulations and he is a person of integrity and is independent of the management.

The Board of Directors consider that the appointment of Sri. S. Shivram, as an Independent Director of the Company would immensely benefit the Company and hence it is desirable to avail of his services as an Independent Director.

The proposed appointment is in line with the requirements of the Articles of Association of the Company, the Company's "Policy on Fit and Proper Criteria for appointment of Directors" and Nomination and Remuneration Policy of the Company.

Sri. S. Shivram 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 and for re-imbursement for expenses incurred in connection with attending Board / Committee meetings.

As per Section 161 of the Act, an Additional Director shall hold office up to the date of the next annual general meeting of the company or up to the last date on which the annual general meeting should have been held, whichever is earlier. Further, in terms of Regulation 17(1C) of the Listing Regulations, a listed entity shall ensure that approval of shareholders for appointment

of a person on the board of directors is taken at the next general meeting or within a period of three months from the date of appointment, whichever is earlier. Accordingly, Sri. S. Shivram can hold the office as an Additional Director (Independent) up to September 27, 2025, the date of 68th AGM.

In terms of Regulation 25(2A) of the Listing Regulations, the appointment of an Independent Director of a listed entity, shall require approval of members by way of a Special Resolution.

A copy of the draft letter of appointment setting out the terms and conditions of appointment would be available for electronic inspection without any fee by the Members at the Registered Office of the Company during normal business hours on any working day and will also be available on the website of the Company, www.sakthifinance.com.

Accordingly, the Board of Directors recommend passing of the Special Resolution as set out in Item No.7 of the accompanying Notice for the approval of the members.

Details pursuant to Listing Regulations and Secretarial Standard on General Meetings ("SS-2"), issued by the Institute of Company Secretaries of India, in respect of appointment of Sri. S. Shivram are also given in the **Annexure 1** to the Notice.

Except Sri. S. Shivram, none of the Directors, Key Managerial Personnel of the Company or their relatives is concerned or interested, financially or otherwise, in the Special Resolution proposed in Item No.7 of the accompanying Notice.

Item No.8

Appointment of Sri. S Chandrasekhar (DIN : 00011901) as a Non-Executive, Non-Independent Director of the Company

The Board of Directors had, at their meeting held on August 14, 2025, based on the recommendation of the Nomination and Remuneration Committee ("NRC") and in terms of Sections 152 and 161 of the Act read with the Companies (Appointment and Qualification of Directors) Rules 2014 and Articles of Association of the Company, appointed Sri. S Chandrasekhar (DIN : 00011901), as a Non-Executive, Independent Director (Additional) of the Company and he is not liable to retire by rotation, subject to the approval of the Members.

However the Board of Directors have, based on the recommendations of Nomination and Remuneration Committee ("NRC"), at their meeting held on September 1, 2025, proposed to redesignate / appoint him as a Non-Executive, Non-Independent Director of the Company as Sri. S Chandrasekhar (DIN:00011901) may likely to take Directorships in other Companies, which may impact / impair his independence and he is liable to retire by rotation, subject to the approval of the Members.

The detailed profile of Sri. S Chandrasekhar is given in the **Annexure 1** to the Notice of the 68th AGM.

The Company has received a Notice from a Member under Section 160 of the Act, proposing the candidature of Sri. S Chandrasekhar (DIN : 00011901), for the office of a Director of the Company.

The Company has received from Sri. S Chandrasekhar, consent, declarations, confirmations and disclosures as per the requirements of the Act and the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 ("**Listing Regulations**"), including the following:

- consent in writing to act as director under Section 152(5) of the Act in Form DIR-2 pursuant to Rule 8 of the Companies (Appointment & Qualification of Directors) Rules 2014.
- declaration in Form DIR-8 in terms of the Companies (Appointment & Qualification of Directors) Rules 2014 that he is not disqualified under sub-section (2) of Section 164 of the Act from being appointed as a director of the Company.
- confirmation in compliance with Securities and Exchange Board of India ("**SEBI**") Order dated June 14, 2018 to the Stock Exchanges and further BSE Circular No. LIST/COMP/ 14/2018-19 dated June 20, 2018 stating that he is not debarred from holding the office of director by virtue of any order of SEBI or any other such authority.
- confirmation that he satisfies the 'Fit and Proper' criteria as prescribed by the Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions 2023 ("**RBI-MD-SBR 2023**"), as amended.
- confirmation that Directorships/Committee Memberships are within the statutorily permitted limits;

Further, the Board of Directors have adopted a skill matrix consisting of core skills/ expertise / competencies required to be collectively possessed by the Board of Directors of the Company in the context of the running the business of the Company. As per self-assessment of the skill / expertise / competence made by Sri. S Chandrasekhar and evaluated by the NRC and the Board of Directors, Sri. S Chandrasekhar, possesses the required skill sets, expertise and experience as per the skill matrix approved by the Board of Directors of the Company and also meets the "Fit and Proper" criteria for appointment of director as prescribed under RBI-MD-SBR 2023.

The Board of Directors consider that the appointment of Sri. S Chandrasekhar, as a Director of the Company would immensely benefit the Company and it is desirable to avail of his services as a Director.

The proposed appointment is in line with the requirements of the Articles of Association of the Company, the Company's "Policy on Fit and Proper Criteria for appointment of Directors" and Nomination and Remuneration Policy of the Company.

Sri. S Chandrasekhar 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 and for re-imbursement for expenses incurred in connection with attending Board / Committee meetings.

As per Section 161 of the Act, an Additional Director shall hold office up to the date of the next annual general meeting of the company or up to the last date on which the annual general meeting should have been held, whichever is earlier. Further, in terms of Regulation 17(1C) of the Listing Regulations, a listed entity shall ensure that approval of shareholders for appointment of a person on the board of directors is taken at the next general meeting or within a period of three months from the date of appointment, whichever is earlier. Accordingly, Sri. S Chandrasekhar can hold the office as an Additional Director up to September 27, 2025, the date of 68th AGM.

A copy of the draft letter of appointment setting out the terms and conditions of appointment would be available for electronic inspection without any fee by the Members at the Registered Office of the Company during normal business hours on any working day and will also be available on the website of the Company, www.sakthifinance.com.

Accordingly, the Board of Directors recommend passing of the Ordinary Resolution as set out in Item No.8 of the accompanying Notice for the approval of the members.

Details pursuant to Listing Regulations and Secretarial Standard on General Meetings ("SS-2"), issued by the Institute of Company Secretaries of India, in respect of appointment of Sri. S Chandrasekhar are also given in the **Annexure 1** to the Notice.

Except Sri. S Chandrasekhar, none of the Directors, Key Managerial Personnel of the Company or their relatives is concerned or interested, financially or otherwise, in the Ordinary Resolution proposed in Item No.8 of the accompanying Notice.

Item No.9

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

Background Details

1. At the 63rd Annual General Meeting of the Company held on December 17, 2020 members had approved the appointment of Sri M Balasubramaniam as Managing Director of the company for a period of five (5) consecutive years with effect from September 29, 2020. His present term of office as Managing Director gets completed on September 28, 2025.
2. Considering his significant contributions made to the company during his tenure of office, the Board of Directors have, at their meeting held on August 14, 2025, based on the recommendations of Nomination and Remuneration Committee and Audit Committee, reappointed him, subject to the approval of members, as Managing Director for a further period of five (5) consecutive years with effect from September 29, 2025 on the terms and conditions set out in the resolutions which are placed before the members for their approval. Upon his appointment as Managing Director, he will be a Key Managerial Personnel ("KMP") of the Company as per Section 203 of the Act.
3. In terms to Regulation 17(1C) of the Listing Regulations, the listed entity shall ensure that approval of members for appointment or re-appointment of a person on the Board of Directors is taken at the next general meeting or within a time period of three months from the date of appointment, whichever is earlier. Accordingly, the re-appointment of Sri M Balasubramaniam as Managing Director requires the approval of the members by way of a Special Resolution.
4. The Company has received a Notice in writing pursuant to Section 160 of the Act from a member proposing the re-appointment of Sri M Balasubramaniam for the office of Director of the Company.

Profile

5. Sri M Balasubramaniam is 66 years of age. He holds a Master's degree in Commerce from the University of Madras and a Master's Degree in Business Administration from Notre Dame University, USA. He joined the company as a Director in the year 1985 and has been the Managing Director of the company since 1990. He is also Managing Director of Sakthi Sugars Limited and Director in other public / private limited companies. He was also a Senate Member of Bharathiyar University, Coimbatore and was also a Member of Southern Regional Committee of All India Council of Technical Education ("AICTE").
6. During his long and eventful association with the Company for nearly four decades, the Company has gained from strength to strength under his outstanding leadership. Further, considering his qualifications, experience and expertise in the finance industry, his continued association would be of immense benefit and add value to the Company and hence it is desirable to continue of avail of his services as Managing Director of the company.
7. Further, the Board of Directors have identified the core skill sets / expertise to be collectively possessed by the Board of Directors of our Company in the context of the Company's business which include Industry knowledge, Leadership qualities, Strategic thinking, Financial Expertise (Banking, Finance and Accounting), Information Technology, Human Resources, Understanding the applicable laws, rules, regulations and policy and Integrity and ethical standards. Sri M Balasubramaniam possesses all the above skill sets for leading the company in the years ahead.
8. Based on his skill sets and considering his qualifications, extensive experience, expertise and integrity of Sri M Balasubramaniam in the Finance Industry, he will be eminently qualified for being re-appointed as Managing Director of the company for a further period of five (5) consecutive years with effect from September 29, 2025 to September 28, 2030, both days inclusive. He is not liable to retire by rotation.

Disclosures

9. Sri M Balasubramaniam has submitted the following documents:
 - a. consent in writing to be a Director in Form DIR-2
 - b. intimation in Form DIR-8 to the effect that he is not disqualified under Sections 164(1) and (2) of the Act.
 - c. disclosure of interest in Form MBP-1 as required under Section 184(1) read with Rule 9(1) to the Act
10. Sri M Balasubramaniam has confirmed that he satisfies the "Fit and Proper Criteria" as prescribed in RBI's Master Direction (Non-Banking Financial Company – Scale Based Regulations) Directions 2023 ("RBI-MD-SBR 2023"), in relation to the appointment of a Director.
11. Sri M Balasubramaniam has also confirmed that he is not debarred from holding the office of a Director by virtue of any SEBI Order or any such Authority pursuant to SEBI Circular dated June 20, 2018 circulated by BSE Limited relating to enforcement of SEBI Orders regarding appointment of Directors by listed companies.
12. Sri M Balasubramaniam's Directorship/Committee memberships are within the statutorily permitted limits.
13. The Company has not defaulted in payment of dues to any bank or public financial institution or non-convertible debenture holders or any other secured creditor.
14. The Statement under Section 102 of the Act setting out the above terms and conditions may also be treated as an abstract under Section 190 of the Act.
15. Details of his age, qualifications, experience and expertise, Directorships and Committee Memberships held in other public companies etc as stipulated under Regulation 36(3) of the Listing Regulations and the Secretarial Standard-2 on General Meetings issued by the Institute of Company Secretaries of India are given in the **Annexure 1** to the notice.
16. A copy of the draft agreement for the re-appointment of Sri M Balasubramaniam, setting out the terms and conditions would be available for inspection without any fee by the Members in electronic form as per the instructions provided in Item No. 9 of this Notice (at the registered office of the Company during normal business hours on any working day up to September 27, 2025).
17. His proposed re-appointment is also in line with the requirements of the Articles of Association, Policy on "Fit and Proper Criteria" in the appointment of Directors and Nomination and Remuneration Committee Charter (including Policy on remuneration) of our Company.
18. The Board of Directors is also of the view that Sri M Balasubramaniam's knowledge, experience and expertise would immensely benefit and value to the Company and pursuant to the recommendations of NRC, Audit Committee and the Board of Directors, recommend the Special Resolution set out in Item No 9 of the accompanying Notice for the consideration and approval of the members.

Inspection, Memorandum of Interest and Recommendation

19. All relevant documents, deeds and agreements etc relating to Item No.9 and referred to in this Notice and the Statement shall be available for electronic inspection without any fee by the Members, as provided in Note 14 of the Notes to this AGM Notice.
20. The following additional information as required by Schedule V to the Companies Act 2013 is given below:

I. General Information

i. Nature of Industry

The Company has been in the business of financing of pre-owned Commercial Vehicles, Infrastructure Equipments and Machines etc.

ii. Date or expected date of commencement of commercial production

The Company was incorporated on March 30, 1955 and started commencement of business immediately.

iii. In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus: Not applicable.

iv. Financial performance based on given indicators – as per audited financial statements for the year ended March 31, 2025.

Particulars	(₹ lakh)
Gross Turnover and Other Income	21,520.41
Net profit as per Statement of Profit and Loss (After Tax)	1,665.15
Computation of Net Profit in accordance with Section 198 of the Companies Act, 2013	2642.04
Net worth	19,976.54

v. Foreign investments or collaborators, if any: Not applicable.

II. Information about the appointee:

- i. Background details: Information furnished in the **Annexure 1** to Notice.
- ii. Past remuneration during the financial year ended March 31, 2025: ₹ 130.71 lakhs
- iii. Recognition or awards: Not applicable
- iv. Job Profile and Suitability :

Sri M Balasubramaniam holds a Post Graduate degree in Commerce from University of Madras and a Master's Degree in Business Administration in Finance from Notre Dame University, USA.

Sri M Balasubramaniam joined the Company as a Director in 1985 and he has been the Managing Director of the company since September 29, 1990 and Vice Chairman and Managing Director of the Company from October 24, 2007.

During his long and eventful tenure, our company has achieved an all-round performance. During the financial year 2025, our Company has crossed ₹ 1,350 Crore mark in total asset size under his very able stewardship.

Considering the qualifications, experience, integrity and expertise of Sri M Balasubramaniam in the finance industry, he will be eminently qualified for being appointed as Managing Director of the company for a further period of five (5) consecutive years with effect from September 29, 2025 to September 28, 2030 (both days inclusive).

v. Remuneration proposed

The present term of office of Managing Director gets completed on 28th September 2025. Sri M Balasubramaniam is proposed to be reappointed as Managing Director for a further period of five (5) consecutive years with effect from September 29, 2025 to September 28, 2030, both days inclusive, on the following terms and conditions:

Salary	₹ 3.00 Lakhs per month
Perquisites	Not exceeding the Annual Salary as may be decided by the Board of Directors from time to time. In addition to the salary, Sri M Balasubramaniam shall also be entitled to the following perquisites: <ol style="list-style-type: none"> a. Contribution to Provident and Superannuation Funds to the extent not taxable under the Income Tax Act 1961; b. Gratuity at the rate of half a month's salary for each completed year of service; and c. Encashment of leave at the end of tenure as per the rules of the Company
Commission	3 per cent on the Net Profits of the Company, subject to a maximum ceiling specified in Section I of Part II of Schedule V to the Act

vi. Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates, the relevant details would be with respect to the country of his origin).

The proposed remuneration to Sri M Balasubramaniam has been fixed after considering the size of the business, his qualification and the responsibilities shouldered for the effective management of the company. The remuneration proposed to be paid to him, is also commensurate with the remuneration given to his position / level by the same industry or similar companies.

vii. Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any:

Besides the remuneration proposed to be paid to him, the Managing Director does not have any other material pecuniary relationship with the Company or relationship with the managerial personnel.

III. Disclosures

The following disclosures shall be mentioned in the Board's Report under the heading "Corporate Governance", if any, attached to the financial statement:

- i. all elements of remuneration package such as salary, benefits, bonuses, stock options, pension, etc., of all the directors;
- ii. details of fixed components and performance linked incentives along with the performance criteria;
- iii. service contracts, notice periods, severance fees; and
- iv. stock option details, if any, and whether the same had been issued at a discount as well as the period over which accrued and over which exercisable.

The required information and necessary disclosures of the remuneration of all Directors for Financial Year 2024-25 and other terms and conditions are given in the Corporate Governance Report 2025 forming part of Annual Report 2025.

The Company will also enter into an agreement with the Managing Director for his re-appointment.

IV. Other Information

- i. Reasons of loss or inadequate profits : Not applicable as the Company has posted a net profit after tax of ₹ 1665.15 lakhs during the year ended March 31, 2025.
- ii. Steps taken or proposed to be taken for improvement - Not applicable
- iii. Expected increase in productivity and profits in measurable terms: Not applicable as the Company has made adequate profits.

21. Sri M Balasubramaniam is deemed to be concerned or interested as it relates to his reappointment and remuneration. Dr M Manickam, Chairman and Sri M Srinivaasan, Director are also interested in the reappointment of Sri M Balasubramaniam as relatives. None of the other Directors, KMPs and their relatives, have any concern or interest, financially or otherwise, in the Special Resolution.
22. Accordingly, the Board of Directors recommend passing of the Special Resolution as set out at Item No.9 of the Notice for approval of the Members of the Company. Further, as Sri M Balasubramaniam will attain the age of seventy years during his tenure of appointment, a Special Resolution is also required to be passed by the members for his appointment as Managing Director under Section 190 of the Act.

Item No.10

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

As per Section 42 and 71 of the Companies Act 2013 ("the Act") (including any statutory modification(s) or re-enactment thereof for the time being in force), read with the Companies (Prospectus and Allotment of Securities) Rules 2014 and the Companies (Share Capital and Debentures) Rules 2014 ("the Rules"), a company which offers or makes an invitation to subscribe to Non-Convertible Debentures ("NCDs") on private placement basis, is required to obtain the prior approval of the members by way of a Special Resolution, which can be obtained once in a year for all the offers and invitations for such NCDs during the year.

Accordingly, the members had approved issue of NCDs at a face value of ₹ 1,00,000 each and other debt securities up to ₹ 500 crore at the Annual General Meeting held on September 10, 2024, which is valid up to one year from the date of passing the resolution. Borrowings through NCDs and other debt securities, issued on private placement basis, form a significant source of funds for the Company.

The approval of the Members is being sought by way of a Special Resolution for the proposed issue of NCDs for an amount of ₹ 250 Crore. Further, Members are requested to authorize the Board (including any committee thereof) to offer and issue NCDs on private placement basis, in one or more series or tranches, within the overall borrowing limits of the Company, as approved by the members (₹ 2,500 Crores) on April 5, 2014 through Postal Ballot.

The issue proceeds are expected to be used to fund the hire purchase finance operations of the Company and for general working capital requirements and redemption of NCDs.

Disclosures as required under Rule 14 of the Companies (Prospectus and Allotment of Securities) Rules 2014 and Rule 13(2) of the Companies (Share Capital and Debentures) Rules 2014, to the extent applicable, the material facts in relation to the above issue of NCDs and other debt securities are as follows:

Particulars of the offer including date of passing of Board resolution	Secured Redeemable, Non-Convertible Debentures ("NCDs") and Other Debt Securities in one or more series or tranches Date of Board Meeting : August 14, 2024
Kinds of securities offered and the price at which security is being offered	NCDs of Face Value of NCDs: ₹ 1,00,000 each or such other amount as may be applicable and decided by the Board.
Basis or justification for the price (including premium, if any) at which the offer or invitation is being made	Not applicable
Name and address of valuer who performed valuation	Not applicable
Amount which the company intends to raise by way of such securities	For an amount not exceeding ₹ 250 crores in aggregate
Material Terms of raising of securities: Duration, if applicable, Rate of dividend or rate of interest, mode of payment and repayment	Terms NCDs: 15 to 120 months Interest Rate: Not exceeding 12 per cent per annum. Mode of payment: NEFT / Cheque / DD Repayment: NEFT / Cheque / DD on the date of maturity
Proposed time schedule for which the offer letter is valid	Valid for one (1) year from the conclusion of the 68th Annual General Meeting
Purposes and objects of the offer	To finance the business operations and increased working capital requirements of the Company and redemption of NCDs.
Contribution being made by the promoters or directors either as part of the offer or separately in furtherance of such objects	Promoters or Directors may subscribe to the offer.
Principal terms of assets charged as security, if applicable	Secured NCDs: Security cover will be 100 per cent of the Issue size

Accordingly, the Board of Directors recommend the Special Resolution set out in Item No. 10 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, except to the extent of NCDs and other debt securities that may be subscribed to by their relatives or companies/firms in which they are interested.

Item No. 11 to 13

The present Authorized Share Capital of the Company is ₹ 130 Crore consisting of 10,00,00,000 Equity Shares of ₹ 10 each and 30,00,000 Redeemable Cumulative Preference Shares of ₹ 100 each. The present issued, subscribed and paid-up share capital of the Company is ₹ 86.26 Crore consisting of 6,47,05,882 equity shares of ₹ 10 each and 21,55,150 Redeemable, Cumulative, Preference Shares ("RCPS") of ₹ 100 each.

With a view to facilitate increase of capital base, net worth and the Capital Adequacy Ratio, the Board of Directors intend to issue RCPS on private placement basis. To accommodate consequent increase in share capital, the Authorized Share Capital requires to be increased with additional 20,00,000 Redeemable, Cumulative, Preference Shares of ₹ 100 each. Accordingly, the revised Authorized Share Capital will be ₹ 150 Crore divided into 10,00,00,000 Equity Shares of ₹ 10 each and 50,00,000 Redeemable, Cumulative, Preference Shares of ₹ 100 each. This requires the approval of the members under Section 62 of the Companies Act 2013 for which necessary resolution is proposed as set out in Item No.11. As a consequence, the Capital Clauses in the Memorandum of Association (Clause 5) and the Articles of Association (Article 3) are required to be altered / amended and the necessary Resolutions are proposed under Item Nos. 12 and 13 respectively for the approval of the Members.

Accordingly, the Board of Directors recommend the above Resolutions at Item Nos. 11 to 13 of the accompanying Notice, for the approval of the Members of the Company.

None of the Directors or Key Managerial Personnel of the Company or their relatives, is concerned or interested, financially or otherwise, except to the extent of equity / preference shares that may be subscribed to by them, their relatives or companies/ firms in which they are interested.

Item No. 14

To increase the net worth, to strengthen the Capital Adequacy Ratio and to meet the Working Capital requirements of the Company, the company intends to issue, in one or more tranches, 20,00,000, Redeemable, Cumulative, Preference Shares ("RCPS") of ₹ 100 each for an amount not exceeding ₹ 20 crore 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 at their discretion, as detailed in the resolution, is 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 as follows:

a	Particulars of the offer including date of passing of Board resolution	Redeemable, Cumulative Preference Shares Date of Board Meeting: August 14, 2025
b	Size of the issue and the number of preference shares to be issued and the nominal value of each share	The Company proposes to issue and allot not exceeding 20,00,000 (Twenty Lakh Only) Redeemable, Cumulative, Preference Shares ("RCPS") of face value of ₹ 100 each for cash at par aggregating a nominal value not exceeding ₹ 20 crore 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.
c	Nature of such shares. i.e. cumulative or non-cumulative, participating or non-participating, convertible or non-convertible	Redeemable, Cumulative, Non-participating and Non-Convertible Preference Shares

d	Objectives of the issue	To increase the net worth, to strengthen the Capital Adequacy Ratio and to meet the working capital requirements of the Company.																					
e	Manner of issue of shares	On private placement basis.																					
f	Price at which such shares are proposed to be issued	₹ 100 each																					
g	Basis on which the price has been arrived at	None																					
h	Terms of issue, including terms and rate of dividend on each share etc	As mentioned in the resolution in Item No. 14, the rate of dividend will be decided by the Board of Directors at the time of issue.																					
i	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	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.																					
j	Manner and modes of redemption	Out of profits and /or out of the fresh issue of capital, as the case may be.																					
k	Current shareholding pattern of the Company	<p>Equity shareholding pattern as on June 30, 2025:</p> <table border="1"> <thead> <tr> <th>Category</th><th>No of Shares</th><th>% of equity capital</th></tr> </thead> <tbody> <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>1,56,25,992</td><td>24.15</td></tr> <tr> <td>Non-Resident Indians</td><td>50,063</td><td>0.07</td></tr> <tr> <td>Resident Individuals and Others</td><td>56,65,920</td><td>8.76</td></tr> <tr> <td>Total</td><td>6,47,05,882</td><td>100.00</td></tr> </tbody> </table> <p>Detailed shareholding pattern is available on the website of the Company i.e. www.sakthifinance.com and also available on the website of the BSE Ltd i.e., www.bseindia.com.</p>	Category	No of Shares	% of equity capital	Promoter and Promoter Group	4,33,63,007	67.02	Banks, Financial Institutions and Mutual Funds	900	0.00	Bodies Corporate including Overseas Corporate Body	1,56,25,992	24.15	Non-Resident Indians	50,063	0.07	Resident Individuals and Others	56,65,920	8.76	Total	6,47,05,882	100.00
Category	No of Shares	% of equity capital																					
Promoter and Promoter Group	4,33,63,007	67.02																					
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Non-Resident Indians	50,063	0.07																					
Resident Individuals and Others	56,65,920	8.76																					
Total	6,47,05,882	100.00																					
l	Expected dilution in equity share capital upon conversion of preference shares	Not applicable																					
m	Contribution being made by the promoters or directors either as part of the offer or separately in furtherance of such objects	Promoters or Directors may subscribe to the offer.																					

Accordingly, the Board of Directors recommend the Special Resolution set out in **Item No 14** 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

September 1, 2025
Coimbatore-18
Registered Office:
62, Dr Nanjappa Road, Coimbatore – 641 018
CIN : L65910TZ1955PLC000145
Phone : (0422) 2231471-74, 4236200
E-mail : investors@sakthifinance.com
Website : www.sakthifinance.com

DETAILS OF DIRECTORS SEEKING REAPPOINTMENT / APPOINTMENT AT THE SIXTY EIGHTH 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 S Veluswamy
Item No	4
Director Identification Number ("DIN")	05314999
Date of birth and age	June 20, 1959, 66 years
Date of first appointment on the Board	May 29, 2019
Designation and Category of Director	Non-Executive, Non-Independent Director
Qualifications	M.Com, ACS, Ph.d
No of Board Meetings attended during the year out of 8 meetings	Attended 7 out of 8 Board Meetings
Expertise in specific functional areas	<p>Dr. S. Veluswamy holds a Master's Degree in Commerce from Madras University. He is also an Associate Member of the Institute of Company Secretaries of India. He has also received a Doctorate degree in Commerce from Bharathiyar University, Coimbatore.</p> <p>He has been associated with the Company for more than 30 years with experience in secretarial, business operations and finance, funding of the Company. He had a stint as Chief Financial Officer of our Company from November 2014 - November 2015 as also was the Chief Executive Officer for 3 years till his appointment as Director. He was also Director (Finance and Operations) and Chief Financial Officer of our Company from May 29, 2019 to May 24, 2022. He continues to be a Non-Executive, Non- Independent director of our company.</p>
Directorships held in other Companies	<p>A. Public Companies</p> <ol style="list-style-type: none"> 1. ABT Foods Agrovat Limited 2. ABT Foods Limited 3. ABT Finance Limited 4. Sakthifinance Commercial Vehicle and Infrastructure Limited <p>B. Private Companies</p> <ol style="list-style-type: none"> 1. K Payment Gateway India Private Limited 2. Lakshmi Sundaram Properties Private Limited 3. Sakthi Pelican Insurance Broking Private Limited
Memberships / Chairmanships of committee across public companies	<p>Audit Committee – Member:</p> <ol style="list-style-type: none"> 1. ABT Foods Limited 2. ABT Foods Agrovat Limited
Name of the Listed entity from which the Director has resigned during past three (3) years	Not applicable
Terms and Conditions of re-appointment and details of remuneration sought	Sri S Veluswamy 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	Nil
Justification for appointment and skills and capabilities required for the role and the manner in which the proposed person meets such requirements	<p>Dr. S. Veluswamy holds a Master's Degree in Commerce from Madras University. He is also an Associate Member of the Institute of Company Secretaries of India. He has also received a Doctorate degree in Commerce from Bharathiyar University, Coimbatore. He has been associated with the Company for more than 30 years with experience in secretarial, business operations and finance, funding of the Company. He had a stint as Chief Financial Officer of our Company from November 2014 - November 2015 as also was the Chief Executive Officer for 3 years till his appointment as Director. He was also Director (Finance and Operations) and Chief Financial Officer of our Company from May 29, 2019 to May 24, 2022. He continues to be a Non-Executive Non- Independent director of our company.</p>
Details of last drawn remuneration (including sitting fees) from the Company	An amount of ₹ 3,40,000 (Rupees Three Lakh Forty Thousand only) paid towards sitting fees for attending the Board and Committee meetings held during the financial year 2024-25 (i.e from April 1, 2024 to March 31, 2025).
Relationship with other Directors	Nil

DETAILS OF DIRECTORS SEEKING REAPPOINTMENT / APPOINTMENT AT THE SIXTY EIGHTH 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	Smt. Susheela Balakrishnan
Item No	6
Director Identification Number ("DIN")	07140637
Date of birth and age	May 20, 1950, 75 years
Date of first appointment on the Board	Appointed as a Non-Executive, Independent Director (Additional), on the Board of the Company with effect from August 14, 2025
Designation and Category of Director	Non-Executive, Independent Director
Qualifications	B.A, FCA
No of Board Meetings attended during the year out of 8 meetings	Not applicable
Expertise in specific functional areas	Experience and expertise in the field of Finance, Accounts, Taxation, Bank Audits, NBFC Audits for more than four (4) decades and Management Consultancy for more than two (2) decades
Directorships held in other Companies	1. Sri Chamundeswari Sugars Limited 2. National Fittings Limited
Memberships / Chairmanships of committee across public companies	Audit Committee – Chairman 1. National Fittings Limited
Name of the Listed entity from which the Director has resigned during past three (3) years	Not applicable
Terms and Conditions of re-appointment and details of remuneration sought	Nil
Terms and Conditions of appointment and details of remuneration sought to be paid	Smt. Susheela Balakrishnan 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	Nil
Justification for appointment and skills and capabilities required for the role and the manner in which the proposed person meets such requirements	The Board of Directors of the Company is of the opinion that Smt. Susheela Balakrishnan is a person of integrity and considering her qualifications, extensive knowledge and rich experience and expertise in the field of Finance, Accounts, Taxation, Bank Audits, NBFC Audits and Management Consultancy, appointment of Smt. Susheela Balakrishnan is in the best interests of the Company. Her association would be of immense benefit and add value to the Company and therefore, the Board recommends her appointment as an Independent Director to the members. In the opinion of the Board of Directors, Smt. Susheela Balakrishnan is independent of the management of the Company and fulfils the conditions specified in the Act, the rules made thereunder and Listing Regulations, for appointment as an Independent Director
Details of last drawn remuneration (including sitting fees) from the Company	Not applicable
Relationship with other Directors	Nil

DETAILS OF DIRECTORS SEEKING REAPPOINTMENT / APPOINTMENT AT THE SIXTY EIGHTH 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	Sri S Shivram
Item No	7
Director Identification Number ("DIN")	07946245
Date of birth and age	July 11, 1966, 59 years
Date of first appointment on the Board	Appointed as a Non-Executive, Independent Director (Additional), on the Board of the Company with effect from September 1, 2025
Designation and Category of Director	Non-Executive, Independent Director
Qualifications	He holds: <ul style="list-style-type: none"> • a B.Tech degree in Textiles from Technological Institute of Textiles, Haryana • a Post Graduate Diploma in Management (Marketing and Finance) from Indian Institute of Management, Lucknow
No of Board Meetings attended during the year out of 8 meetings	Not applicable
Expertise in specific functional areas	Has extensive experience and expertise in the field of Human Resource Management, Strategic HR Consulting etc.
Directorships held in other Companies	Director: 1. Apollo Home Healthcare Limited 2. Apollo Rajshree Hospitals Private Limited 3. Duroply Industries Limited 4. Imperial Hospital and Research Centre Limited 5. Sakthi Pelican Insurance Broking Private Limited 6. Sakthi Sugars Limited 7. Sakthifinance Financial Services Limited
Memberships / Chairmanships of committee across public companies	Nil
Name of the Listed entities from which the Director has resigned during past three (3) years	Not applicable
Terms and Conditions of re-appointment and details of remuneration sought	Sri S Shivram 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	Nil
Justification for appointment and skills and capabilities required for the role and the manner in which the proposed person meets such requirements	The Board of Directors of the Company is of the opinion that Sri S Shivram is a person of integrity and has more than three decades of experience and expertise in the field of Human Resource Management, Strategic HR Consulting and his appointment will be in the best interests of the Company. His association would be of immense benefit and add value to the Company and therefore, the Board recommends his appointment as an Independent Director to the members. In the opinion of the Board of Directors, Sri S Shivram is independent of the management of the Company and fulfils the conditions specified in the Act, the rules made thereunder and Listing Regulations for appointment as an Independent Director.
Details of last drawn remuneration (including sitting fees) from the Company	Not applicable
Relationship with other Directors	Nil

DETAILS OF DIRECTORS SEEKING REAPPOINTMENT / APPOINTMENT AT THE SIXTY EIGHTH 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	Sri. S Chandrasekhar
Item No	8
Director Identification Number ("DIN")	00011901
Date of birth and age	December 3, 1966, 58 years
Date of first appointment on the Board	Appointed as a Non-Executive, Independent Director (Additional) on the Board of the Company with effect from August 14, 2025.
Designation and Category of Director	Re-designated / Appointed as Non-Executive, Non-Independent Director with effect from September 1, 2025.
Qualifications	B.B.M., MBA (USA)
No of Board Meetings attended during the year out of 8 meetings	Not applicable
Expertise in specific functional areas	Experience and expertise in the field of Finance, Transport, Plantation, Dealership and Marketing etc.
Directorships held in other Companies	Director: 1. Anamallais Engineering Private Limited 2. ARC Retreading Company Private Limited 3. Sakthi Coffee Estates Private Limited 4. A B T Madras Private Limited 5. Chamundeswari Enterprises Private Limited 6. Sakthi Properties (Coimbatore) Limited 7. Sakthi Realty Holdings Limited 8. Sakthifinance Commercial Vehicle and Infrastructure Limited 9. Sakthifinance Holdings Limited
Memberships / Chairmanships of committee across public companies	Nil
Name of the Listed entities from which the Director has resigned during past three (3) years	Not applicable
Terms and Conditions of re-appointment and details of remuneration sought	Sri. S Chandrasekhar 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	1,500
Justification for appointment and skills and capabilities required for the role and the manner in which the proposed person meets such requirements	The Board of Directors of the Company is of the opinion that Sri. S Chandrasekhar is a person of integrity and considering his qualifications, extensive knowledge and rich experience in the field of Finance, Transport, Plantation, Dealership and Marketing, the appointment of Sri. S Chandrasekhar is in the best interests of the Company. His association would be of immense benefit and add value to the Company and therefore, the Board recommends his appointment as a Non-Executive, Non-Independent Director to the members.
Details of last drawn remuneration (including sitting fees) from the Company	Not applicable
Relationship with other Directors	Nil

DETAILS OF DIRECTORS SEEKING REAPPOINTMENT / APPOINTMENT AT THE SIXTY EIGHTH 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	Sri M Balasubramaniam			
Item No	9			
Director Identification Number ("DIN")	00377053			
Category	Executive, Non-Independent			
Nationality	Indian			
Date of birth and age	September 20, 1958, 66 years			
Date of first appointment on the Board	August 21, 1985			
Qualifications	<ul style="list-style-type: none"> • Master's Degree in Commerce from University of Madras • Master's Degree in Business Administration from Notre Dame University, USA 			
Experience / Brief Profile	<p>Sri M Balasubramaniam joined the company as a Director in the year 1985 and has been the Managing Director of the company since 1990. He is also Managing Director of Sakthi Sugars Limited. He has 40 years of extensive experience and expertise in the field of finance, auto and sugar industries etc.</p> <p>Besides, during his long and eventful association with the Company, the Company has gained from strength to strength under his outstanding leadership</p>			
Terms and conditions of appointment including details of remuneration sought to be paid	<p>Sri M Balasubramaniam (DIN: 00377053) is appointed 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 he is not liable to retire by rotation.</p> <p>For details of remuneration, please refer page no 53 of the Annual Report (Corporate Governance Report).</p>			
No of Board Meetings attended during the year (FY 2024-25)	Attended 8 out of 8 Board Meetings			
Directorships held in other Companies	<p>Listed Public Companies</p> <ol style="list-style-type: none"> 1. Sakthi Sugars Limited 2. Kovai Medical Center and Hospital Limited <p>Unlisted Public Companies</p> <ol style="list-style-type: none"> 1. A B T Limited 2. Sakthi Auto Component Limited 3. Sakthifinance Financial Services Limited 4. Sakthi Properties (Coimbatore) Limited 5. Sri Chamundeswari Sugars Limited 6. The Gounder and Company Auto Limited <p>Private Limited Companies</p> <ol style="list-style-type: none"> 1. Anamallais Bus Transport Private Limited 2. Magnum Foundations Private Limited 3. ABT Supply Chain Solutions Private Limited <p>Section 8 Companies</p> <ol style="list-style-type: none"> 1. Coimbatore Innovation and Business Incubator 2. Nachimuthu Industrial Association 			
Memberships / Chairmanships of committees across public companies (other than our Company)	Sl No	Name of the Company	Committee Name	Position
	1	Sakthi Sugars Limited	Stakeholders' Relationship Committee	Member
			Audit Committee	Member
			Corporate Social Responsibility Committee	Chairman
			Risk Management Committee	Member

Listed entities from which the person has resigned from the directorship in the past three years	Not applicable
No of equity shares held in the Company	10,91,636
Justification for appointment (including remuneration) and skills and capabilities required for the role and the manner in which the proposed person meets such requirements	<p>The Board of Directors of the company have identified the following core skill sets / expertise identified by the Board to be collectively possessed by the Board of Directors of our Company in the context of the Company's business which include Industry knowledge, Leadership qualities, Strategic thinking, Financial Expertise (Banking, Finance and Accounting), Information Technology, Understanding the applicable laws, rules, regulations and policy and Integrity and ethical standards. The Board of Directors is of the opinion that Sri M Balasubramaniam possesses all the above skill sets for leading the company in the years ahead.</p> <p>Besides, based on his skill sets and considering his qualifications, extensive experience, expertise and integrity, Sri M Balasubramaniam will be well-qualified for being re-appointed as Managing Director of the company.</p>
Last drawn Remuneration	₹130.71 lakhs
Relationship with other Directors	Brother of Dr M Manickam, Chairman and Sri. M. Srinivaasan, Director. None of the other Directors are related to him.

TDS INSTRUCTIONS ON DIVIDEND

The Board of Directors have, at their meeting held on May 30, 2025, recommended an Equity Dividend of ₹ 0.80 (8 per cent) per equity share of face value of ₹ 10 each for the financial year 2024-25, subject to the approval of members at 68th Annual General Meeting ("AGM") of the Company. The Record Date for the purpose of equity dividend is **Saturday, September 20, 2025**.

The Income Tax Act, 1961 ("**the IT Act**"), as amended by the Finance Act 2020, mandates that dividends paid or distributed by a Company on or after April 1, 2020 shall be taxable in the hands of the members. Accordingly, the Company shall deduct tax at source (if applicable) at the time of making the payment of the Dividend, if declared at the 68th AGM.

The details given below provides the applicable Tax Deduction at Source ("**TDS**") provisions under the IT Act for Resident and Non-Resident shareholder categories, who are requested to take note of it.

Table 1: For Resident Shareholders

The shareholders are advised to update their PAN (Permanent Account Number), if not already done with depositories (in case shares are held in demat mode) and with the Company's Registrar and Transfer Agents, MUFG Intime India Private Limited (in case shares are held in physical mode).

Category of Shareholders	TDS Rate	Exemption Applicability / Documents required
Any resident shareholder (with PAN)	As per section 194 of the IT Act 10% with Valid PAN or 20% without PAN or Invalid PAN or Inoperative PAN	If dividend payable or likely to be paid to a resident individual shareholder during financial year 2025-26 does not exceed ₹ 10,000. If shareholder is exempted from TDS provisions through any circular or notification and provides an attested copy of the PAN along with the documentary evidence in relation to it. For shareholders who are considered as "Specified Persons" (refer footnote to Table 1) under Section 206AB of the IT Act, higher tax rate shall apply. For Shareholders whose PAN are considered as Inoperative, Higher tax rate shall apply under Section 139AA of the IT Act (Refer Footnote iii). For the purpose of TDS, the Company will verify the status (Specified Person or not) from the Government enabled on-line facility and accordingly will deduct the TDS.
Submitting Form 15G / Form 15H	Nil	Eligible shareholder providing Form 15G (applicable to Individuals (below the age of 60 years)) / Form 15H (applicable to an Individual aged 60 years and above) - on fulfilment of prescribed conditions. PAN is mandatory to provide Form/form
Order under Section 197 of the IT Act	Rate provided in the certificate	Lower / NIL withholding tax certificate obtained from Income Tax authorities.
Insurance Companies (Public / Other) or Mutual Funds specified under Section 10 (23D) or Alternative Investment Fund (covered by Notification No. 51/2015 dated 25 June 2015)	Nil	Self-declaration that it has full beneficial interest with respect to shares owned, along with documentary evidence such as self-attested copy of PAN card and registration certificate TDS shall be deducted at applicable rates if any of the above documents are not provided.
Corporation established by or under a Central Act, which is under any law for the time being in force, exempt from income-tax on its income	Nil	Self-declaration along with documentary evidence that the person is covered under Section 196 of the IT Act

Footnotes:
Table 1:

'Specified person' means a person who has:

- not furnished the return of income for the assessment year relevant to the previous year immediately preceding the financial year in which tax is required to be deducted, for which the time limit for furnishing the return of income under sub-section (1) of Section 139 has expired; and

ii. the aggregate of tax deducted at source and tax collected at source in his case is rupees fifty thousand or more in the said previous year.

iii. **Inoperative PAN means :** A Person who is eligible to obtain an Aadhaar Card has to link his / her PAN and Aadhaar. PAN which is not linked with Aadhaar has become inoperative with effect from 1st July 2023.

Table 2: For Non-resident Shareholders

Category of Shareholders	TDS Rate	Exemption Applicability/ Documents required
Any non-resident shareholder (including Foreign Institutional Investors ("FIIs"), Foreign Portfolio Investors ("FPIs"))	As per section 195 of the IT Act – 20% (plus applicable surcharge and cess) or DTAA rate, whichever is lower	<p>Non-resident shareholders (including FPI and FII shareholders) may opt for tax rate under Double Taxation Avoidance Agreement ("DTAA") read with Multilateral Instrument ("MLI") provisions. The Tax DTAA rate shall be applied for TDS on submission of following documents to the company:</p> <ul style="list-style-type: none"> • Self-attested copy of the PAN Card, if any, allotted by the Indian authorities. • Self-attested copy of Tax Residency Certificate ("TRC") valid as on the AGM date for the FY 2025-26 or the calendar year 2025 obtained from the tax authorities of the country of which the shareholder is resident • Electronically filed Self-declaration in Form 10F • Self-declaration confirming not having a Permanent Establishment in India, eligibility to DTAA read with MLI provisions if any, benefit and do not/ will not have place of effective management in India. • Declaration to establish the genuineness of applicability of treaty provisions including provisions of General Anti-Avoidance Rules and Multilateral Instruments, if any. <p>TDS shall be deducted at 20% (plus applicable surcharge and cess) if any of the above-mentioned documents are not provided. The rate of surcharge shall be determined considering the dividend paid in the FY 2025-26, if any.</p> <p>The Company is not obligated to apply the DTAA rates at the time of deduction/ withholding on dividend amounts. Application of DTAA rate shall depend upon the completeness of the documents (as required under the provisions of the IT Act) submitted by the non-resident shareholder.</p> <p>For shareholders who are considered as "Specified Persons" (refer footnote to Table 1) under Section 206AB of IT Act, higher tax rate as applicable would be deducted. For the purpose of TDS, the Company will verify the status (Specified Person or not) from the Government enabled on-line facility and deduct TDS accordingly. It may be noted that as per Section 206AB of IT Act, a non-resident who does not have a permanent establishment in India will not be considered as specified person.</p>
Submitting certificate under Section 195(3) /197 of the IT Act	Rate provided in the Certificate	Self-attested copy of lower / NIL withholding tax certificate obtained from Income Tax authorities.

Please note that:

1. The shareholders holding shares under multiple folios / demat accounts under different status / category under a single PAN, may note that, higher of the tax as applicable to the status in which shares held under a PAN will be considered on their entire holdings across all such accounts.
2. The Forms as mentioned in Table 1 and 2 can be accessed and downloaded from the website of the Company at the web-link <https://www.sakthifinance.com> and submit the applicable Forms to the Company's e-mail id, investors@sakthifinance.com, on or before **Saturday, September 20, 2025**.

BOARD'S REPORT

To the Members,

Your Directors are pleased to present their Sixty Eighth Annual Report together with the audited financial statements of your Company for the year ended March 31, 2025.

1. FINANCIAL PERFORMANCE

(₹ lakh)

Particulars	2024-25	2023-24
Total Income (A)	21,520.41	20,674.36
Less : Finance Costs	11,984.00	11,572.62
Other Expenditure	5,896.48	5,691.47
Depreciation, Amortization and Impairment	1,306.80	1,262.48
Total Expenses (B)	19,187.28	18,526.57
Profit before Exceptional Items and Taxes (A-B)	2,333.13	2,147.79
Exceptional Items	-	-
Profit before Tax	2,333.13	2,147.79
Less : Provision for Tax:		
- Current Tax	748.81	579.77
- Deferred Tax	(80.83)	(2.52)
Profit after tax for the year	1,665.15	1,570.54
Balance brought forward from earlier years	5,340.94	4,505.37
Profit available for Appropriation	7,006.09	6,075.91
Add : Other Comprehensive Income / (Loss)	(35.16)	32.08
Appropriations:		
- Dividend paid on Equity Shares (2024 & 2023)	517.65	452.94
- Transfer to Statutory Reserve	333.03	314.11
Balance carried forward to Balance Sheet	6,120.25	5,340.94

2. BUSINESS

For the Financial year ended March 31, 2025, your Company disbursed an amount of ₹ 76,171.00 lakh in vehicle financing operations. The overall collection efficiency has been satisfactory. Your Directors expect 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 May 25, 2024, declared a *pro rata* interim dividend of ₹ 8.25 per share on 8.25 per cent Redeemable, Cumulative, Preference Shares of ₹ 100 each for the financial year ended March 31, 2025, amounting to ₹ 1.27 lakh, after tax deducted at source of ₹ 0.08 lakh.

Your Directors have also, at their meeting held on March 25, 2025, declared an interim dividend of ₹ 9.00 per share (including a *pro rata* dividend) on 9 per cent Redeemable, Cumulative, Preference Shares of ₹ 100 each for the financial year ended March 31, 2025, amounting to ₹ 176.88 lakh, after tax deducted at source of ₹ 4.78 lakh.

b. EQUITY SHARES

Your Directors have, at their meeting held on May 30, 2025 recommended 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 March 31, 2025 amounting to ₹ 517.65 lakh, subject to deduction of tax, wherever applicable. Equity Dividend recommended by the Board of Directors for the financial year 2024-25, if approved by the members, will be recognized as a liability during the financial year 2025-26. The dividend recommended is in compliance with the RBI Master Direction – NBFC (Scale Based Regulation) Directions 2023, as amended on "Declaration of Dividend".

c. TAX ON DIVIDEND

In accordance with the provisions of the Income-tax Act 1961 ("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 furnished 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, September 20, 2025** (Record Date).

5. TRANSFER TO RESERVES

Your Company has transferred an amount of ₹ 333.03 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 March 31, 2025 was 18.63 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 stood at 14.95 per cent and Tier II stood at 3.68 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, there was no change in the paid-up share capital of the company. As at the end of the financial year, the total paid-up share capital stood at ₹ 8,625.74 lakh consisting of 6,47,05,882 equity shares of ₹ 10 each and 21,55,150 9 per cent Redeemable, Cumulative, Preference Shares 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. SCALE BASED REGULATIONS ("SBR")

RBI issued a Master Direction (No.RBI/DoR/2023-24/106 DoR.FIN.REC.No.45/03.10.119/2023-24 dated 19 October 2023) on Scale Based Regulation- NBFC Directions 2023. Based on this, your Company has been classified as "NBFC-Middle Layer" ("ML"). Your Company has complied with the various requirements specified under SBR for NBFC-ML within the prescribed timelines.

b. NOMINATION AND REMUNERATION COMMITTEE CHARTER

During the financial year 2024-25, Nomination and Remuneration Committee ("NR") Charter was amended in conformity with RBI's Scale Based Regulation and Listing Regulations, including introducing malus and

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	Options	Redemption Amount		Total amount redeemed	Date of redemption
			Principal	Interest		
1	25 June 2021	III and IV	3,258.27	599.46	3,857.73	29 October 2024
2	5 April 2022	III and IV	1,093.26	204.76	1,298.02	29 April 2025
3	10 April 2023	I and II	3,302.03	382.88	3,684.91	8 May 2025
4	7 March 2020	IX to XI	1,603.70	551.75	2,155.45	8 July 2025

12. DEPOSITS

The total deposits with the Company as at March 31, 2025 stood at ₹ 18,336.79 lakhs as compared to ₹ 8,390.85 lakh as at the end of the previous year.

As at the end of the financial year 2024-25, public deposits aggregating ₹ 121.75 lakh were due for repayment but remained unclaimed. The Company has been regularly reminding the depositors about the maturity and out of the said deposits, 24 deposits amounting to ₹ 54.57 lakh have since been claimed and paid / renewed as per their instructions.

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

During the financial year 2024-25, your Company has transferred unclaimed dividend, unclaimed matured

clawback clause in the NR Charter. 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 Act are covered in the Corporate Governance Report which forms part of the Board's Report. The amended NR Charter is available on the website of the Company at <https://sakthifinance.com/wp-content/uploads/2025/05/Nomination-and-Remuneration-Charter-with-Remuneration-Policy.pdf>. The remuneration policy is given in **Annexure 2**.

11. PUBLIC ISSUE / REDEMPTION OF NON-CONVERTIBLE DEBENTURES

a. Public Issue of Secured, Redeemable, Non-Convertible Debentures for ₹ 10,000 lakh

During the financial year 2024-25, your Company made a further Public Issue of Secured, Redeemable, Non-Convertible Debentures ("NCDs") of ₹ 1,000 each for an amount not exceeding ₹ 5,000 lakh, with an option to retain over-subscription for an amount not exceeding ₹ 5,000 lakh, aggregating ₹ 10,000 lakhs. The NCD issue opened on 17th March 2025 and closed on 28th March 2025. Your Company received a valid subscription of ₹ 11,320.78 lakh. Your Company made allotment of 10,00,000 NCDs aggregating ₹ 10,000 lakh to the eligible allottees on 4 April 2025. The NCDs were listed and admitted for trading with BSE Limited with effect from 8 April 2025. The proceeds of the NCD issue were used in accordance with the objects stated in the Prospectus.

deposits (including interest), amounting to ₹ 8.57 lakhs to IEPF. Further, the Company has also transferred 39,663 equity shares of ₹ 10 each in respect of which dividend has remained unclaimed for seven consecutive years to IEPF.

14. DIRECTORS AND KEY MANAGERIAL PERSONNEL

a. Retirement by rotation

In accordance with the provisions of Section 152(6) of the Companies Act 2013 ("the Act"), Dr S Veluswamy, Non-Executive Director (DIN: 05314999) will retire by rotation at the ensuing AGM of the Company and being eligible, offers himself for reappointment. Based on the recommendation of the Nomination and Remuneration Committee, the Board also recommended his re-appointment to the members.

b. Retirement of Independent Directors

Smt. Priya Bhansali and Sri K P Ramakrishnan, Independent Directors, will complete their second term of office as Independent Directors of the Company on September 27, 2025 and will cease to be Independent Directors of the Company from that date. The Board of Directors placed on record their deepest 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 and Non-Executive, Non-Independent Director (Additional)

The Board of Directors of the Company have, at their meeting held on July 4, 2025, based on the recommendation of Nomination and Remuneration Committee, approved the appointment of Sri K V Ramachandran (DIN: 00322331) as an Independent Director (Additional) of the Company in place of Sri M Bhaskar, who passed away suddenly on May 21, 2025, for a period of five years with effect from July 4, 2025 to July 3, 2030, subject to the approval of Members of the Company. The members approved the appointment of Sri K V Ramachandran (DIN: 00322331) as an Independent Director of the Company for the term as mentioned above by passing a Special Resolution through Postal Ballot.

Further, based on the recommendation of Nomination and Remuneration Committee, the Board of Directors appointed Smt. Susheela Balakrishnan (DIN : 07140637) and Sri. S Chandrasekhar (DIN : 00011901) as Non-Executive, Independent Directors (Additional) with effect from August 14, 2025, who meet the criteria of independence under Section 149(6) of the Act and the Rules made thereunder and Regulation 16(1)(b) of the Listing Regulations and in respect of whom the Company has received notices in writing from members under Section 160 of the Act, for a term of 5 (five) consecutive years with effect from August 14, 2025 to August 13, 2030, both days inclusive and they shall not be liable to retire by rotation. In the opinion of the Board, the proposed Independent Directors hold high standards of integrity, expertise and experience (including proficiency). They are exempt from the requirement to undertake on-line proficiency self-assessment test.

However, the Board of Directors have, based on the recommendation of Nomination and Remuneration Committee, at their meeting held on September 1, 2025, appointed / redesignated Sri. S. Chandrasekhar (DIN:00011901) as a Non-Executive, Non-Independent Director (Additional) of the Company as he may likely to take Directorships in other group Companies, which may impact / impair his independence and he is liable to retire by rotation.

Further, the Board of Directors have, at their meeting held on September 1, 2025, based on the

recommendation of Nomination and Remuneration Committee, appointed Sri. S. Shivram (DIN: 07946245) as an Independent Director (Additional) for a term of five consecutive years with effect from September 1, 2025 to August 31, 2025 (both days inclusive) and he is not liable to retire by rotation.

The necessary resolutions seeking approval of the members of the Company for appointment of Smt. Susheela Balakrishnan (DIN: 07140637) and Sri. S. Shivram (DIN: 07946245) as Independent Directors and Sri. S Chandrasekhar (DIN: 00011901) as a Non-Executive, Non-Independent Director have been included in the Notice of 68th Annual General Meeting of the Company.

The Board is pleased to recommend their appointments as Independent Directors and Non-Executive, Non-Independent Director respectively of the Company.

d. Cessation of a Director

Sri M Bhaskar, Independent Director (DIN : 02919393) of the Board and Chairman of Audit Committee and Member of various Committees of the Company since August 8, 2024 passed away suddenly on May 21, 2025. He has immensely contributed to the discussion and deliberations of the Board. The Board of Directors placed on record their sincere appreciation for the invaluable contributions made by him as a Member of the Board / Committees.

e. Re-appointment of Sri M Balasubramaniam as Managing Director

As recommended by the Nomination and Remuneration Committee and Audit Committee, the Board of Directors have, at their Meeting held on August 14 2025, approved the re-appointment of Sri M Balasubramaniam, as Managing Director of the Company for a further period of five (5) years with effect from September 29, 2025 to September 28, 2030 (both days inclusive) and he is not liable to retire by rotation. The Board recommended his re-appointment together with the terms and conditions of his re-appointment and the remuneration payable to him.

The Notice convening the ensuing 68th AGM sets out the brief profile, other details and disclosures relating to his re-appointment.

f. Number of Meetings of the Board

Eight (8) 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, which forms part of this Report.

g. Key Managerial Personnel ("KMPs")

In terms of Section 203 of the Act, Sri M Balasubramaniam, 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 March 25, 2025, designated Sri K S Venkitasubramanian, Chief Operating Officer, also as one of the KMPs of the Company with effect from that date under Section 2(51) of the Companies Act 2013.

h. Fit and Proper criteria and Non-Disqualification Declaration by Directors

In terms of Chapter XI to RBI Master Direction on Scale Based Regulation for NBFCs Direction 2023 (No. RBI/DoR/2023-24/106 DoR. FIN.REC. No.45/03.10.119/2023-24 dated October 19, 2023, 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.

i. Independent Directors' Declaration

Smt Priya Bhansali, Sri K P Ramakrishnan, Sri. Advait Kurlekar, Sri KV Ramachandran, Smt Susheela Balakrishnan and Sri S Shivram are the Independent Directors of the Company.

All the Independent Directors of the Company have submitted declarations that each of them meets the criteria of independence as provided in sub-section (6) of Section 149 of the Act and Regulation 25 of the Listing Regulations. Further, in terms of Regulation 25 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 undertaking due assessment of the veracity of the declaration and confirmation submitted by all the Independent Directors, concluded that in the opinion of the Board, the Independent Directors of the Company possess 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, FDI, international taxation, Human Resources, Marketing, Transport Industry etc. and they also hold highest standards of integrity and are Independent of the Management of the Company.

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

The Independent Directors of the Company have also declared and confirmed that they have enrolled

themselves in the Independent Directors' Databank maintained with the Indian Institute of Corporate Affairs ("IICA") in terms of Section 150 of the Act read with Rule 6 of the Companies (Appointment and Qualifications of Directors) Rules 2014.

Further, In terms of Section 150 of the Act read with the Companies (Appointment and Qualification of Directors) Rules 2014 as amended, since all the Independent Directors of the Company have served as Directors for a period of not less than three (3) years on the Board of Listed Companies as on the date of inclusion of their names in the database, they have either passed the on-line self-assessment test or are exempted to undertake the on-line proficiency self-assessment test conducted by the IICA.

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

No Independent Director has resigned before the expiry of his / her tenure.

j. 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.

k. Inter se relationship amongst Directors

Except Dr M Manickam, Chairman, Sri M Balasubramaniam, Vice Chairman and Managing Director and Sri M Srinivaasan, 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.

l. 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. 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 M Bhaskar, Chairman*
- b. Sri K V Ramachandran, Chairman**
- c. Sri M Srinivaasan, Member
- d. Sri K P Ramakrishnan, Member
- e. Smt Priya Bhansali, Member

* up to 21 May 2025

** with effect from 4 July 2025

16. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

During the financial year 2024-25, 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 2024-25 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. During the year, no complaint has been received in this regard. For details, please refer to the Corporate Governance Report which forms part of this Report.

21. SUBSIDIARIES, ASSOCIATE 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 March 31, 2025.

22. CORPORATE GOVERNANCE REPORT

As required under Regulation 34(3) read with Schedule V to the Listing Regulations, a report on Corporate

Governance and a certificate from the 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 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 financial year 2024-25, there were no complaints received in this regard by the ICC, the details of which are given below:

Sl No	Particulars	Details
1	Number of sexual harassment complaints received during the financial year.	Nil
2	Number of complaints disposed of within the year.	Nil
3	Number of cases pending for more than 90 days.	NA

24. DISCLOSURES UNDER MATERNITY BENEFIT ACT 1961

During the financial year 2024-25, your Company has complied with applicable provisions of the Maternity Benefit Act 1961.

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 the 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 March 31, 2025.

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 are 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 Committee and other particulars are provided in the Corporate Governance Report which form part of this report.

During the financial year 2024-25, your company is required to spend ₹ **47.36 lakh** towards CSR expenses. Your Company has spent ₹ **47.76 lakh** 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 September 10, 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.

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, www.sakthifinance.com.

c. Secretarial Auditors

Pursuant to Section 204 of the Act, your Directors had appointed M/s. Sriram Krishnamurthy & Co (formerly M/s S Krishnamurthy & Co), Company Secretaries, Chennai / Coimbatore to undertake the Secretarial Audit of your company for the year 2024-25. The Secretarial Audit Report (**Form MR-3**) for the financial year 2024-25 is set out in **Annexure 5**.

In terms of Regulation 24A of the Listing Regulations and Section 204 of the Act, read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014, the Audit Committee and the Board of Directors have approved the appointment and remuneration of CS R Dhanasekaran, Company Secretary in Practice (FCS No. 7070, Certificate of Practice No. 7745), as the Secretarial Auditor of the Company for a term of five (5) consecutive years, with effect from April 1, 2025 to March 31, 2030. The Board has recommended his appointment for approval of the Members at the ensuing Annual General Meeting ("AGM").

A brief profile and other relevant details of CS R Dhanasekaran are set out in the Notice convening the ensuing AGM.

CS R Dhanasekaran, Company Secretary in Practice has consented to act as the Secretarial Auditor of the Company and confirmed that his appointment, if approved, would be within the limits prescribed under the Act and Listing Regulations. He has further confirmed that he is not disqualified to be appointed as the Secretarial Auditor under the applicable provisions of the Act, rules made thereunder and Listing Regulations.

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 observations made by the Independent Auditors in their Certificate on Corporate Governance and the Secretarial Auditor in its Secretarial Audit Report, the Board of Directors wish to state that the gap between two Risk Management Committee Meeting had exceeded 210 days due to administrative difficulties only.

There are no other 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).

29. 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. The Company does not have any Foreign Exchange Earnings and Foreign Exchange Outgo : Nil

30. PARTICULARS OF EMPLOYEES AND REMUNERATION

The Company had 675 permanent employees on its rolls as on March 31, 2025.

The Information as 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 an integral part of this Report. 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.

31. 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.

32. 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.

33. ANNUAL RETURN

A copy of the Annual Return for the financial year 2024-25 will be placed on the website of the Company, www.sakthifinance.com within 60 days after conclusion of the 68th AGM.

34. PECUNIARY RELATIONSHIP OR TRANSACTIONS OF NON-EXECUTIVE DIRECTORS

During the year, the Non-Executive Directors 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 Notes to the financial statements.

35. 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.

36. 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 :

- no issue of shares with differential rights in relation to dividend, voting or otherwise;
- no issue of shares (including sweat equity shares) to Directors or employees of the Company;
- no scheme for provision of money for the purchase of its own shares by employees or by trustees for the benefit of employees;
- no revision of financial Statements and the Board's Report of the Company;
- no failure to implement any corporate action;
- no deviation or variation in connection with certain terms of public issue, rights issue, preferential issue, etc;
- no suspension of the Company's securities;
- 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
- 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.

37. 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

Dr M Manickam

Chairman

DIN : 00102233

September 1, 2025
Coimbatore - 18

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

GLOBAL ECONOMY

During the Financial Year ("FY") 2024-25, the global economy experienced moderate growth only due to persistent major inflationary pressures, tight monetary policies in developed economies and geopolitical tensions. The major economies like U.S. and Europe experienced slower growth due to higher interest rates, weaker consumer spending and emerging markets especially, in Asia maintained better economic activity due to domestic demand and sectoral growth.

As per International Monetary Fund ("IMF"), the global growth is expected to be 2.8 per cent for 2025 and 3.0 per cent for 2026. Heightened geopolitical tensions pose risks to the international monetary system. Due to the series of new tariff measures announced by Trump administration in U.S., the outlook for global economy has weakened further. Further global inflation is expected to be in slower pace than anticipated earlier. The headline inflation has been forecast at 4.3 per cent in FY 2025 and 3.6 per cent in 2026. The global economy faces increasing headwinds in 2025 with growth expected to be at 2.8 per cent. Major economies are expected to experience slower growth due to muted consumption and fiscal constraints.

Policy uncertainties, trade tensions and structural challenges in major economies pose risks. Proactive fiscal measures and international collaborations are expected to mitigate these risks. By innovation, strategic investments and policy changes, the global economy can remain better to sustain growth and bring new opportunities.

INDIAN ECONOMY

With the aid of stronger performance in the manufacturing and construction sectors, the India's Gross Domestic Product ("GDP") grew by 7.4 per cent in the January-March quarter ("Q4") of fiscal year 2024-25, up from 6.4 per cent in the previous quarter (October-December). While Q4 growth was the highest in four quarters, the full FY 2025's GDP of 6.5 per cent was a four-year low, down sharply from the 9.2 per cent growth recorded in FY 2024.

India also surpassed other large and contemporary economies, including China, which grew at 5.4 per cent in the previous year. Subdued urban demand and uncertainty surrounding Trump tariffs pose risks to the growth outlook for the current fiscal year (FY 2025-26). However, India is sustaining its growth and remains one of the fastest-growing economies in the world.

On the inflation front, Consumer Price Index ("CPI") based inflation dropped to 2.1 per cent in June 2025, being a 76 months low, marking the lowest since July 2019. This decline was primarily driven by a reduction in food inflation.

Further, food inflation turned negative during the month of June 2025, marking the lowest level since January 2019. This is mainly attributed to a favourable base effect and a decline in inflation of vegetables, pulses and products, cereals and products, sugar and confectionery, milk and products and spices etc.

The Whole-sale Price Index ("WPI") turned into a deflation after a gap of 19 months recording a negative 0.13 per cent during June 2025. It is primarily due to decrease in prices

in food articles, oils, manufacture of base metals, crude petroleum and natural gas etc. WPI based inflation was 0.39 per cent in May 2025 and 3.43 per cent in June last year.

The Indian automobile industry's performance was very much subdued in 2024-25. Indian Government's spending on infrastructure was lower than expected and the demand for commercial and passenger vehicles were weak. While the second half witnessed some improvement in sentiment, global events and geopolitical tensions had an effect on overall demand. As per Society of Indian Automobile Manufacturers ("SIAM"), wholesale despatches by the industry grew by 7.3 per cent in domestic sales and exports grew by 19.2 per cent.

The Commercial Vehicle ("CV") industry, to which our Company has been associated, declined to 1.2 per cent in FY 2024-25, compared to the previous year. However, this segment posted a growth of 1.5 per cent in the last quarter of FY 2024-25. Though the overall trucks segment has witnessed a slight year-on-year decline, the requirement of freight movement has been suitably served with fleets migrating towards higher GVW vehicles. The performance of this segment has been supported effectively by the expanding highways and expressway network, which is playing a crucial role in reducing logistic costs and enhancing regional connectivity.

OPPORTUNITIES AND THREATS

The Commercial Vehicle sector's future growth is one of positive, with Government's infrastructure investments, replacement demand of vehicle and depends on growth in industries such as coal, steel and cements.

However, challenges such as rising commodity costs, policy fluctuations and funding constraints may pose challenges to sustained expansion. Further, the push for sustainable mobility is driving a gradual shift towards electric commercial vehicles, supported by government incentives and environmental considerations. Though short-term volatility persists, the CV sector is well-positioned for long-term growth, driven by supportive policies and economic activities.

PROSPECTS FOR INDIAN ECONOMY DURING FINANCIAL YEAR 2025-26

World Bank ("WB") has predicted that India's Financial Year 2026 growth will be at 6.3 per cent. International Monetary Fund has also projected India's GDP Growth at 6.4 per cent. Asian Development Bank ("ADB") has forecast Indian GDP for the FY 2026 to 6.5 per cent citing the impact of baseline tariffs imposed by US and impact of policy uncertainty and Investment.

However, India continues to be one of the fastest growing major economies globally. India's domestic economy remains resilient supported by strong consumption particularly from revival in rural demand. Further, services and agricultural growth, the later supported by a forecast of above normal monsoon rains.

KEY REGULATORY CHANGES

During the Financial Year, RBI had issued several Circulars / Guidance Notes / Amendment / Master Directions etc, the details of which are summarized below:

- 1. Circular on "Fair Practices Code for Lenders – charging of interest to all Regulated Entities" dated April 29, 2024:** RBI has advised the Regulated Entities ("REs") to review their lending practices when it comes to applying interest and other charges to borrowers along with their modes of loan disbursement. The aim of this circular is to ensure fairness and transparency in interest rates.
- 2. Guidance Note ("GN") on "Operational Risk and Operational Resilience" dated April 30, 2024:** This GN has been issued with the intent of promoting and further improving the overall effectiveness of Operational Risk Management and Operational Risk Resilience of the REs.
- 3. Master Direction on Fraud Risk Management in NBFCs dated July 15, 2024:** This Master Direction has been issued to adhere to the principles of natural justice in declaring an account as fraudulent as there are serious consequences of the borrower being declared fraudulent. The measures advised by RBI to REs include Governance Structure, Early Warning Signals, indication of fraudulent activities and reporting etc.
- 4. Master Direction on Treatment of Wilful Defaulters and Large Defaulters dated July 30, 2024:** This Master Direction has been issued keeping in view the principles of natural justice. The identification of wilful defaulter shall be made keeping in view the track record of borrower. RBI has also advised the REs many internal measures to be adopted in this regard.
- 5. Notification on "Review of regulatory framework for HFCs and harmonization of regulations applicable to HFCs and NBFCs" dated August 12, 2024:** This has been issued for the benefit of depositors and contain several measures to be adopted by the REs.
- 6. Guidance Note ("GN") on "Internal Risk Assessment Guidance for Money Laundering ("ML") / Terrorist Financing ("TF") Risk" dated October 10, 2024:** This Guidance Note outlines several measures / principles to be followed while conducting an internal risk assessment exercise. It also provides for methodology and quantification of ML/TF Risk Assessment and control measures and the follow-up actions to be undertaken by REs.
- 7. Amendment to Master Direction - Know Your Customer ("KYC") Direction 2016 dated November 6, 2024:** These amendments have been made to bring KYC Directions in line with the recent changes made in Prevention of Money Laundering (Maintenance of Records) Rules 2005 and the Unlawful Activities (Prevention) Act ("UAPA") 1967. These amendments aim to simplify the KYC process for the REs and enhance the effectiveness of customer identification process measures, ensuring compliance with anti-money laundering and counter-terrorism financing Regulations.
- 8. Master Direction – Reserve Bank of India (Credit Information Reporting) Directions 2025 dated January 6, 2025:** The objective of issuing this Master Direction is to establish a standardized framework for reporting and dissemination of credit information, safeguard the confidentiality and security of sensitive credit data, among others. RBI has also advised the REs to adhere to the other measures given in the MD.

PERFORMANCE AND FINANCIAL REVIEW

For the FY 2024-25, your Company disbursed Advances to the extent of ₹ **76,171 lakhs**. As on March 31, 2025, the total deposits held by the company stood at ₹ **18,336.79 lakhs** as compared to ₹ 8,390.85 lakhs as at the end of the last year. The total income for the FY 2024-25 stood at ₹ **21,520.41 lakhs** and the net profit after tax for the year at ₹ **1,665.15 lakhs**, being six (6) per cent higher than the previous year, mainly due to increase in revenue from operations. The company accounted for depreciation, amortization and impairment for an amount of ₹ **1,306.80 lakhs**.

KEY FINANCIAL RATIOS

The following are the Key Financial Ratios of the Company for the FY 2024-25 as compared to the FY 2023-24.

Ratios	31st March 2025 (%)	31st March 2024 (%)
Return on Net Worth	8.16	8.44
Capital to Risk Adjusted Ratio ("CRAR"):		
- Tier I Capital	14.95	14.16
- Tier II Capital	3.68	4.32
Net Interest Income / Average Total Assets	6.76	6.60
Profit Before Tax / Average Total Assets	1.67	1.58
Total Debt / Net Worth	5.53	6.23
Interest Coverage Ratio	1.24	1.24
Gross Stage 3 Assets / Average Total Assets	4.37	4.84
Net Stage 3 Assets / Average Total Assets	2.07	2.35

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 takes pro-active and prudent risk management practices to mitigate these risks. Risk Management Committee and Audit Committee periodically reviews the policies in relation to risks 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 strictly adheres with all internal control policies and procedures and other regulatory requirements. The Company's external Internal Auditor submits his report to the Audit Committee on a periodical basis. Suitable action is promptly taken to rectify the deficiencies, if any.

PROSPECTS

The prospect for growth depends on various factors. Improvement in economic activities, revival of construction/ mining activities and rising consumer demand, which are aided by the Government's fiscal and monetary policies.

Further, by increasing presence in our operational areas with larger network of branches, your Company proposes 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 2024-25. 675 permanent employees were on the rolls of the company as on March 31, 2025. The Human Resources policy of your 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

Dr M Manickam
Chairman
DIN : 00102233

August 14, 2025
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.

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 Key Managerial Personnel 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 Key Managerial Personnel, other than the Board of Directors, by the Company.
Indicative list of KMPs and Senior Management is attached as **Annexure-A**.
- 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 DIRECTOR(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 commission
 - 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.

CORPORATE GOVERNANCE REPORT

(Pursuant to 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 March 31, 2025, the Board of Directors consists of eight (8) members. The Board has a Non-Executive Chairman, an Executive Vice Chairman and Managing Director and other six Non-Executive Directors, of which four 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% of the total number of Directors on the Board. The composition of the Board is in conformity with the provisions contained in the Companies Act 2013 ("the Act") and Regulation 17 of the Listing Regulations.

b. Compliance with limits of Directorship

The necessary disclosures regarding the Committee positions have been made by the Directors.

None of the Directors of the Company:

- hold Directorships in more than twenty (20) Companies (including ten (10) public limited companies and seven (7) listed companies; and
- is a member of more than ten (10) Committees and / or Chairman of more than five (5) Committees (the Committees being Audit Committees and Stakeholders' Relationship Committee) across all Companies in which they are Directors.

None of the Independent Directors on the Board serve as an Independent Director in more than seven (7) listed Companies and none of them is a Whole time Director / Managing Director in any listed entity.

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

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

c. Board confirmation regarding Independence of the Independent Directors

In accordance with Regulation 25(8) of the Listing Regulations, all Independent Directors ("IDs") have confirmed that they meet the criteria of independence 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 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 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 May 30, 2025, after taking these declarations / disclosures on record and acknowledging the veracity of them concluded that the IDs 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, pursuant to 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://www.sakthifinance.com/board-of-directors>. During the financial year 2024-25, 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 March 25, 2025 for the financial year 2024-25. 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 Independent Directors reviewed:

- the performance of Non-Independent Directors and the Board as a whole;
- the performance of the Chairman of the Company; and
- 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 thirteen (13) 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 Technology Security Committee, Special Committee of the Board for Monitoring and Follow up Cases of Fraud ("SCBMF") Identification Committee ("IC") and Review Committee ("RC").

f. Relationship amongst Directors

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

g. Number of Board Meetings held during the year

During the financial year 2024-25, eight (8) Board Meetings were held on May 25, 2024, August 8, 2024, September 25, 2024, October 17, 2024, November 12, 2024, January 13, 2025, February 12, 2025 and March 25, 2025. The necessary quorum was present for all the meetings. The gap between two meetings is within one hundred and twenty days only.

As required under Regulation 17(7) of the Listing Regulations, the minimum information to be placed before Board of Directors is made available to the Board

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, 2025.

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) (excluding Sakthi Finance Ltd)	Committee position (b)		No of Equity Shares held in and convertible instruments held in the Company (c)
			Held	Attended and Percentage			Chairman	Member	
Dr M Manickam DIN : 00102233	11-12-1990	Non-executive Chairman, Promoter	8	3 (37.50%)	Yes	6	-	1	92,813
Sri M Balasubramaniam DIN : 00377053	21-08-1985	Vice Chairman and Managing Director, Promoter	8	8 (100.00%)	Yes	8	-	3	10,91,636
Sri M Srinivaasan DIN : 00102387	18-04-1994	Non-executive Director, Non-Independent	8	4 (50.00%)	Yes	6	-	2	2,51,355
Smt Priya Bhansali DIN : 00195848	28-09-2015	Non-executive Director, Independent	8	8 (100.00%)	No	4	1	4	-
Sri K P Ramakrishnan DIN : 07029959	28-09-2015	Non-executive Director, Independent	8	8 (100.00%)	Yes	2	2	1	-
Dr S Veluswamy DIN : 05314999	29-05-2019	Non-executive Director, Non-Independent	8	7 (87.50%)	Yes	4	-	2	-
Sri M Bhaskar* DIN:02919393	08-08-2024	Non-executive Director, Independent	8	7 (87.50%)	Yes	-	-	-	-
Sri Advait Kurlekar DIN:00808669	08-08-2024	Non-executive Director, Independent	8	5 (62.50%)	Yes	1	-	1	-

*ceased to be the member of the Board with effect from May 21, 2025 due to sudden and untimely passing away.

Notes : a. excludes directorship 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.

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 familiarisation 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 familiarisation process is disclosed at the Company's web-link <https://sakthifinance.com/board-of-directors>.

i. Attendance and other Directorships

The Company Secretary and Chief Compliance Officer attends all the meetings of the Board and its Committees, as applicable 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 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, if any, received from the Directors. During the financial year 2024-25, meetings of the Board were held through video conference / physical in accordance with the provisions of law.

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

Name of the Director	Capacity	Nature of Change	Effective date
Dr A Selvakumar	Independent Director	Retired from Directorship on completion of second term of five (5) years as Independent Directors	September 26, 2024
Sri P S Gopalakrishnan			
Sri M Bhaskar	Independent Director	Appointed as Independent Directors for a term of five (5) consecutive years for the first term	August 8, 2024
Sri Advait Kurlekar			

There was no change in the composition of the Board of Directors during the financial year 2023-24.

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 25, 2025, 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 the Chairman and of the 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 SEBI/HO/CFD/PoD2/CIR/P/0155 dated November 11, 2024 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/investor-information>.

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 2025 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 M Manickam	1. Sakthi Finance Limited 2. Sakthi Sugars Limited	Non-Executive, Non-independent Executive, Non-independent
Sri M Balasubramaniam	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 M Srinivaasan	1. Sakthi Finance Limited 2. Sakthi Sugars Limited	Non-Executive, Non-independent Executive, Non-independent
Smt Priya Bhansali	1. Sakthi Finance Limited 2. Sakthi Sugars Limited 3. Kaycee Industries Limited 4. Salzer Electronics Limited 5. Bannari Amman Spinning Mills Limited	Non-Executive, Independent Non-Executive, Independent Non-Executive, Independent Non-Executive, Independent Non-Executive, Independent
Sri K P Ramakrishnan	1. Sakthi Finance Limited 2. Bannari Amman Spinning Mills Limited	Non-Executive, Independent Non-Executive, Independent
Dr S Veluswamy	1. Sakthi Finance Limited	Non-Executive, Non-independent
Sri M Bhaskar*	1. Sakthi Finance Limited	Non-Executive, Independent
Sri Advait Kurlekar	1. Sakthi Finance Limited 2. Pradeep Metals Limited	Non-Executive, Independent Non-Executive, Independent

*since passed away on May 21, 2025

m. D&O Insurance for Directors:

The Company has taken Directors and Officers Insurance ("D&O") for all its Directors and Members of the Senior Management for such quantum and for such risks as determined by the Board.

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 policy
8. Integrity and ethical standards

o. Board Skills / Expertise / Competencies

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 Knowledge	Leadership Qualities	Strategic Thinking	Financial Expertise	Human Resources	Information Technology	Understanding applicable laws, rules, regulation and policy	Integrity and ethical standards
1	Dr M Manickam	✓	✓	✓	✓	✓	✓	✓	✓
2	Sri M Balasubramaniam	✓	✓	✓	✓	✓	✓	✓	✓
3	Sri M Srinivaasan	✓	✓	✓	✓	✓	✓	✓	✓
4	Smt Priya Bhansali	✓	✓	✓	✓	✓	✓	✓	✓
5	Sri K P Ramakrishnan	✓	✓	✓	✓	✓	-	✓	✓
6	Dr S Veluswamy	✓	✓	✓	✓	✓	✓	✓	✓
7	Sri M Bhaskar	✓	✓	✓	✓	✓	✓	✓	✓
8	Sri Advait Kurlekar	✓	✓	✓	✓	✓	✓	✓	✓

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 information or for 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 Directions. Further, the constitution and role of the Audit Committee, Nomination and Remuneration Committee, Risk Management Committee, Asset Liability Management Committee, Information Technology ("IT") Strategy Committee, Information Technology ("IT") Steering Committee and Information Technology ("IT") Security Committee, Special Committee of the Board for Monitoring and Follow up Cases of Fraud ("SCBMF") Identification Committee ("IC") and Review Committee ("RC") 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 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 which is in line with the Amendments were made in line with 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 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/quarterly 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. Disclosure under Management Discussion and Analysis of Financial Condition and Results of Operations
 - c. Any changes in accounting policies and practices and reasons for them
 - 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 statement for uses/applications 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.
7. Reviewing and monitoring the auditors' independence and performance and effectiveness of audit process.
8. Approval or any subsequent modification of transactions of the listed entity with related parties.
9. Scrutiny of inter-corporate loans and investments.
10. Valuation of undertakings or assets of the listed entity, wherever it is necessary;
11. Evaluation of internal financial controls and risk management process.
12. Reviewing with the management, performance of statutory and internal auditors, adequacy of the internal control systems.
13. 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;
14. Discussions with internal auditors of any significant findings and follow-up thereon;
15. 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;
16. 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.
17. 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;
18. To review the functioning of the Whistle Blower ("Vigil") Mechanism;
19. Approval of appointment of Chief Financial Officer after assessing the qualifications, experience and background, etc., of the candidate.
20. Carrying out other function as is mentioned in the terms of reference of the Audit Committee;
21. Reviewing the utilisation of loans and/or advances from/investments by the holding company in the subsidiary exceeding ₹ 100 crore or 10% 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.
22. Review 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.
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. To review all regulatory policies of the company from time to time, hitherto taken care of by the Policy Review Committee (since dispensed with).
25. The audit Committee shall mandatorily review the following:
 - i. Management discussion and analysis of financial condition and results of operations

- ii. Management's letter / letters of internal control weaknesses issued by the Statutory auditors;
- iii. Internal audit reports relating to internal control weaknesses; and
- iv. The appointment, removal and terms of remuneration of the Chief Internal auditor shall be subject to review by the Audit Committee
- v. Statement of deviations:
 - a) Quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulations 32(1) of the Listing Regulations.
 - b) Annual statement of funds utilized for purposes other than those stated in the offer document/ prospectus/ notice in terms of Regulations 32(7) of the Listing Regulations.

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

The Committee was reconstituted by the Board of Directors at the meetings held on September 26, 2024 and on July 4, 2025. The present Committee composition is given below:

Composition, Number of Meetings held and Attendance

The Committee held six meetings during the financial year 2024-25, on May 25, 2024, August 8, 2024, September 25, 2024, November 12, 2024, February 12, 2025 and March 25, 2025. The gap between any two meetings is within one hundred and twenty days only. The present composition of the Audit Committee, number of meetings held 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 A Selvakumar*	20-11-2004	Chairman, Independent Director	6	3 (50.00%)	300
2	Sri M Srinivaasan	10-08-2011	Member, Non-Independent	6	2 (33.33%)	2,51,355
3	Sri K P Ramakrishnan	03-11-2017	Member, Independent Director	6	6 (100.00%)	-
4	Smt Priya Bhansali	01-04-2024	Member, Independent Director	6	6 (100.00%)	-
5	Sri M Bhaskar**	26-09-2024	Chairman, Independent Director	6	3 (50.00%)	-
6	Sri K V Ramachandran***	04-07-2025	Chairman, Independent Director	6	-	-

* ceased to be the Chairman of the Audit Committee on completion of second term as an Independent Director with effect from September 25, 2024

** ceased to be the Chairman of the Audit Committee with effect from May 21, 2025 due to sudden and untimely passing away.

*** has been appointed as Chairman of the Audit Committee with effect from July 4, 2025.

All the 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 ("NR") Charter (including Remuneration Policy) on March 25, 2025. 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 services of an external agencies, 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 September 25, 2024 and May 30, 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 four meetings during the financial year on May 24, 2024, August 8, 2024, November 12, 2024 and March 25, 2025. The Chairman of the Nomination and Remuneration Committee was present at the last 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 P S Gopalakrishnan*	15-02-2005	Chairman, Independent Director	4	2 (50%)	-
2	Dr A Selvakumar*	02-02-2002	Member, Independent Director	4	2 (50%)	300
3	Smt Priya Bhansali	14-11-2017	Member, Independent Director	4	4 (100%)	-
4	Sri Advait Kurlekar	26-09-2024	Chairman, Independent Director	4	2 (50%)	-
5	Sri M Bhaskar**	26-09-2024	Member, Independent Director	4	2 (50%)	-
6	Dr S Veluswamy	30-05-2025	Member, Non-Independent Director	4	-	-

* ceased to be the Chairman and Member of the NR Committee on completion of second term as an Independent Director with effect from September 25, 2024

** ceased to be the Member of the NR Committee with effect from May 21, 2025 due to sudden and untimely passing away.

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.

The details of remuneration/sitting fee paid to the Executive/Non-Executive Directors for the financial year 2024-25 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 M Manickam	-	-	-	1.20	1.20	92,813
2	Sri M Balasubramaniam	43.80	77.72	9.19	-	130.71	10,91,636
3	Sri M Srinivaasan	-	-	-	1.90	1.90	2,51,355
4	Dr A Selvakumar*	-	-	-	2.80	2.80	300
5	Sri P S Gopalakrishnan*	-	-	-	0.90	0.90	Nil
6	Smt Priya Bhansali	-	-	-	6.50	6.50	Nil
7	Sri K P Ramakrishnan	-	-	-	5.60	5.60	Nil
8	Dr S Veluswamy	-	-	-	3.40	3.40	Nil
9	Sri M Bhaskar	-	-	-	4.90	4.90	Nil
10	Sri Advait Kurlekar	-	-	-	2.70	2.70	Nil
	Total	43.80	77.72	9.19	29.90	160.61	

* up to September 25, 2024.

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 September 29, 2020.
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 except as disclosed in related party transactions.
7. No remuneration (sitting fees) payable to a single Non-executive Director exceeds fifty percent of the total annual remuneration payable to all Non-Executive directors

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 the Listing Regulations.

Terms of reference

The terms of reference of this Committee are as per Part D of Schedule II B to the Listing Regulations and 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 dividend warrants /annual reports/statutory notices by the shareholders of the Company.
- e. Resolving grievances of debenture holders related to creation of charge, payment of interest / principal, maintenance of security cover and any other covenants.

The Board of Directors at their meeting held on September 25, 2024 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 four meetings during the financial year on October 15, 2024, October 29, 2024, January 27, 2025 and March 25, 2025 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. M Manickam	24-10-2007	Chairman, Non- independent Director	4	3 (75%)	92,813
2	Sri M Balasubramaniam	02-02-2002	Member, Non-Independent Director	4	4 (100%)	10,91,636
3	Dr A Selvakumar*	02-02-2002	Member, Independent Director	4	-	300
4	Sri K P Ramakrishnan**	26-09-2024	Member, Independent Director	4	4 (100%)	-

* ceased to be the member of the Committee on completion of his second term as an Independent Director with effect from September 25, 2024

** appointed as member with effect from September 26, 2024.

During the year, the Company received three complaints and these were duly resolved. The Chairman of Stakeholders' Relationship Committee was present at the last Annual General Meeting.

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) 2231471-474, 4236200

E-mail : investors@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:

- indicate the activities to be undertaken as specified in Schedule VII to the Act;
- recommend the amount of expenditure to be incurred on the CSR activities;
- to monitor the CSR Policy of the Company from time to time;
- prepare a transparent monitoring mechanism for ensuring implementation of the projects/ programmes/activities proposed to be undertaken by the Company; and
- 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 the Directors, have at their meetings held on September 25, 2024 and May 30, 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 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 P S Gopalakrishnan*	09-08-2014	Chairman, Independent Director	-	-	-
2	Sri M Balasubramaniam	09-08-2014	Member, Non-Independent Director	-	-	10,91,636
3	Dr A Selvakumar*	09-08-2014	Member, Independent Director	-	-	300
4	Sri K P Ramakrishnan	30-05-2025	Chairman, Independent Director	-	-	-
5	Sri M Bhaskar**	26-09-2024	Chairman, Independent Director	-	-	-
6	Dr S Veluswamy	30-05-2025	Member, Non-Independent Director	-	-	-

* ceased to be a Chairman and Member of the Committee on completion of second term as Independent Directors with effect from September 25, 2024.

** ceased to be a member of the Committee due to sudden and untimely demise on May 21, 2025.

As per the amended Section 135(5) of the Act as the CSR amount to be spent by the Company is less than the prescribed amount required to be spent, the functions of the CSR Committee is being discharged after by the Board of Directors and hence no meetings of the Committee were held during the year.

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 at their meeting held on September 25, 2024 reconstituted the composition of Asset Liability Management 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 three meetings during the financial year on June 25, 2024, February 11, 2025, March 24, 2025 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	Dr S Veluswamy	09-12-2022	Chairman, Non-Independent Director	3	3 (100%)	-
2	Sri M Balasubramaniam	24-10-2001	Member, Non-Independent Director	3	3 (100%)	10,91,636
3	Dr A Selvakumar*	05-08-2019	Member, Independent Director	3	1 (33.33%)	300
4	Sri M Bhaskar**	26-09-2024	Member, Independent Director	3	2 (66.66%)	-
5	Sri Srinivasan Anand***	13-11-2021	Member, Chief Financial Officer	3	1 (33.33%)	-
6	Sri K Sundaramurthy	26-09-2024	Member, Chief Financial Officer	3	2 (66.66%)	-
7	Sri K S Venkitasubramanian	13-11-2021	Member, Chief Operating Officer	3	3 (100%)	-
8	Sri S Senthilkumar	14-02-2015	Member, Deputy General Manager (F&A)	3	3 (100%)	-

- * ceased to be a member of the Committee on completion of second term as Independent Director with effect from September 25, 2024.
- ** ceased to be the member of the Committee with effect from May 21, 2025 due to sudden and untimely passing away.
- *** ceased to be a member of the Committee with effect from September 25, 2024.

F. Risk Management Committee

The Risk Management Committee has been constituted in Compliance with RBI and SEBI requirements.

Terms of reference

The Risk Management Committee has been formed for the purpose of managing the inherent risks faced by the Company. The Committee has been reconstituted by the Board of Directors at their meeting held on September 26, 2024. The present composition of the Risk Management 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 three (3) meetings during the financial year on June 25, 2024, February 11, 2025 and March 24, 2025 and the attendance of its members are given below:

Sl No	Name of the Director / Officer	Member of Committee since	Category	Number of meetings		No of Equity Shares held in the Company
				Held	Attended and percentage	
1	Sri K P Ramakrishnan	01-04-2024	Chairman, Non-Independent Director	3	3 (100%)	-
2	Dr A Selvakumar*	17-01-2015	Member, Independent Director	3	1 (33.33%)	300
3	Dr S Veluswamy	07-08-2023	Member, Non-Independent Director	3	3 (100%)	-
4	Sri M Balasubramaniam	26-09-2024	Member, Non-Independent Director	3	2 (66.66%)	10,91,636
5	Dr G Sundar**	18-03-2023	Member, Chief Risk Officer	3	1 (33.33%)	-

* ceased to be the member of the Committee on completion of second term of office as an Independent Director with effect from September 25, 2024

** ceased to be a member of the Committee due to the resignation from the position of Chief Risk Officer with effect from September 6, 2024.

G. Finance, Investment and Securities Issuance Committee

The Committee was reconstituted on March 27, 2024, by merging Finance and Investment Committee, NCD Issuance Committee and Special Investments Committee.

Terms of reference of the Finance, Investment and Securities Issuance Committee are given below:

- 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.
- 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 as under:

- 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;
- Giving or authorizing the giving by persons concerned of such declarations, affidavits, certificates, consents and authorities as may be required from time to time;
- Appointing the lead manager(s) to the issue in accordance with the provisions of the SEBI NCS Regulations;
- 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;
- 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;
- 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 composition of the Committee, the number of meetings held and attendance of its members are given below:

Composition, Number of Meetings held and Attendance

During the financial year, Twenty four (24) meetings were held on April 2, 2024, April 17, 2024, May 24, 2024, May 28, 2024, May 30, 2024, June 5, 2024, June 7, 2024, June 13, 2024, June 21, 2024, June 27, 2024, July 9, 2024, July 25, 2024, July 31, 2024, August 28, 2024, September 3, 2024, October 19, 2024, November 8, 2024, November 29, 2024, December 13, 2024, December 18, 2024, February 15, 2025, February 25, 2025, March 10, 2025 and March 28, 2025, 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	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	24	24 (100%)	-
2	Sri K Sundaramurthy	26-09-2 024	Member, Chief Financial Officer	24	9 (37.50%)	-
3	Sri Srinivasan Anand*	01-04-2024	Member, Chief Financial Officer	24	5 (20.83%)	-
4	Sri S Senthil Kumar	01-04-2024	Member, Deputy General Manager (F&A)	24	24 (100%)	-

* ceased to be a member of the Committee with effect from September 25, 2024.

H. Information Technology ("IT") Strategy Committee

The Board of Directors had, at their meeting held on November 14, 2017, constituted an Information Technology ("IT") Strategy Committee in compliance with the RBI Master Directions on IT Governance.

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 Committee has been reconstituted by the Board of Directors at their meetings held on September 25, 2024 May 5, 2025 respectively.

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 May 22, 2024, September 2, 2024, December 12, 2024 and March 13, 2025 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	Dr A Selvakumar*	14-11-2017	Chairman, Independent Director	4	2 (50%)	300
2	Sri M Srinivaasan	01-04-2024	Member, Non-Independent Director	4	1 (25%)	2,51,355
3	Dr S Veluswamy	14-11-2017	Member, Non-Independent Director	4	1 (25%)	-
4	Smt Priya Bhansali	26-09-2024	Chairman, Non-Independent Director	4	2 (50%)	-
5	Sri M Bhaskar**	26-09-2024	Member, Independent Director	4	2 (50%)	-
6	Sri Srinivasan Anand***	13-11-2021	Member, Chief Financial Officer	4	1 (25%)	-
7	Sri K Sundaramurthy	26-09-2024	Member, Chief Financial Officer	4	2 (50%)	-
8	Sri K S Venkitasubramanian****	13-11-2021	Member, Chief Operating Officer	4	2 (50%)	-
9	Dr N Raveendran	14-11-2017	Member, Chief Information Officer	4	4 (100%)	-

* ceased to be a member of the Committee due to completion of second term of Office as Independent Director with effect from September 25, 2024

** due to sudden and untimely demise, he ceased to be a Chairman of the Committee with effect from May 21, 2025

*** ceased to be a member of the committee with effect from September 25, 2024.

**** relinquished as member of the Committee with effect from September 25, 2024.

I. Information Technology ("IT") Security Committee

As per RBI's Master Direction on Information Technology Governance, Risk, Controls and Assurance Practices ("RBI MD-IT"), the Board of Directors have, at their Board Meeting held on March 27, 2024 constituted the Information Technology ("IT") Security Committee.

Terms of reference

- Development of information/cyber security policies, implementation of policies, standards and procedures to ensure that all identified risks are managed within the RE's risk appetite;
- Approving and monitoring information security projects and security awareness initiatives;
- Reviewing cyber incidents, information systems audit observations, monitoring and mitigation activities; and
- Updating IT Steering Committee and CEO periodically on the activities of IT Security Committee

The Committee has been reconstituted by the Board of Directors at their meeting held on September 25, 2024.

The present composition of IT Security 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 Two (2) meetings during the financial year on December 12, 2024 and March 13, 2025 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 M Bhaskar*	26-09-2024	Chairman, Independent Director	2	2 (100%)	-
2	Dr N Raveendran	27-03-2024	Member, Chief Information Officer	2	2 (100%)	-
3	Sri Sundaramurthy	26-09-2024	Member, Chief Financial Officer	2	1 (50%)	-
4	Sri K S Venkitasubramanian	27-03-2024	Member, Chief Operating Officer	2	2 (100%)	-
5	Sri N Sadeesh	08-08-2024	Member, Chief Information Security Officer	2	2 (100%)	-

* ceased to be the Chairman of the Committee with effect from May 21, 2025 due to sudden and untimely passing away

J. Information Technology ("IT") Steering Committee

The committee was constituted by the Board of Directors at their Meeting held on November 20, 2022 to support the IT Strategy Committee.

Terms of reference

- Strategic IT Planning, Oversight of IT Performance and aligning IT activities with business needs;
- Update Board / IT Strategy Committee and Vice Chairman and Managing Director periodically on the activities of IT Steering Committee;

- iii. Oversee the business continuity planning process etc;
- iv. Define IT project success measures and follow up progress on IT Projects;
- v. Ensure compliance with technology standards and guidelines; and
- vi. 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 March 27, 2024.

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 May 21, 2024, August 30, 2024, December 3, 2024 and March 5, 2025 and the attendance of its members are given below:

Sl No	Name of the Officers	Member of Committee since	Category	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	2 (50%)	-
2	Sri Srinivasan Anand*	27-03-2024	Member, Chief Financial Officer	4	1 (25%)	-
3	Sri K Sundaramurthy	25-09-2024	Member, Chief Financial Officer	4	2 (50%)	-
4	Sri K S Venkitasubramanian	27.03.2024	Member, Chief Operating Officer	4	4 (100%)	-
5	Sri S Senthil Kumar	27-03-2024	Member, Deputy General Manager (F&A)	4	4 (100%)	-

* ceased to be a member of the Committee with effect from September 25, 2024

K. Special Committee of the Board for Monitoring and Follow up Cases of Fraud ("SCBMF")

The Board of Directors have, at their meeting held on February 12, 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).

Terms of reference of SCBMF 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

The members of the Committee are as follows:

Sl No	Name of the Officers	Member of Committee since	Category	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	Dr K Natesan	12-02-2025	Member, President	-	-	-
3	Sri G R Krishnan	12-02-2025	Member, General Manager - Credit & QA	-	-	-
4	Sri C Muthu Bharathi	12-02-2025	Member, General Manager - HR	-	-	-

L. Identification Committee ("IC")

The Board of Directors had, at their meeting held on February 12, 2025, constituted an Identification Committee in terms of RBI's Master Direction on Treatment of Wilful Defaulters and Large Defaulters.

Terms of reference of Identification Committee are as follows:

- i. To examine the evidence of wilful default.
- ii. To verify the evidence of wilful default to be examined by it.

The members of the Committee are as follows:

Sl No	Name of the Officers	Member of Committee since	Category	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	Dr K Natesan	12-02-2025	Member, President	-	-	-
3	Sri G R Krishnan	12-02-2025	Member, General Manager - Credit & QA	-	-	-

M. Review Committee ("RC")

The Board of Directors had, at their meeting held on February 12, 2025, constituted an Review Committee in terms of RBI's Master Direction on Treatment of Wilful Defaulters and Large Defaulters.

Terms of reference of Review Committee are as follows:

To examine the proposal along with the written representations received from the borrower.

The members of the Committee are as follows:

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 M Balasubramaniam	12-02-2025	Chairman, Non-Independent Director	-	-	-
2	Dr S Veluswamy	12-02-2025	Member, Non-Independent Director	-	-	-
3	Sri K P Ramakrishnan	12-02-2025	Member, Independent Director	-	-	-

4. PARTICULARS OF SENIOR MANAGEMENT

The details of Senior Management Personnel ("SMP") as on March 31, 2025 as defined under Regulation 16(d) of Listing Regulations, including changes 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
2	Sri K Sundaramurthy	Chief Financial Officer
3	Sri S Venkatesh	Company Secretary and Chief Compliance Officer
4	Dr Natesan K	President
5	Dr Purushothaman M	Associate Vice President – HR
6	Sri Jom Kuriakose Joseph	Associate Vice President - Strategic Initiatives
7	Dr Raveendran N	Chief Information Officer
8	Sri Sagayaraj Joseph A	General Manager - Receivables Management
9	Sri Krishnan G R	General Manager – Credit & QA
10	Sri Muthu Bharathi C	General Manager – HR
11	Sri Viswanathan Venkateswaran	General Manager – OSM

5. INTERNAL GUIDELINES ON CORPORATE GOVERNANCE

In accordance with the provisions of the Listing Regulations and Master Direction – RBI (Non-Banking Financial Company – Scale Based Regulation) Directions 2023 ("RBI-SBR-Direction"), 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	67th Annual General Meeting	September 10, 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 Debenture ("NCDs") and / or Other Debt Securities on private placement basis for an amount not exceeding ₹ 500 crores

2	66th Annual General Meeting	September 21, 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
3	65th Annual General Meeting	September 28, 2022 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 crore 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 crore

b. Special Resolutions passed through postal ballot during the financial year 2024-25

The Company sought the approval of its shareholders on the following matters by way of Special Resolutions through Postal Ballot notice dated March 27, 2024, by utilizing remote e-voting process only. For the said postal ballot, remote e-voting began on Friday, March 29, 2024 and concluded on Saturday, April 27, 2024. On the final day of remote e-voting, i.e. Saturday, April 27, 2024, the resolutions were passed with requisite majority and the outcomes were declared on Monday, April 29, 2024.

Details of Special Resolutions passed along with voting pattern are given below:

Description of Special Resolutions and Type of Resolution	VOTES FOR		VOTES AGAINST	
	No. of Votes	% of Votes	No. of Votes	% of Votes
Issue of Redeemable, Cumulative, Preference Shares on Private Placement basis for an amount not exceeding ₹ 15 crores	5,39,57,616	100.00	-	-
Issue of Secured, Redeemable, Non-Convertible Debentures ("NCDs") on Private Placement Basis for an amount not exceeding ₹ 50 crores	5,39,57,611	99.99	5	0.01

Procedure for the Postal Ballot:

The above Postal Ballot was conducted solely through the remote e-voting process in accordance with provisions of Sections 108 and 110, as well as other applicable provisions of the Act and its corresponding Rules.

Sri K Murali Mohan, Practicing Chartered Accountant (Membership No.: 14328), was appointed as Scrutinizer, for conducting the above Postal Ballot through the remote e-voting process fairly and transparently and 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

- The quarterly results are published in national/regional daily ("Business Line" in English and "The Hindu-Tamil Thisai" in Tamil).
- 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/intimation 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 / APPOINTMENT

Details of disclosure regarding reappointment of a Director retiring by rotation, appointment of Independent Directors, Non-Independent and re-appointment of Managing Director are given in the Annexure-1 to the AGM Notice.

11. GENERAL SHAREHOLDER INFORMATION

68th Annual General Meeting

Day, Date and Time : **Saturday, September 27, 2025 at 12.00 Noon**

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 2024-25

Unaudited financial results for the quarter ended June 2025	On or before August 14, 2025
Unaudited financial results for the quarter ending September 2025	On or before November 14, 2025
Unaudited financial results for the quarter ending December 2025	On or before February 14, 2026
Audited financial results for the year ending March 2026	On or before May 30, 2026
Annual General Meeting for the year ending March 2026	On or before September 30, 2026

13. DIVIDEND PAYMENT

The Board of Directors recommended an equity dividend at the rate of eight per cent (8%) on May 30, 2025, which is subject to deduction of tax, wherever applicable. Dividend will be paid on or after September 27, 2025 but within the stipulated time.

14. PROCEEDS FROM PUBLIC ISSUE OF NCDs

During the year under review, the Company raised an amount of ₹ **12,367.44 lakhs** through Public Issue of Secured, Rated, Listed, Redeemable, Non-convertible Debentures on July 9, 2025. The Company has fully utilised the proceeds towards the objects stated in the prospectus.

15. LISTING ON STOCK EXCHANGE

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 2020

As per the terms and conditions of the Public Issue Prospectus dated March 7, 2020, your company has redeemed Secured, Redeemable, Non-Convertible Debentures issued under Options III, IV and V aggregating ₹ 2,045.47 lakhs (Principal amount - ₹ 1,746.83 lakh + Interest Amount ₹ 298.63 lakhs) on August 8, 2023 and Options VI, VII and VIII aggregating ₹ 3,841.82 lakhs (Principal amount - ₹ 3,272.12 lakh + Interest Amount ₹ 569.70 lakhs) on June 7, 2024 and Options IX, X and XI aggregating ₹ 2,155.45 (Principal amount - ₹ 1,603.70 lakh + Interest Amount ₹ 551.75 lakhs) on July 8, 2025. With this redemption, the entire NCD Public Issue 2020 was redeemed.

d. Details of NCDs listed with BSE Limited - NCD Public Issue 2021

As per the terms and conditions of the Public Issue Prospectus dated June 25, 2021, your company has redeemed the Secured, Redeemable, Non-Convertible Debentures issued under Options I and II aggregating ₹ 6,190.60 lakhs (Principal amount - ₹ 6,162.78 lakh + Interest Amount ₹ 747.82 lakhs) on September 29, 2023 and Options III and IV aggregating ₹ 3,857.73 lakhs (Principal amount - ₹ 3,258.27 lakhs + Interest Amount ₹ 599.46 lakhs) on October 29, 2024. Option VI and VII aggregating ₹ 5,673.13 lakhs (Principal amount) are due for redemption on August 29, 2025 and it will be paid on the due date to the respective debenture holders.

The details of outstanding NCDs are given below:

Option	ISIN	Scrip Code	Coupon Rate (%)	Frequency of Interest Payment	Amount (₹ lakhs)	Date of Maturity
I. Secured						
V	INE302E07375*	937591	10.00	Monthly	3,566.23	August 29, 2025
VI	INE302E07383*	937593	NA	Cumulative	2,106.90	August 29, 2025
II. Unsecured						
VII	INE302E08084	937595	10.50	Monthly	3,088.94	August 29, 2026
VIII	INE302E08092	937597	NA	Cumulative	1,670.53	August 29, 2026
Total					10,432.60	

* will be redeemed on August 29, 2025.

e. Details of NCDs listed with BSE Limited - NCD Public Issue 2022

As per the terms and conditions of the Public Issue Prospectus dated April 5, 2022, your company has redeemed Non-Convertible Debentures issued under Options I and II aggregating ₹ 2,293.15 lakhs (Principal amount - ₹ 2,061.49 lakh + Interest Amount ₹ 231.66 lakhs) on April 29, 2024 and Options III and IV aggregating ₹ 1,298.02 lakhs (Principal amount ₹ 1,093.26 lakhs + Interest amount ₹ 204.76 lakhs) on April 29, 2025.

The details of outstanding NCDs are given below:

Option	ISIN	Scrip Code	Coupon Rate (%)	Frequency of Interest Payment	Amount (₹ lakhs)	Date of Maturity
V	INE302E07441	937981	9.00	Monthly	227.64	April 29, 2026
VI	INE302E07458	937983	NA	Cumulative	126.30	April 29, 2026
VII	INE302E07466	937985	10.00	Monthly	4,374.51	April 29, 2027
VIII	INE302E07474	937987	NA	Cumulative	2,116.80	April 29, 2027
Total					6,845.25	

f. Details of Secured NCDs listed with BSE Limited - NCD Public Issue 2023

As per the terms and conditions of the Public Issue Prospectus dated April 10, 2023, your company has redeemed Non-Convertible Debentures issued under Options I and II aggregating ₹ 3,684.91 lakhs (Principal amount - ₹ 3,302.03 lakh + Interest Amount ₹ 382.88 lakhs) on May 8, 2025.

The details of outstanding NCDs are given below:

Option	ISIN	Scrip Code	Coupon Rate (%)	Frequency of Interest Payment	Amount (₹ lakhs)	Date of Maturity
III	INE302E07540	938596	9.25	Monthly	656.18	May 8, 2026
IV	INE302E07516	938598	NA	Cumulative	1,540.08	May 8, 2026
V	INE302E07557	938600	9.50	Monthly	210.19	May 8, 2027
VI	INE302E07490	938602	NA	Cumulative	251.01	May 8, 2027
VII	INE302E07565	938604	10.25	Monthly	5,075.37	May 8, 2028
VIII	INE302E07524	938606	NA	Cumulative	1,615.48	May 8, 2028
IX	INE302E07532	938608	NA	Cumulative	2,035.70	June 8, 2030
Total					11,384.01	

g. 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 January 30, 2024, Options I and II aggregating ₹ 2,514.62 lakhs (Principal amount) are due for redemption on February 29, 2026.

The details of outstanding NCDs are given below:

Option	ISIN	Scrip Code	Coupon Rate (%)	Frequency of Interest Payment	Amount (₹ lakhs)	Date of Maturity
I	INE302E07607*	939268	9.00	Monthly	1,101.82	February 27, 2026
II	INE302E07615*	939270	NA	Cumulative	1,412.80	February 27, 2026
III	INE302E07656	939272	9.25	Monthly	707.89	February 27, 2027
IV	INE302E07599	939274	NA	Cumulative	1,787.01	February 27, 2027
V	INE302E07649	939276	10.25	Monthly	5,703.14	February 27, 2029
VI	INE302E07631	939278	NA	Cumulative	2,556.84	February 27, 2029
VII	INE302E07623	939280	NA	Cumulative	1,540.14	March 29, 2031
Total					14,809.64	

* will be redeemed on February 27, 2026

h. Details of Secured NCDs listed with BSE Limited - NCD Public Issue: July 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	INE302E07748	939599	9.00	Monthly	884.28	July 9, 2026
II	INE302E07763	939601	NA	Cumulative	805.95	July 9, 2026
III	INE302E07730	939603	9.25	Monthly	695.93	July 9, 2027
IV	INE302E07755	939605	NA	Cumulative	966.66	July 9, 2027
V	INE302E07706	939607	10.25	Monthly	5,989.48	July 9, 2029
VI	INE302E07714	939609	NA	Cumulative	1,977.98	July 9, 2029
VII	INE302E07722	939611	NA	Cumulative	1,047.16	August 9, 2031
Total					12,367.44	

i. 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	April 04, 2027
II	INE302E07821	940237	NA	Cumulative	1,105.68	April 04, 2027
III	INE302E07839	940241	9.25	Monthly	502.89	April 04, 2028
IV	INE302E07854	940249	NA	Cumulative	907.95	April 04, 2028
V	INE302E07847	940251	10.25	Monthly	4,268.53	April 04, 2030
VI	INE302E07862	940257	NA	Cumulative	1,500.42	April 04, 2030
VII	INE302E07870	940259	NA	Cumulative	741.44	May 04, 2032
Total					10,000.00	

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	June 7, 2027
II	INE302E07680	975725	NA	Cumulative	50.00	June 7, 2027
III	INE302E07672	975727	10.25	Monthly	185.00	June 7, 2029
IV	INE302E07698	975728	NA	Cumulative	50.00	June 7, 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	December 18, 2027
II	INE302E07797	976251	NA	Cumulative	80.00	December 18, 2027
III	INE302E07789	976249	10.25	Monthly	160.00	December 18, 2029
Total					358.00	

REGISTRARS AND SHARE TRANSFER AGENTS			DEBENTURE TRUSTEE
MUFG Intime India Private Limited* (CIN: U67190MH1999PTC118368)			Catalyst Trusteeship Limited CIN : U74999PN1997PLC110262 "GDA House"
For Equity Shares	For NCD Public Issue		
(Unit: Sakthi Finance Limited) "Surya", 35, May Flower Avenue Behind Senthil Nagar Sowripalayam Road Coimbatore - 641 028 Phone : (0422) 4958995, 2539835-836 E-Mail : coimbatore@in.mpms.mufg.com Website : https://in.mpms.mufg.com/	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/		First Floor, Plot No. 85 Bhusari Colony (Right) Paud Road, Pune - 411 038 Phone : (020) 66807200 Fax : (022) 49220505 E-mail : dt@ctltrustee.com Website : www.catalysttrustee.com

* Former RTA, SKDC Consultants Limited, has been merged with Link Intime India Private Limited with effect from December 22, 2023 and has now been renamed as MUFG Intime India Private Limited, effective from December 31, 2024.

L. Share Transfer System

All transfers/transmissions/Issue of Duplicate Share certificates received are processed by the Registrar and Share Transfer Agent and are approved by the Share Transfer Committee. In terms of Regulation 40 of the Listing Regulations

with respect to requests for effecting transfer / transposition of Securities held in Physical form, the company will issue a letter of confirmation for the transactions and will effect the transaction once the securities are dematerialized.

16. DISTRIBUTION OF SHAREHOLDING AS AT MARCH 31, 2025

The distribution of shareholding as at March 31, 2025 is given below:

Shareholding	No. of share holders	% of share holders	No. of shares	% of shareholding
1 - 500	9,381	88.42	11,40,312	1.76
501 - 1,000	618	5.82	4,83,690	0.75
1,001 - 2,000	272	2.56	3,96,197	0.61
2,001 - 3,000	110	1.04	2,77,728	0.43
3,001 - 4,000	43	0.41	1,55,517	0.24
4,001 - 5,000	44	0.41	2,04,290	0.32
5,001 - 10,000	63	0.59	4,64,798	0.72
10,001 and above	79	0.75	6,15,83,350	95.17
Total	10,610	100.00	6,47,05,882	100.00

17. SHAREHOLDING PATTERN AS AT MARCH 31, 2025

The shareholding pattern as at March 31, 2025 is given below:

Category	No. of Shares	Percentage
Promoters / Promoter Group	4,33,63,007	67.02
Other bodies corporate	1,11,84,108	17.28
Banks, Financial Institutions and Mutual Funds	900	0.00
Non-resident Incorporated Entity	44,50,000	6.88
Non-Resident Indians	42,793	0.07
Resident public	47,77,036	7.38
Unclaimed Shares Suspense Account	2,825	0.00
Any Others	282,363	0.44
Investor Education and Protection Fund	6,02,850	0.93
Total	6,47,05,882	100.00

18. DEMATERIALISATION OF SHARES

The Company's shares are compulsorily traded in dematerialized form and are admitted for trading under both the depositories of India viz, namely National Securities Depository Limited ("NSDL") and Central Depository Services (India) Limited ("CDSL"). 5,84,04,615 Equity Shares of the Company constituting 90.26 per cent of the paid-up equity capital were dematerialized as on March 31, 2025.

19. 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 concerned. Nomination can be varied by the member at any time.

20. 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.

21. ADDRESS FOR CORRESPONDENCE

Sakthi Finance Limited
 (CIN:L65910TZ1955PLC000145)
Regd. Office : 62, Dr. Nanjappa Road, Coimbatore – 641 018
Tel : (0422) 2231471-474, 4236200
E-mail : investors@sakthifinance.com
Website: www.sakthifinance.com

22. INVESTORS' CORRESPONDENCE

All investors correspondence should be addressed to the company's Registrars 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. Nos : (0422) 2231471-474, 4236200 **E-mail :** investors@sakthifinance.com

The Company has designated an exclusive E-mail Id for the convenience of investors: **investors@sakthifinance.com**

23. CREDIT RATING

Rating Agency	Term	Type	Rating
ICRA Limited	Short/Long Term	Fixed Deposit Programme	[ICRA] BBB (Stable)
	Long Term	Cash Credit Limits	[ICRA] BBB (Stable)
	Short Term	Working Capital Demand Loans	[ICRA] A2
	Long Term	Non-Convertible Debentures	[ICRA] BBB (Stable)

24. MANDATORY REQUIREMENT OF PERMANENT ACCOUNT NUMBER (PAN):

SEBI has, by its Circular dated January 7, 2010, made it mandatory to furnish PAN copy in the following cases:

- Deletion of name of deceased shareholder(s), where shares are held in the name of two or more shareholders;
- Transmission of shares to the legal heir(s), where the deceased shareholder was sole holder;
- 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.

25. CODE OF CONDUCT FOR PREVENTION OF INSIDER TRADING

Pursuant to 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.

26. DISCLOSURES RELATING TO UNCLAIMED SHARES DEMAT SUSPENSE ACCOUNT

Pursuant to Regulation 39(4) of the Listing Regulations, the Company 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 Shares Demat Suspense Account as on March 31, 2025 are as follows:

Sl No	Particulars	No. of Share holders	No. of Shares
1	Aggregate number of shareholders and outstanding shares lying in Unclaimed Shares Demat Suspense Account at the beginning of the year	31	2,825
2	Number of shareholders who approached for transfer of shares from Unclaimed Shares Demat Suspense Account during the year	-	-
3	Number of shareholders to whom Shares were transferred from Unclaimed Shares Demat Suspense Account during the year	-	-
4	Shares relating to unclaimed for seven years transferred to Investors Education & Protection Fund account during the year	-	-
5	Aggregate number of shareholders and outstanding shares lying in Unclaimed Shares Demat Suspense Account at the end of the year	31	2,825

The voting rights in the shares outstanding in the suspense account as on March 31, 2024 shall remain frozen till the rightful owners of such shares claim the shares.

27. DISCLOSURE ON CERTAIN TYPES OF AGREEMENTS BINDING LISTED ENTITIES:

There are no agreements that require disclosure under Clause 5A of Paragraph A of Part A of Schedule III to the Listing Regulations.

28. 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, www.sakthifinance.com. 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 2022-23, BSE Limited had levied a fine of ₹ 2,360 under Regulation 34 of the Listing Regulations for one day delay in submission of Annual Report 2022 with the BSE Limited. The Company has paid the fine on October 29, 2022.

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 Secretaries regarding non-debarment and non-disqualification of Directors

M/s. Sriram Krishnamurthy & Co, Company Secretaries, 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 C S K Prabhu & Co., Chartered Accountants (FRN:002485S), Statutory Auditors and M/s P N Raghavendra Rao & Co., Chartered Accountants (FRN:003328S) for the financial year is given below:

Particulars	Amount (₹ lakhs)
Statutory Audit	22.00
For Tax Audit Fees	5.50
Limited Review fees	13.50
Certifications fees	16.35
Reimbursement of expenses	2.72
Total	60.07

j. Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act 2013

Status of complaints as on March 31, 2025 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 the 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 Act read with the Companies (Indian Accounting Standards) Rules 2015, as amended and notified under Section 133 of the Companies Act 2013 ("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 "Implementation of Indian Accounting Standards prescribed for Non-Banking Financial Companies ("NBFCs")" Annexure II to the Master Direction - Reserve Bank of India (NBFC-Scale Based Regulation) Direction 2023 dated October 19, 2023, 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 2024-25.

n. Discretionary requirements

- a. 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.
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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 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.

- b. 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.

- c. Disclosures on compliance with Corporate Governance requirements specified in Regulation 15(1A) (the Company becoming a 'High Value Debt Listed Entity'), Regulations 17 to 27 have been included in the relevant Section of the report. Appropriate information has been placed on the Company's website pursuant to Clauses (b) to (i) of sub-regulation (2) of Regulation 46 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 March 31, 2025.

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/board-of-directors/
2	Board Committees	The composition of various Committees of the Board	https://sakthifinance.com/wp-content/uploads/2025/07/SFL_-Committee-Position-4.7.2025.pdf
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://www.sakthifinance.com/wp-content/uploads/2023/02/1.-SFL_Code-of-Conduct_Directors_SMP-1.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/2025/05/Nomination-and-Remuneration-Charter-with-Remuneration-Policy.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 1st 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/2025/01/Vigil_Mechanism_Whistle_Blower_Policy.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/wp-content/uploads/2025/04/SFL_Familiarisation-Programme-March-2025.pdf
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/themes/sakthifinance/pdf/policies/Preservation-of-Documents-and-its-Archival.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-information/

For and on behalf of the Board

Dr M Manickam
Chairman
DIN : 00102233

August 14, 2025
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, 2025.

August 14, 2025
Coimbatore-18

For Sakthi Finance Limited
M BALASUBRAMANIAM
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, as amended

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:L65910TZ1955PLC000145) ('the Company') for the year ended 31st March 2025 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 2025.
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 2025 **except the time gap between two consecutive Risk Management Committee meetings held on 21.06.2024 and 11.02.2025 had exceeded 210 days in contravention of Regulation 21(3C).**
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.

Coimbatore
August 14, 2025

For P N RAGHAVENDRA RAO & CO.,
Chartered Accountants
Firm Registration Number: 0033285

P R Vittel
Partner
Membership Number: 018111
UDIN: 25018111BMRKAD3303

CERTIFICATE ON NON-DISQUALIFICATION OF DIRECTORS

(In terms of Regulation 34(3) read with Schedule V Para C (10)(i) to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015]

To

The Members

Sakthi Finance Limited (CIN:L65910TZ1955PLC000145)

62, Dr.Nanjappa Road

Coimbatore - 641 018

We here by certify that, in our opinion none of the **below named Directors** who are on the Board of Directors of **Sakthi Finance Limited** ("the Company") **as on 31st March 2025, have been debarred or disqualified from being appointed or continuing as directors** of companies by the Securities and Exchange Board of India (SEBI) or the Ministry of Corporate Affairs, Government of India (MCA):

Sl No	Name of the Director	Nature of Directorship	Director's Identification Number
1	Mahalingam Manickam	Chairman, Non-Executive Non-Independent and Promoter	00102233
2	Balasubramaniam Mahalingam	Vice Chairman and Managing Director, Key Management Personnel and Promoter	00377053
3	Srinivaasan Mahalingam	Non-Executive, Non-Independent Director	00102387
4	Sundaraswamy Veluswamy	Non-Executive, Non-Independent Director	05314999
5	Priya Bhansali	Non-Executive, Independent Director	00195848
6	Kollengode Padmanabhan Ramakrishnan		07029959
7	Bhaskar Madhanagopal (Deceased on 21 May 2025)		02910393
8	Advait Kurlekar		00808669

We are issuing this certificate based on the following, which to the best of our knowledge and belief were considered necessary in this regard:

1. Information relating to the directors available in the official website of MCA;
2. Disclosures / declarations / confirmations provided by the said directors to the Company;
3. Registers, records, forms and returns filed / maintained by the Company; and
4. Information, explanation and representations provided by the Company, its officers and agents.

Management's responsibility

The management of the Company is responsible to ensure the eligibility of a person for appointment / continuation as a Director on the Board of the Company.

Our responsibility

Our responsibility is to express an opinion on this, based on our verification.

This certificate is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness of the process followed by the management of the Company with regard to appointment / continuation of a person as a Director of the Company.

For Sriram Krishnamurthy & Co.,
 (Formerly known as "S Krishnamurthy & Co.,")
 Company Secretaries
 Firm UI No. P1994TN045300
 Peer Review Certificate No. 6684/2025

K. Sriram

Partner

Membership No. F6312

Certificate of Practice No.2215

UDIN : F006312G001017619

August 14, 2025

Chennai

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY ("CSR") ACTIVITIES FOR THE FINANCIAL YEAR 2024-25

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 Act as projects/ programs/ activities etc, excluding its activities in its normal course of business.

2. Composition of CSR Committee (as on May 30, 2025):

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 M Bhaskar*	Chairman, Independent Director	-	-
2	Sri K P Ramakrishnan	Chairman, Independent Director	-	-
3	Sri M Balasubramaniam	Member, Non-Independent Director	-	-
4	Dr S Veluswamy	Member, Non-Independent Director	-	-

Note : As the CSR amount to be spent / spent by the Company is less than ₹ 50 lakhs, the functions of this Committee are discharged by the Board of Directors only in terms of amended Section 135(9) of the Companies Act 2013.

* Due to demise of Sri M Bhaskar, Independent Director on May 21, 2025 ceased to be Director and Member of the Committee.

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:

- Web-link for the Composition of CSR Committee: https://sakthifinance.com/wp-content/uploads/2025/06/SFL_Committee-Position-as-on-30-May-2025.pdf
- Web-link to the CSR Policy: https://sakthifinance.com/wp-content/uploads/2025/02/SFL_Corporate_Social_Responsibility_CSR_Policy.pdf
- 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

- Average net profits of the company as per Section 135(5) : ₹ 2,368.25 lakhs
- Two percent of average net profits of the company as per Section 135(5) : ₹ 47.36 lakhs
- surplus arising out of the CSR project programs or the activities of the previous final year : ₹ 0.55 lakhs
- Amount required to be set off for the financial year, if any : ₹ 0.55 lakhs
- Total CSR obligation for the financial year (4b+4c-4d) : ₹ 47.36 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		3.26	Yes	NA	NA
2		Health Care	Yes			17.00	Yes	NA	NA
3		Others	Yes			22.50	Yes	NA	NA
4		Education	Yes			5.00	No	Shanti Ashram	CSR00014490
	Total					47.76			

- Amount spent in Administrative Overheads : Nil
- Amount spent on Impact Assessment, if applicable : Nil
- Total amount spent for the Financial Year (5a+5b+5c) : ₹ 47.76 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
47.76	(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)	47.36
ii	Total amount spent for the financial year	47.76
iii	Excess amount spent for the financial year [(ii) - (i)]	0.40
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)]	0.40

7. 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 subsection (6) of section 135 (in Rs.)	Balance Amount in Unspent CSR Account under subsection (6) of section 135 (in Rs.)	Amount Spent in the Financial Year (in Rs)	Amount transferred to a Fund as specified under Schedule VII as per second proviso to subsection (5) of section 135, if any		Amount remaining to be spent in succeeding Financial Years (in Rs)	Deficiency, if any
					Amount	Date of Transfer		
1	-	Nil	Nil	Nil	NA	NA	Nil	Nil

8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year: No

9. Specify the reason(s), if the company has failed to spend two per cent of the average net profits as per Section 135(5) :
Not applicable

For and on behalf of the Board

Dr M Manickam
 Chairman
 DIN : 00102233

August 14, 2025
 Coimbatore

Form No. MR-3
Annexure 5
Secretarial Audit Report for the financial year ended 31st March 2025

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

To

The Members

SAKTHI FINANCE LIMITED [CIN:L65910TZ1955PLC000145]

62, Dr.Nanjappa Road, Coimbatore – 641018

We have conducted a Secretarial Audit of the compliance of applicable statutory provisions and adherence to good corporate practices by **SAKTHI FINANCE LIMITED** (hereinafter called "**the Company**") during the financial year from 1st April 2024 to 31st March 2025 ("**the financial year**" / "**the year**" / "**audit period**" / "**period under review**"), in a manner that provided us a reasonable basis for evaluating the Company's corporate conducts/statutory compliances and expressing our opinion thereon.

We are issuing this Secretarial Audit Report based on:

- i. Our **verification** of the books, papers, minute books, documents and other records maintained by the Company and furnished to us, including scanned copies provided through electronic mode, various forms/ returns filed either with or as mandated by applicable statutory/ regulatory authorities, information disseminated on the websites of the Company and BSE Limited (the stock exchange on which Equity Shares of the Company are listed) and compliance related action taken by the Company during the financial year as well as after 31st March 2025 but before the issue of this Secretarial Audit Report;
- ii. Our **observations** during our visits to the Registered office of the Company;
- iii. **Compliance certificates** confirming compliance with all laws applicable to the Company given by the Key Managerial Personnel / Senior Managerial Personnel and others entrusted with ensuring compliance and taken on record by the Management/ Audit Committee/ Board of Directors; and
- iv. **Representations** made, documents shown and information provided by the Company, its officers, agents and authorised representatives during our conduct of the Secretarial Audit.

We hereby report that, in our opinion, during the audit period covering the financial year ended on 31st March 2025 the Company has, to the extent, in the manner and subject to the reporting made herein below:

- i. Complied with the statutory provisions listed hereunder; and
- ii. Board processes and compliance mechanism in place

The members are requested to read this report along with our letter of even date annexed to this report as **Annexure – A**.

1. Compliance with specific statutory provisions

We further report that:

- 1.1. We have examined the books, papers, minute books and other records maintained by the Company and the forms, returns, reports, disclosures and information filed or disseminated during the year, according to the applicable

provisions/ clauses of:

- i. The Companies Act, 2013 and the Rules made thereunder (the Act);
 - ii. The Securities Contracts (Regulation) Act, 1956 and the Rules made thereunder (SCRA);
 - iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
 - iv. Foreign Exchange Management Act, 1999 (FEMA) to the extent applicable to Foreign Direct Investments;
 - v. The following Regulations prescribed under the Securities and Exchange Board of India Act, 1992 ("**SEBI Regulations**"):
 - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 (SAST);
 - b. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (LODR);
 - c. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 (PIT); and
 - d. The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 (NCS);
 - vi. The following laws that are specifically applicable to the Company (Specific Laws):
 - a. Chapter III-B of the Reserve Bank of India Act, 1934; and
 - b. Reserve Bank of India's directions, regulations, orders, guidelines, notifications and circulars to the extent applicable to the Company which, in terms of the said directions, is Middle-Layer Non-Banking (Deposit-taking) Finance Company.
 - vii. The listing agreements entered into by the Company with the BSE Limited (BSE) in respect of its Equity Shares and Non-convertible Debentures (Agreements); and.
 - viii. Secretarial Standards issued by The Institute of Company Secretaries of India (Secretarial Standards).
- 1.2. **The Company** has, during the period under review and also considering the compliance related action taken by the Company after 31st March 2025 but before the issue of this report, to the best of our knowledge and belief and based on the records, information, explanations and representations furnished to us, reasonably:
- i. **Complied with** the applicable provisions/regulations/ directions/ clauses of the Acts, Rules, SEBI Regulations and Specific Laws mentioned under sub-paragraphs (i) to (vii) of paragraph 1.1 above; and

- ii. Complied with the applicable provisions of the Secretarial Standards on Meetings of the Board of Directors (SS-1) and Secretarial Standards on General Meetings (SS-2) mentioned under paragraph 1.1.(viii) above to the extent applicable to Board meetings and General meetings (including postal ballots and e-voting).
- 1.3 The Company, due to non-occurrence of certain events during / in respect of the financial year, was not required to comply with the following laws/ rules/ regulations and consequently was not required to maintain any books, papers, minute books or other records or file any forms/ returns under:
 - i. FEMA to the extent of Overseas Direct Investment and External Commercial Borrowings; and
 - ii. The following SEBI Regulations;
 - a. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993, regarding the Act and dealing with the client;
 - b. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;
 - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
 - d. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; and
 - e. The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021.
- 2. Board processes**
 We further report that:
 - 2.1 The constitution of the Board of Directors of the Company (the Board) during the year was in compliance with the applicable provisions of the Act and LODR.
 - 2.2 As on 31st March 2025, the Board is constituted with 8 (Eight) Directors, consisting of:
 - i. 1 (One) Executive Director, namely Mr. M Balasubramaniam (DIN:00377053), Vice-Chairman and Managing Director;
 - ii. 3 (Three) Non-Executive Non-Independent Directors, namely Dr. M Manickam (DIN: 00102233), Chairman, Mr. M Srinivaasan (DIN: 00102387) and Dr. S Veluswamy (DIN: 05314999); and
 - iii. 4 (Four) Non-Executive Independent Directors, namely Mrs. Priya Bhansali (DIN: 00195848 - Woman Independent Director), Mr. K P Ramakrishnan (DIN: 07029959), Mr. M Bhaskar (DIN: 02919393) and Mr. Advait Kurlekar (DIN: 00808669).
 - 2.3 The Company has carried out the processes relating to the following changes in the composition of its Board of Directors, during the financial year, in compliance with the applicable provisions/ regulations of the Act and LODR:
 - i. Appointment of 2 (Two) Non-Executive Independent Directors, namely Mr. M Bhaskar (DIN: 02919393) and Mr. Advait Kurlekar (DIN: 00808669), by the Board of Directors at their meeting held on 8th August 2024 (as Additional Directors) for a term of 5 (five) consecutive years from 8th August 2024 to 7th August 2029), which was approved by way of special resolutions passed at the 67th Annual General Meeting (67th AGM) held on 10th September 2024;
 - ii. Re-appointment of 1 (One) Non-Executive Director, namely Mr. M Srinivaasan (DIN: 00102387), on his retirement by rotation at the 67th AGM held on 10th September 2024; and
 - iii. Cessation of 2 (Two) Non-Executive Independent Directors, namely Dr. A Selvakumar (DIN: 01099806) and Mr. P S Gopalakrishnan (DIN: 00001446), both by way of retirement on completion of their second consecutive term of 5 (Five) years on 26th September 2024.
 - 2.4 Mr. M Bhaskar (DIN: 02919393), Independent Director, passed away on 21st May 2025. The Board of Directors filled up the vacancy by appointing Mr. K V Ramachandran (DIN: 00322331) as an Independent Director (Additional) of the Company for a consecutive term of five (5) years from 4th July 2025 to 3rd July 2030. The company has obtained the approval of the members for the said appointment by way of Special Resolution passed through postal ballot on 8th August 2025.
 - 2.5 Besides the changes in the Board as set out in paragraph 2.3 above, the following changes were also carried out in compliance with the Act, Specific laws and LODR.
 - i. Appointment of M/s. P N Raghavendra Rao & Co., Chartered Accountants, (ICAI Firm Registration No. 0033285) as Statutory Auditors at the 67th AGM, for a term of 3 (Three) years from the conclusion of the 67th AGM to the conclusion of the 70th AGM, in place of M/s. C S K Prabhu & Co., Chartered Accountants, who completed their 3 (Three) year term at the conclusion of the 67th AGM;
 - ii. Appointment of Mr. Sundaramurthy Kumarasamy, Chartered Accountant, as CFO from 1st July 2024, in the vacancy which arose consequent to the cessation of Mr. S Anand (as CFO) on 30th June 2024; and
 - iii. Appointment of Mr. S Venkatesh (FCS 7012), Chief Compliance Officer (under RBI Guidelines) as Company Secretary (under the Act and LODR) and Compliance Officer (under LODR) with effect from 10th September 2024, in the vacancy which arose consequent to the cessation of Mr. C Subramaniam, (FCS 6971) (as Company Secretary and Compliance Officer) with effect from 10th September 2024.
 - 2.6 The Company has given adequate notice to all the directors to enable them to plan their schedule for the Board meetings.

- 2.7 The Company has sent notices of the Board meetings held during the year to all the Directors atleast 7 (seven) days in advance except that in respect of the Board meetings which were convened on a notice of less than 7 (seven) days, the shorter notice was ratified by a majority of the Directors as required under SS-1.
- 2.8 The Company has sent agenda and most of the detailed notes on agenda to all the directors atleast 7 (seven) days before the Board meetings, except that in respect of Board meetings convened at a shorter notice, the Company has sent agenda and notes thereon also less than 7 (seven) days prior to the meeting.
- 2.9 The Company either circulated separately less than 7 (seven) days before or at the Board meetings, the agenda and detailed notes on agenda for the following items and duly obtained consent of the Board for so circulating them as required under SS-1:
- Supplementary agenda notes and annexures in respect of unpublished price sensitive information such as audited financial statement/ results, unaudited financial results and connected papers; and
 - Additional subjects/ information/ presentations and supplementary notes.
- 2.10 The Company has a system which facilitates Directors to seek and obtain further information and clarifications on the agenda items before the Board meetings and for their meaningful participation at the meetings.
- 2.11 We are informed that, at the Board meetings held during the year:
- Majority decisions were carried through; and
 - No dissenting views were expressed by any Board member on any of the subject matters discussed, that were required to be captured and recorded as part of the minutes.

3. Compliance mechanism

We further report that:

- 3.1 There are reasonably adequate systems and processes in the Company, commensurate with the Company's size and operations, to monitor and ensure compliance with applicable laws, rules, regulations and guidelines. Since the Company is a high-value debt-listed Company, Regulation 21(5) of LODR is applicable on a "comply or explain" basis and becomes mandatory only from 31st March 2025 in terms of Regulation 15(1A) of LODR. We noted that there was a delay of 20 days in holding one of the meetings of the Risk Management Committee during the year. Hence, there is a need to further strengthen the compliance infrastructure, systems and processes to meet the increasing frequency of regulatory modifications in the procedural and governance requirements, especially under SEBI Regulations and RBI Directions.

4 Specific events/ actions

- 4.1 During the financial year, in addition to the matters stated hereinabove, the following specific events/ actions having a major bearing on the Company's affairs took place, in

pursuance of the above referred laws, rules, regulations, directions and standards :

- Members have accorded their approval for the following by passing special resolutions, during the year :
 - Issue of 15,00,000 numbers of Redeemable Cumulative Preference Shares of Rs.100/- each for cash at par on Private Placement basis, through a Postal Ballot process on 29th April 2024;
 - Issue of Secured, Redeemable, Non-Convertible Debentures (NCDs) on Private Placement basis upto Rs.50 crores, through a Postal Ballot process, on 29th April 2024; and
 - Issue of Secured, Redeemable, Non-Convertible Debentures (NCDs) and / or other Debt Securities on Private Placement basis for an amount not exceeding Rs.500 crores at the 67th AGM on 10th September 2024.
- The Company has made a Public Issue of Secured, Redeemable, Non-Convertible Debentures (NCDs) during the period from 20th June 2024 to 3rd July 2024 and allotted 12,36,744 NCDs of Rs.1,000/- each amounting to Rs.12,367.44 lakhs on 9th July 2024, which were listed on 11th July 2024.
- The Company has redeemed NCDs amounting to Rs.3,272.12 lakhs on 7th June 2024 (8th June 2024 being a holiday), Rs.4,374.80 lakhs on 15th June 2024 and Rs.3,258.27 lakhs on 29th October 2024. These NCDs were allotted on 8th May 2020, 15th May 2019 and 29th July 2021 respectively, based on Public Issues made at par.
- The Company has redeemed Redeemable Cumulative Preference Shares (RCPS) amounting to Rs.3.31 crores on 19th April 2024 out of the proceeds of a fresh issue of RCPS made in March/ April 2024.
- The Company has allotted 495 NCDs (listed) and 358 NCDs of Rs.1 lakh each (issued on Private Placement basis) at par on 7th June 2024 and 18th December 2024 respectively.
- The Company has raised Rs.110.56 crores by way of Public Deposits and repaid deposits falling due for payment and claimed amounting to Rs.11.10 crores.

For Sriram Krishnamurthy & Co.,
 (Formerly known as "S Krishnamurthy & Co.,")
 Company Secretaries
 Firm UI No. P1994TN045300
 Peer Review Certificate No. 6684/2025

K. Sriram
 Partner

Membership No. F6312
 Certificate of Practice No.2215
 UDIN : F006312G001017619

14th August 2025
 Chennai

Annexure – A to Secretarial Audit Report of even date

To
 The Members
 SAKTHI FINANCE LIMITED
 [CIN:L65910TZ1955PLC000145]
 62, Dr. Nanjappa Road
 Coimbatore – 641 018

Our Secretarial Audit Report (Form MR-3) of even date for the financial year ended 31st March 2025 is to be read along with this letter.

1. Management's Responsibility:

The Company's management is responsible for the maintenance of secretarial records, making statutory/ regulatory disclosures/ filings and compliance with the provisions of corporate and other applicable laws, rules, regulations and standards.

2. Secretarial Auditors' Responsibility:

Our responsibility as a Secretarial Auditor is to express our opinion on the Company's compliance with the applicable law/ regulations/ standards and maintenance of records, based on our secretarial audit.

3. We have, in the course of the secretarial audit for the financial year:

- Followed such audit practices and processes as we considered appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records and the audit was conducted in accordance with applicable auditing standards issued by The Institute of Company Secretaries of India. Those Standards require us to comply with statutory and regulatory requirements and plan and perform the audit to obtain reasonable assurance about compliance with applicable laws and maintenance of records.
- Considered and taken into account the compliance related action taken by the Company after 31st March 2025 but before the issue of this report.
- Viewed various compliance related actions taken by the Company based on independent legal/ professional

opinion obtained as being in compliance with law, wherever there was scope for multiple interpretations.

- Verified the secretarial/ compliance-related records furnished to us on a test basis to see whether the correct facts are reflected therein.
- Examined some of the compliance processes / procedures followed by the Company on a test basis to ascertain their adequacy.
- Not verified the correctness and appropriateness of the financial statements, financial records and books of accounts of the Company.
- Obtained the Management's representation about compliance of laws, rules and regulations and happening of events, wherever required.
- We believe that the processes and practices we followed for the secretarial audit provided us a reasonable basis for our opinion.
- Our 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 its affairs.
- Due to the inherent limitations of an audit including internal, financial and operating controls, there is an unavoidable risk that some mis-statements or material non-compliances may not be detected, even though the secretarial audit is properly planned and performed in accordance with the Auditing Standards.

For Sriram Krishnamurthy & Co.,
 (Formerly known as "S Krishnamurthy & Co.,")
 Company Secretaries
 Firm UI No. P1994TN045300
 Peer Review Certificate No. 6684/2025

K. Sriram
 Partner

Membership No. F6312
 Certificate of Practice No.2215
 UDIN : F006312G001017619

14th August 2025
 Chennai

PARTICULARS OF EMPLOYEES
1. 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 details of remuneration paid during the financial year 2024-25 as per the Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014, as amended, are as given below:

A. Ratio of remuneration of each director to the median remuneration of the Company for the financial year 2024-25

Sl No	Name and Designation of the Director	Remuneration for FY 2024-25 (₹ lakh)	Ratio to median remuneration
1	Dr M Manickam, Chairman	1.20	0.38
2	Mr M Balasubramaniam, Vice Chairman and Managing Director	130.71	38.80
3	Sri M Srinivaasan, Director	1.90	0.61
4	Dr A Selvakumar, Independent Director*	2.80	0.89
5	Sri P S Gopalakrishnan, Independent Director*	0.90	0.29
6	Smt Priya Bhansali, Independent Director	6.50	2.08
7	Sri K P Ramakrishnan, Independent Director	5.60	1.79
8	Dr S Veluswamy, Director	3.40	1.09
9	Sri Bhaskar, Independent Director**	4.90	1.56
10	Sri Advait Kurlekar, Independent Director**	2.70	0.86

* retired on completion of second term as an Independent Directors. Hence ratio to median remuneration is not applicable.

** appointed as Independent Directors with effect from August 8, 2024. Hence ratio to median remuneration is not applicable

B. Percentage increase in remuneration of each Director, Chief Executive Officer, Chief Financial Officer and Company Secretary for the financial year 2024-25

Sl No	Name and Designation of the Director / Key Managerial Personnel ("KMP")	Remuneration for FY 2024-25 (₹ lakh)	% increase in remuneration in FY 2024-25
1	Dr M Manickam, Chairman	1.20	(60.00)
2	Sri M Balasubramaniam, Vice Chairman and Managing Director	130.71	(2.82)
3	Sri M Srinivaasan, Director	1.90	(29.63)
4	Dr A Selvakumar, Independent Director	2.80	(73.08)
5	Sri P S Gopalakrishnan, Independent Director	0.90	(62.50)
6	Smt Priya Bhansali, Independent Director	6.50	47.73
7	Sri K P Ramakrishnan, Independent Director	5.60	(12.50)
8	Dr S Veluswamy, Director	3.40	21.43
9	Sri M Bhaskar, Independent Director ¹	4.90	-
9	Sri Advait Kurlekar, Independent Director ¹	2.70	-
9	Sri Srinivasan Anand, Chief Financial Officer ²	15.80	-
9	Sri K Sundaramurthy, Chief Financial Officer ²	19.19	-
9	Sri C Subramaniam, Company Secretary ³	9.59	-
10	Sri S Venkatesh Company Secretary and Chief Compliance Officer ³	16.35	-

Note: Non-executive Directors were paid only sitting fees during the year.

1. Appointed on the Board as Independent Directors from August 8, 2024 by the approval of the members at the Annual General Meeting held on September 10, 2024.
2. Sri Srinivasan Anand, Chief Financial Officer resigned from the position of Chief Financial Officer with effect from June 30, 2024 and Sri K Sundaramurthy has been appointed as Chief Financial Officer with effect from July 1, 2024 only, hence percentage increase in remuneration is not applicable.
3. Sri C Subramaniam, Company Secretary has resigned from the position of Company Secretary with effect from September 10, 2024 and Sri S Venkatesh has been appointed as Company Secretary and Chief Compliance Officer with effect from September 10, 2024 only, hence percentage increase in remuneration is not applicable.

C. Other Information

a	The percentage increase in the median remuneration of all employees during the financial year 2024-25	(5.85%)
b	The number of permanent employees on the rolls of the company as on March 31, 2025	675
c	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 2024 - 25 was (4.48%). Average Percentage (Increase/decrease) in the managerial remuneration for the year was (10.33%)
d	The key parameters for any variable component of remuneration availed by the directors	Nil
d	Affirmation that the remuneration is as per the remuneration policy of the company	The Company affirms that remuneration to the employees during the financial year is as per the remuneration policy of the Company

For and on behalf of the Board

Dr M Manickam
 Chairman
 DIN : 00102233

 August 14, 2025
 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, 2025, and the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes in Equity and Statement of Cash Flows for the year then ended on that date 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, 2025, its profit including other comprehensive income, the changes in equity and its cash flows for the year ended on that date.

Description of Key Audit Matter

Description of Key Audit Matter	Description of Auditors' Response
4.1 Asset Classification Accuracy in identification and categorization of Loan receivables into performing and non-performing assets and in ensuring appropriate asset classification, existence of security, income recognition, provisioning/ write off thereof and completeness of disclosure including compliance with applicable guidelines/directions issued by Reserve Bank of India (RBI) (hereinafter referred to as RBI guidelines). We observed that Asset classification and Provisioning based on various factors including existence of security in accordance with RBI guidelines has bearing on the Financial Statements. Hence, we determine this to be a Key audit matter.	<ul style="list-style-type: none"> • We have assessed the systems and processes laid down by the company to appropriately identify and classify the Loan receivables including those in place to ensure correct classification, income recognition and provisioning/ write-off as per applicable RBI guidelines. • The audit approach includes testing the existence and effectiveness of the control environment laid down by the management in Asset classification and conducting detailed substantive verification on selected samples of continuing and new transactions in accordance with the principles laid down in the Standards on Auditing and other guidance issued by Institute of Chartered Accountants of India. • Agreements entered by management with customers on significant transactions including related to Loan receivables have been examined to ensure compliance. • We have also reviewed the reports obtained from Information systems audit, Internal audit, Secretarial audit and Inspection reports issued by RBI. The impact of all significant external and internal events including those if any, subsequent to Balance Sheet date have been taken into consideration for the above purposes. • Compliance with material disclosure requirements prescribed by RBI guidelines and other statutory requirements have been verified. • Based on the test of controls and other substantive audit procedures performed, the asset classification, provisioning, and the related disclosure in the Financial Statements are reasonable.

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 Auditors' Response
<p>4.2 Information technology system</p> <p>The dependence of Information technology (IT) system is run throughout the operating cycle of the company. Hence the reliability on Company's key financial accounting and reporting processes are tied with the effectiveness and efficiency of IT systems, IT controls over the voluminous transactions, process around such information systems and the usage of information from such systems.</p> <p>We observed that any probability of deficiencies in control over IT systems such as validation failures, incorrect input data, improper segregation of duties, unauthorized access to IT system, lack of monitoring may result in the financial reporting being misstated. In view of the same, we have considered this as Key Audit Matter.</p>	<p>Our audit procedures focused on the following:</p> <ul style="list-style-type: none"> • Our audit procedures focused on the IT infrastructure and applications relevant to the financial reporting; • Evaluating the IT policy and procedures of the Company in accordance with accepted standards, guidelines and practices. • Reviewing the organizational structure with job description, managerial policy and deployment of IT resources with respect to segregation of duties in IT environment to ensure that unauthorized data entry cannot take place and unauthorized programs are not allowed to run. • The aspects covered in the IT systems General Control audit were <ul style="list-style-type: none"> (i) User Access Management (ii) System maintenance control • have been ensured by understanding the design and the operating effectiveness of such controls in the system; • Understanding updation that were made to the IT landscape during the audit period and assessing the relevant information for financial reporting. • Application level embedded controls have been reviewed by performing validation checks, test check on logical access controls, a run through test to ensure non-manipulation of transaction entered into the system and other compensatory controls, wherever applicable. • Based on our verification of checks and evaluation of controls over information technology and based on the reports obtained from information system audit, management's assessment on impact of information technology over financial reporting is considered to be reasonable.
<p>4.3 Impairment Loss Allowance</p> <p>Management's judgements in the calculation of impairment allowances have significant impact on the Financial Statements. The estimates regarding impairment allowances are complex and require a significant degree of judgement, which increased with Expected Credit Loss ("ECL") model as required by Ind Accounting Standard 109 (Ind AS 109) relating to "Financial instruments." Management is required to determine the expected credit loss that may occur over either a 12-month period or the remaining life of an asset, depending on the categorisation of the individual asset.</p> <p>The key areas of judgement include:</p> <ol style="list-style-type: none"> 1. Categorisation of loans in Stage 1, 2 and 3 based on identification of: <ol style="list-style-type: none"> a. exposures with significant increase in credit risk since their origination and b. Individually credit impaired/default exposures. 2. Techniques used to determine Loss Given Default ('LGD') and Probability of Default ('PD') to calculate ECL 3. The impact of different forwardlooking information including future macroeconomic conditions in the determination of ECL. <p>Considering the interpretations and assumptions made by Management in developing ECL models, the accuracy of data flows required for the estimating impairment loss and on considering high degree of Management's judgement involved such estimation, it is considered as a key audit matter.</p>	<ul style="list-style-type: none"> • We obtained understanding of management's assessment of impairment of loans including the impairment allowance policy and ECL modelling methodology. • We assessed the design and implementation, and tested the operating effectiveness of controls over the modelling process including governance over monitoring of the model and approval of key assumptions. • We also assessed the approach of the Company for categorisation of the loans in various stages reflecting the inherent risk in the respective loans. • For a sample of financial assets, we tested the correctness of stage-wise categorisation, reasonableness of PD, accuracy of LGD and ECL computation. • We also assessed the appropriateness of the impairment methodology adopted by the management. This included assessing the appropriateness of key judgements. We tested the accuracy of key data inputs and calculations used in this regard. • Based on the above work performed, management's assessment of impairment loss allowance and related disclosure are considered to be reasonable.

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, Corporate Governance and Shareholder's Information, 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.

Other Matters

8. The Audited Financial Statement for the year ended March 31, 2024 have been audited by the predecessor auditor vide their Auditor's report dated 25.05.2024, who expressed an unmodified opinion on those financial statements. Our opinion on the statement is not modified in respect of this matter.

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

9. 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), changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Ind AS. 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.
10. 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.

11. 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

12. 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.
13. 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.
 14. 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.
 15. 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.
 16. 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**
17. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
 18. **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), 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, 2025 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2025 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 its Financial Statements – Refer note no: 32 to 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 except for ₹ 500 that has not been transferred to IEPF for the reason described in Note 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 subclause (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 2023-24 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 (editlog) 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: 0033285

P R Vittel
 Partner

Coimbatore
 30th May 2025

Membership Number: 018111
 UDIN: 25018111BMRJZV2916

The 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, 2025

- 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
7,385	978.09	357.93	1-30
1,279	328.97	120.48	31-90
1,323	2,934.78	728.87	>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 2025 is ₹ 2,934.78 lakhs of principal and ₹ 728.87 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 excepting for staff loans/advances which are granted during the earlier periods without specifying any terms or period of repayment. The aggregate amount of such loans as at 31st March 2025 stood at ₹ Nil (Previous Year: ₹ 20.20 lakhs representing 0.02%) to the Total Loans granted.
There were no loans granted to Promoters, Related Parties as defined in Section 2(76) of the Act which are repayable on demand or without specifying any terms or period of repayment, excepting for receivables as explained by the management to be in the ordinary course of business of the Company and Capital Advances not in the nature of loans.
- 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 Company has complied with the provisions of 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 31.03.2025 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, 2025 on account of dispute are given below:
- | S.no | Name of the Statute | Nature of dues | Amount (₹ lakhs) | Period to which demand relates | Forum where dispute is pending |
|------|----------------------|----------------|------------------|--------------------------------|---|
| 1 | Income Tax Act, 1961 | Income tax | 217.16 | AY 16-17 | Commissioner of Income Tax (Appeals) |
| 2 | Finance Act, 1994 | Service tax | 2,082.34 | 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 preferential allotment 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 Companies 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 Note no 43 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: 0033285

P R Vittel
 Partner
 Coimbatore
 30th May 2025
 Membership Number: 018111
 UDIN: 25018111BMRJZV2916

**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, 2025.
 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 over financial reporting of Sakthi Finance Limited (“the Company”) as of March 31, 2025 in conjunction with our audit of the Financial Statements of the Company for the year ended on that date.

Management’s Responsibilities for Internal Financial Controls

2. The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (‘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

3. Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting 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 over financial reporting 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 over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, 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 over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

6. A company’s internal financial control over financial reporting 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 over financial reporting 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 Over Financial Reporting

7. Because of the inherent limitations of internal financial controls over financial reporting, 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 over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting 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 over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2025, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

For P N RAGHAVENDRA RAO & CO.,
 Chartered Accountants
 Firm Registration Number: 0033285

P R Vittel
 Partner

Coimbatore
 30th May 2025

Membership Number: 018111
 UDIN: 25018111BMRJZV2916

SAKTHI FINANCE LIMITED
BALANCE SHEET AS AT 31ST MARCH 2025

(₹ Lakhs)			
Particulars	Note	As at 31st March 2025	As at 31st March 2024
ASSETS			
Financial Assets			
Cash and Cash Equivalents	4	4,415.39	9,318.55
Bank Balances other than Cash and Cash Equivalents	4A	688.86	682.21
Receivables	5		
(i) Trade Receivables		96.49	186.11
(ii) Other Receivables		22.89	12.22
Loans	6	1,18,079.70	1,20,172.39
Investments	7	2,306.35	1,390.07
Other Financial Assets	8	1,770.47	1,334.26
Non-Financial Assets			
Deferred tax Assets (net)	9	479.35	387.03
Investment Property	10	268.25	266.02
Property Plant and Equipment	11 (a)	5,507.52	5,665.91
Right of use assets	11 (b)	907.28	945.70
Capital work-in-progress	11 (c)	13.69	-
Intangible Assets under development	11 (d)	246.86	67.79
Other Intangible Assets	11 (e)	138.31	165.31
Other Non-Financial Assets	12	1,819.84	1,853.35
Total Assets		1,36,761.25	1,42,446.92
LIABILITIES AND EQUITY			
LIABILITIES			
Financial Liabilities			
Payables	13		
(I) Trade Payables			
(i) Total outstanding dues of micro and small enterprises		11.22	0.59
(ii) Total outstanding dues of creditors other than micro and small enterprises		117.64	177.33
(II) Other Payables			
(i) Total outstanding dues of micro and small enterprises		-	-
(ii) Total outstanding dues of creditors other than micro and small enterprises		431.48	171.78
Debt Securities	14	67,368.98	65,619.57
Borrowings (Other than debt securities)	15	12,384.82	12,480.27
Deposits	16	18,712.18	8,281.47
Subordinated Liabilities	17	12,388.54	31,166.98
Other Financial Liabilities	18	1,882.46	2,318.66

BALANCE SHEET AS AT 31ST MARCH 2025 (CONTD...)

(₹ Lakhs)

Particulars	Note	As at 31st March 2025	As at 31st March 2024
Non-Financial Liabilities			
Current tax Liabilities (net)		103.72	3.46
Provisions	19	153.56	142.72
Other Non-Financial Liabilities	20	257.34	247.12
EQUITY			
Equity Share Capital	21	6,470.59	6,470.59
Other Equity	22	16,478.72	15,366.38
Total Liabilities and Equity		1,36,761.25	1,42,446.92
The accompanying Notes form an integral part of the Financial Statements	1 -63		

As per our report of even date
For PN Raghavendra Rao & Co.,
 Chartered Accountants
 Firm Regn. No.: 0033285

P R VITTEL
 Partner
 Membership No. 018111

Place : Coimbatore
 Date : 30th May 2025

For and on behalf of the Board

M. BALASUBRAMANIAM
 Vice Chairman and Managing Director
 DIN : 00377053

M. MANICKAM
 Chairman
 DIN : 00102233

S. VENKATESH
 Company Secretary
 Membership No. FCS 7012

SUNDARAMURTHY KUMARASAMY
 Chief Financial Officer
 Membership No.204905

SAKTHI FINANCE LIMITED**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2025**

(₹ Lakhs)

Particulars	Note	For the year ended 31st March 2025	For the year ended 31st March 2024
REVENUE FROM OPERATIONS			
Interest Income	23	20,761.84	19,826.18
Lease Rental Income		65.84	64.18
Fees and Commission Income	24	415.12	511.22
Sale of power from Wind Mills	25	169.87	192.37
Recovery of Bad Debts		86.21	80.16
Total Revenue from operations		21,498.88	20,674.11
Other Income	26	21.53	0.25
Total Income		21,520.41	20,674.36
Expenses			
Finance Costs	27	11,984.00	11,572.62
Fees and commission expense		99.36	111.01
Impairment on financial instruments	28	712.21	675.04
Employee Benefit Expenses	29 & 42	3,648.42	3,664.70
Depreciation and Amortization Expense	10, 11, 30	594.59	587.44
Other Expenses	31	2,148.70	1,915.76
Total Expenses		19,187.28	18,526.57
Profit before Exceptional and Extraordinary Items and Tax		2,333.13	2,147.79
Exceptional Items		-	-
Profit before Tax		2,333.13	2,147.79
Tax Expense:	41	667.98	577.25
- Current Tax		748.81	572.38
- Deferred Tax		(80.83)	(2.52)
- Current Tax - previous year		-	7.39
Profit for the year		1,665.15	1,570.54
Other Comprehensive Income	22		
(A) Items that will not be reclassified to profit or loss			
- Fair value changes in Equity Instruments		(50.58)	39.91
- Actuarial Changes in Defined benefit obligation		3.94	2.96
- Income Tax relating to items that will not be reclassified to profit or loss		11.48	(10.79)
Sub Total (A)		(35.16)	32.08
(B) Items that will be reclassified to profit or loss		-	-
Total Other Comprehensive Income (A+B)		(35.16)	32.08
Total Comprehensive Income		1,629.99	1,602.62
Earnings per Equity Share	3(u) & 44		
Face Value per Equity Share (₹)		10.00	10.00
- Basic (₹)		2.57	2.43
- Diluted (₹)		2.57	2.43
The accompanying Notes form an integral part of the financial statements	1-63		

As per our report of even date
For PN Raghavendra Rao & Co.,
 Chartered Accountants
 Firm Regn. No.: 0033285

P R VITTEL
 Partner
 Membership No. 018111

Place : Coimbatore
 Date : 30th May 2025

For and on behalf of the Board

M. BALASUBRAMANIAM
 Vice Chairman and Managing Director
 DIN : 00377053

M. MANICKAM
 Chairman
 DIN : 00102233

S. VENKATESH
 Company Secretary
 Membership No. FCS 7012

SUNDARAMURTHY KUMARASAMY
 Chief Financial Officer
 Membership No. 204905

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH 2025

A. EQUITY SHARE CAPITAL - (Issued, Subscribed and fully paid-up) (Refer Note 21)

Current reporting year and previous reporting year

Particulars	As at 31st March 2025	As at 31st March 2024
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 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 45-1C 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 year	-	-	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 retained earnings	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
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

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH 2024 (CONTD...)
(2) Previous reporting year (1st April-2023 TO 31st March 2024)

(₹ 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 2023	-	-	52.61	1,429.80	4,436.00	3,792.92	4,463.43	-	13.02	-	-	-	28.90	14,216.68
Changes in accounting policy/ prior period errors	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Restated balance at the beginning of the current reporting year	-	-	52.61	1,429.80	4,436.00	3,792.92	4,463.43	-	13.02	-	-	-	28.90	14,216.68
Total Comprehensive Income for the year	-	-	-	-	-	-	1,570.54	-	29.87	-	-	-	2.23	1,602.64
Dividends	-	-	-	-	-	-	(452.94)	-	-	-	-	-	-	(452.94)
Transfer to retained earnings	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer to Statutory Reserve	-	-	-	-	-	314.11	(314.11)	-	-	-	-	-	-	-
Balance as at 31st March 2024	-	-	52.61	1,429.80	4,436.00	4,107.03	5,266.92	-	42.89	-	-	-	31.13	15,366.38

The accompanying Notes form an integral part of the financial statements

As per our report of even date

For PN Raghavendra Rao & Co.,

Chartered Accountants

Firm Regn. No.: 003328S

P R VITTEL

Partner

Membership No. 018111

Place : Coimbatore

Date : 30th May 2025

For and on behalf of the Board

M. BALASUBRAMANIAM

Vice Chairman and Managing Director

DIN : 00377053

M. MANICKAM

Chairman

DIN : 00102233

SUNDARAMURTHY KUMARASAMY

Chief Financial Officer

Membership No. 204905

S. VENKATESH

Company Secretary

Membership No. FCS 7012



Sakthi Finance

Since 1955

SAKTHI FINANCE LIMITED
STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31ST MARCH 2025

(₹ Lakhs)

Particulars	Note	For the year ended 31st March 2025	For the year ended 31st March 2024
A. Cash flow from Operating activities			
Profit before tax		2,333.13	2,147.79
Adjustment to reconcile profit before tax to net cash flows :			
Non-cash expenses			
Depreciation and Amortisation	30	594.59	587.44
Impairment on Loan Receivables	28	325.18	355.40
Bad debts and write-offs	28	403.13	336.69
Remeasurement gain/(loss) on defined benefit plans		3.94	2.96
Impairment on investments	28	1.71	1.41
Impairment on Trade receivables	28	(17.81)	(18.46)
Amortization of fees and Commission on financial liabilities		159.49	184.10
Income/expenses considered seperately			
Income from investing activities		(118.34)	(93.69)
Net gain/loss on derecognition of property, plant and equipment	31	(0.94)	0.23
Finance costs	27	11,984.00	11,572.62
Operating profit before working capital changes		15,668.08	15,076.49
Movements in Working Capital:			
Decrease/(increase) in loans		1,364.38	(6,364.38)
Decrease / (increase) in Trade receivables		107.43	58.56
Decrease / (increase) in other receivables		(10.67)	6.17
Decrease / (increase) in other financial assets		(420.51)	(28.79)
Decrease / (increase) in other non-financial assets		74.46	(0.03)
Increase / (decrease) in Trade Payables		(49.06)	21.77
Increase / (decrease) in Other Payables		259.69	(21.48)
Increase / (decrease) in other financial liabilities		(428.19)	1,029.59
Increase / (decrease) in other non- financial liabilities		10.22	149.34
Increase /(decrease) in Provisions		10.84	7.23
Cash generated / (used in) from operations		918.59	(5,142.02)
Income taxes paid (net of refunds)		(648.55)	(543.16)
Finance costs paid		(13,731.70)	(12,190.06)
Net Cash generated from / (used in) operating activities (A)		2,206.42	(2,798.75)
B. CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment and intangible assets	10, 11	(575.14)	(368.02)
Purchase of investments at measured amortised cost		(1,309.59)	(709.06)
Proceeds from sale of investments at measured amortised cost		341.00	702.00
Proceeds from sale of property, plant and equipment and intangible assets		10.33	0.53
Interest income received from investment at amortised cost	23	117.41	93.69
Increase in earmarked balances with banks		(6.65)	(639.30)
Dividend income		0.93	-
Net cash flows from / (used in) investing activities (B)		(1,421.71)	(920.16)

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31ST MARCH 2025 CONTD...

(₹ Lakhs)

Particulars	Note	For the year ended 31st March 2025	For the year ended 31st March 2024
C. CASH FLOW FROM FINANCING ACTIVITIES			
Issue Expense of Debt Securities		(40.95)	21.87
Proceeds from borrowings through debt securities		13,220.44	33,784.97
Repayment of borrowings through debt securities		(11,501.79)	(16,998.17)
Proceeds from borrowings through Deposits		11,015.70	8,225.59
Repayment of borrowings through Deposits		(628.44)	(2,402.63)
Proceeds from other than borrowings through debt securities		6,870.00	8,500.00
Repayment of other than borrowings through debt securities		(6,872.50)	(4,052.93)
Proceeds from borrowings through Subordinated liabilities		1,816.00	1,439.15
Repayment of borrowings through Subordinated liabilities		(18,854.42)	(11,204.70)
(Increase) / decrease in loan repayable on demand		(153.64)	(6,694.36)
Lease liability paid		(40.62)	(131.18)
Dividend paid	22	(517.65)	(452.94)
Net cash generated from financing activities (C)		(5,687.87)	10,034.67
Net increase/(decrease) in cash and cash equivalents (A+B+C)		(4,903.16)	6,315.76
Cash and cash equivalents at the beginning of the year		9,318.55	3,002.79
Cash and cash equivalents as at the end of the year		4,415.39	9,318.55
Net cash provided by / (used in) operating activities includes			
Interest received		20,482.67	19,566.36
Interest paid		(13,731.70)	(12,190.06)
Net cash provided by / (used in) operating activities		6,750.97	7,376.30
Cash and cash equivalents as at the end of the year	4		
i) Cash on hand		226.19	384.83
ii) Cheques on hand		52.54	9.04
iii) Balances with banks in Current Accounts (of the nature of cash and cash equivalents)		2,371.66	5,484.68
iv) Term Deposits with maturity less than 3 months		1,765.00	3,440.00
Total		4,415.39	9,318.55

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 PN Raghavendra Rao & Co.,

Chartered Accountants

Firm Regn. No.: 0033285

P R VITTEL

Partner

Membership No. 018111

M. BALASUBRAMANIAM
Vice Chairman and Managing Director
DIN : 00377053

S. VENKATESH
Company Secretary
Membership No. FCS 7012

For and on behalf of the Board

M. MANICKAM
Chairman
DIN : 00102233

SUNDARAMURTHY KUMARASAMY
Chief Financial Officer
Membership No.204905

Place : Coimbatore
Date : 30th May 2025

NOTES FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2025

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 Company – Scale Based Regulation) Directions, 2023 ("RBI-SBR Directions"), the company has been categorised as Middle Layer ("ML") as specified therein. The Company is primarily engaged in the business of pre-owned Financing of 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 30th May 2025, approved and authorized the issue of these Financial statements of the Company for the year ended 31ST MARCH 2025.

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-SBR 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 under RBI-SBR Directions and other Master Directions/Circular(s), if any, are included in the Notes forming as 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. Key accounting judgments, estimates and assumptions 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 preparation of financial statements are prudent and reasonable.

NOTES FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2025 (CONTD.)

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 at each balance sheet date.

In particular, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognised in the Financial Statements is included in the following notes:

(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

NOTES FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2025 (CONTD.)

behaviour and life-cycle of the instruments as well as expected changes to India's base rate and other 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 on the date the company becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. 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:

- At amortised cost
- At Fair Value Through Other Comprehensive Income ("FVTOCI")
- At Fair Value Through Profit or Loss ("FVTPL")

The Company classifies its financial liabilities at amortised cost unless it has designated liabilities at fair value through profit or loss.

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.

NOTES FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2025 (CONTD.)

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.

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 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 :

- the Company has transferred substantially all the risks and rewards of the asset, or
- the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

On derecognition of a financial asset, the difference between:

- the carrying amount (measured at the date of derecognition) and
- 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.

NOTES FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2025 (CONTD.)

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 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:

NOTES FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2025 (CONTD.)

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 a 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% 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 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:

NOTES FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2025 (CONTD.)

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")

The Company has elected to use fair value for Land, Building and Plant & Machinery and carrying value for all other property, plant & equipment, Intangible assets as the deemed cost on the date of transition to Ind AS..

The Company recognises an item of Property, Plant and Equipment when:

- a. it is probable that future economic benefits associated with the item will flow to the Company; and
- b. the cost of the item can be measured reliably.

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.

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

NOTES FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2025 (CONTD.)

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 and computers 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.

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

NOTES FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2025 (CONTD.)

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.

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

NOTES FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2025 (CONTD.)

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 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.

NOTES FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2025 (CONTD.)

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.

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

NOTES FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2025 (CONTD.)

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

Ministry of Corporate Affairs ("MCA") notifies New Standards or amendments to the existing Standards under Companies (Indian Accounting Standards) Amendment Rules, as issued from time to time. During the year ended 31ST MARCH 2025, MCA has notified amendments to the existing Standards applicable to the Company.

The Ministry of Corporate Affairs issued the amendments to the Companies (Indian Accounting Standards) Amendment Rules in August 2024 in which MCA has notified Ind AS 117 - Insurance Contracts and amendments to Ind AS 116 - Leases, relating to sale and lease back transactions, applicable from April 1, 2024.

On May 9, 2025, MCA notifies the amendments to Ind AS 21 - Effects of Changes in Foreign Exchange Rates. These amendments aim to provide clearer guidance on assessing currency exchangeability and estimating exchange rates when currencies are not readily exchangeable. The amendments are effective for annual periods beginning on or after April 1, 2025. The Company has evaluated and assessed that the amendments does not have any material impact on the Financial Statements of the Company.

NOTES FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2025

(₹ Lakhs)

Particulars	As at 31st March 2025	As at 31st March 2024
4. CASH AND CASH EQUIVALENTS		
Cash on hand	226.19	384.83
Balance with Banks in Current Accounts	2,371.66	5,484.68
Cheques, drafts on hand	52.54	9.04
Term Deposits with Banks :		
- Free (With original maturity of upto 3 months)	1,100.00	1,600.00
- Lien# (With Original maturity of upto 3 months)	665.00	1,840.00
Total	4,415.39	9,318.55
4A. BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS		
Earmarked Balances with Banks :		
- Unpaid Dividend Accounts *	78.67	102.02
- For Listed Non-convertible debentures	0.19	0.19
Term Deposits with Banks :		
- Under Lien #		
- With maturity of more than 3 months but upto 1 year	-	580.00
- With maturity of more than 1 year	610.00	-
Total	688.86	682.21

Details of Term Deposits under lien

Particulars	As at 31st March 2025		As at 31st March 2024	
	Bank Balances other than Cash and Cash equivalents (Note 4)	Other Financial assets (Note 8)	Bank Balances other than Cash and Cash equivalents (Note 4)	Other Financial assets (Note 8)
For Statutory Liquid Assets**	610.00	27.80	2,420.00	14.43
For Redemption of Listed Non-convertible debentures	665.00	0.71	-	-
Total	1,275.00	28.51	2,420.00	14.43

** 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, Trustees representing the Public deposit holders of the Company.

* Includes minimum bank balance

5. RECEIVABLES

(i) Trade Receivables

- Unsecured - Considered good	31.20	56.91
- Unsecured - Credit Impaired	80.17	161.89
Less: Impairment Loss Allowance	(14.88)	(32.69)
Total	96.49	186.11

(ii) Other Receivables

Unsecured - Considered good

Rent Receivables	22.89	12.22
Total	22.89	12.22

Out of the above an amount of Rs 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 2025 (CONTD.)

Trade Receivables Ageing Schedule as at 31st March 2025

(₹ Lakhs)

Particulars	Unbilled Revenue	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 Ageing Schedule as at 31st March 2024

(₹ Lakhs)

Particulars	Unbilled Revenue	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	-	17.27	39.64	-	-	-	56.91
Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed Trade Receivables – credit impaired	-	-	-	35.01	91.47	35.41	161.89
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 2025	31st March 2024
Impairment Loss Allowance - Opening	32.69	51.15
Add: Additions during the year	5.96	-
(Less): Reductions during the year	(23.77)	(18.46)
Impairment Loss Allowance - Closing	14.88	32.69

NOTES FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2025

(₹ Lakhs)

Particulars	As at 31st March 2025	As at 31st March 2024
6. LOANS		
(A) Loans (at amortised cost) *		
Loans#	1,20,929.00	1,24,184.34
Loans Repayable on Demand	2,692.37	1,222.69
Other Loans ##	331.04	312.90
Total (Gross)	1,23,952.41	1,25,719.93
Less: Impairment Loss Allowance (Refer Note 45)	(5,872.71)	(5,547.54)
Total (Net)	1,18,079.70	1,20,172.39
(B) (i) Secured by Tangible Assets Financed	1,20,929.00	1,24,184.34
(ii) Secured by Intangible Assets	-	-
(iii) Covered by Bank / Govt. Securities	-	-
(iv) Covered by Security deposit	60.00	35.00
(v) Unsecured	2,963.41	1,500.59
Total (Gross)	1,23,952.41	1,25,719.93
Less: Impairment Loss Allowance (Refer Note 45)	(5,872.71)	(5,547.54)
Total (Net)	1,18,079.70	1,20,172.39
(C) (i) Loans in India		
(a) Public Sector		
(b) Others	1,23,952.41	1,25,719.93
Total (Gross)	1,23,952.41	1,25,719.93
Less: Impairment Loss Allowance (Refer Note 45)	(5,872.71)	(5,547.54)
Total (Net) - C (i)	1,18,079.70	1,20,172.39
(ii) Loans Outside in India	-	-
Less: Impairment Loss Allowance	-	-
Total (Net) - C (ii)	-	-
Total (Net) - C (i+ ii)	1,18,079.70	1,20,172.39
(D) (i) Loans - where there has not been significant increase in credit risk - Secured	1,08,636.98	1,04,031.22
(ii) Loans - where there has not been significant increase in credit risk - Unsecured	-	-
(iii) Loans - which have Significant Increase in Credit Risk - Secured	6,197.05	13,557.08
(iv) Loans - which have Significant Increase in Credit Risk - Unsecured	3,023.41	1,535.59
(v) Loans - Credit Impaired - Secured	6,094.97	6,596.04
(vi) Loans - Credit Impaired - Unsecured	-	-
Total (Gross)	1,23,952.41	1,25,719.93
Less : Impairment Loss Allowance (Refer Note 45)	(5,872.71)	(5,547.54)
Total (Net)	1,18,079.70	1,20,172.39

* 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 Stagewise 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 2025

(₹ Lakhs)

Particulars			As at 31st March 2025	As at 31st March 2024
7. INVESTMENTS				
At Amortised Cost				
Investments in Government Securities	Number	Face Value per unit (₹)		
Quoted				
Bonds of Central and State Governments #	21,56,000	100	2,167.20	1,200.34
Total (A)			2,167.20	1,200.34
At Fair value through Other Comprehensive Income				
Quoted				
Investments in Equity Instruments (Refer Note 3(a)(ii))				
Sakthi Sugars Limited	5,52,833	10	113.28	163.86
Total (B)			113.28	163.86
At Cost				
Unquoted				
Investments in Equity Instruments				
ABT Industries Limited	1,50,000	10	15.00	15.00
ABT Foods Agrovat 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 (C)			38.43	38.43
Total (Gross) - (A+B+C)			2,318.91	1,402.63
(i) Investments Outside India			-	-
(ii) Investments In India			2,318.91	1,402.63
Total			2,318.91	1,402.63
Less: Impairment Loss Allowance			12.56	12.56
Total (Net)			2,306.35	1,390.07
# In accordance with Master Direction - Non Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions 2016 dated 25th August 2016 (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.				
8. OTHER FINANCIAL ASSETS				
- Interest accrued on Government Securities			34.46	22.64
- Interest accrued on Term Deposits				
- Free			0.47	2.25
- Under Lien (Refer Note 4A)			28.51	14.43
- Security Deposits			271.02	213.44
- Other Loans and Advances			1,434.27	1,076.26
- Advance to Employees			1.74	5.24
Total			1,770.47	1,334.26

NOTES FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2025

(₹ Lakhs)

Particulars	As at 31st March 2025	As at 31st March 2024
9. DEFERRED TAX ASSETS (net)*		
a. Application of Expected Credit Loss on Financial Assets	1,224.75	1,174.62
b. Employee benefit expenses	19.45	35.92
c. Right of Use Assets and Lease Liabilities	2.92	2.70
d. Application of EIR on Financial Liabilities	(144.07)	(160.70)
e. Differences in carrying amount of Property, Plant and Equipment	(623.70)	(665.51)
Total	479.35	387.03

* Refer Note 41

10. a) INVESTMENT PROPERTY*

Particulars	Land	Building	Total
Carrying amount as at 1st April 2023	66.87	226.75	293.62
Additions	-	-	-
Disposals	-	-	-
Carrying amount as at 31st March 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
Accumulated depreciation / amortisation and impairment			
Balance as at 1st April 2023	-	23.00	23.00
Depreciation for the year	-	4.60	4.60
Depreciation on disposals	-	-	-
Balance as at 31st March 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
Net Carrying amount			
As at 31st March 2024	66.87	199.15	266.02
As at 31st March 2025	66.87	201.38	268.25

*Refer Note 3(h)

10. b) Rental Income with respective expenses

Particulars	Year ended 31st March 2025	Year ended 31st March 2024
Rental Income - (Building) from Investment Property (IP)	26.31	1.48
Less : Direct operating expenses arising from IP that generated rental income during the year	1.68	-
Direct operating expenses arising from IP that did not generated rental income during the year	-	3.05
Profit/(Loss) from Investment property before depreciation	24.63	(1.57)
Less : Depreciation charge for the year	5.64	4.60
Profit/(Loss) from Investment property after depreciation	18.99	(6.17)

NOTES FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2025

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 2025	Professional valuer	Price per Square Feet	₹ 2,500 - 5,000 per Square Feet	5%	388	19
Investment Property As at 31st March 2024	Professional valuer	Price per Square Feet	₹ 2,500 - 5,000 per Square Feet	5%	370	19

10.d) Carrying value of Investment Property pledged as collateral for liabilities as at 31st March 2025 is "Nil" (31st March 2024 is "Nil")

10.e) Some of 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 2025 and 31st March 2024.

NOTES FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2025

11 (a) Property, Plant and Equipment - Tangible Assets*

Particulars	Freehold Land	Buildings	Plant and Machinery	Plant - Wind Mills	Furniture and Fixtures	Vehicles	Office Equipments	Total Tangible Assets
	(₹ Lakhs)							
Carrying amount as at 1st April 2023	2,766.47	1,728.88	118.84	1,615.39	378.91	96.69	332.21	7,037.39
Additions	-	9.28	11.69	-	24.63	-	36.51	82.11
Disposals	-	-	-	-	-	0.65	4.49	5.14
Carrying amount as at 31st March 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
Accumulated depreciation / amortisation and impairment								
Balance as at 1st April 2023	-	259.22	34.59	522.85	172.30	63.46	140.39	1,192.81
Depreciation for the year	-	50.10	9.60	104.57	40.11	10.88	44.76	260.02
Depreciation on disposals	-	-	-	-	-	0.43	3.95	4.38
Balance as at 31st March 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
Net Carrying amount								
As at 31st March 2024	2,766.47	1,428.84	86.34	987.97	191.13	22.13	183.03	5,665.91
As at 31st March 2025	2,766.47	1,378.24	77.43	883.40	163.84	53.51	184.63	5,507.52

*Refer Note 3(f) & 36(a)

The Company has not revalued any of its Property, Plant and Equipment during the year ended March 31, 2025 and year ended March 31, 2024. 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 2025 and 31st March 2024, 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 of the Companies Act, 2013 is not applicable and hence not reported.

Carrying Value of Assets Pledged Against borrowings / Debt Securities as at 31st March 2025 (Refer Note 14 & 15)

Particulars	Freehold Land	Buildings	Plant and Machinery	Plant - Wind Mills	Furniture and Fixtures	Vehicles	Office Equipments	Total Tangible Assets
	(₹ Lakhs)							
As at 31st March 2025	-	1,227.67	-	-	-	-	-	1,227.67
As at 31st March 2024	173.80	1,281.47	-	-	-	-	-	1,455.27

NOTES FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2025 (CONTD.)

11 (b) Right of use Assets*

(₹ Lakhs)

Particulars	Amount
Carrying amount as at 1st April 2023	1,945.55
Additions	162.91
Disposals	-
Carrying amount as at 31st March 2024	2,108.46
Additions	252.36
Disposals	-
Carrying amount as at 31st March 2025	2,360.82
Accumulated depreciation / amortisation and impairment	
Balance as at 1st April 2023	886.43
Depreciation for the year	276.33
Depreciation on Deductions	-
Balance as at 31st March 2024	1,162.76
Depreciation for the year	290.78
Depreciation on Deductions	-
Balance as at 31st March 2025	1,453.54
Net Carrying amount	
As at 31st March 2024	945.70
As at 31st March 2025	907.28

*Refer Note 3(q) & Refer Note 48

11 (c) Capital work-in-progress

(₹ Lakhs)

Particulars	Amount
Carrying amount as at 1st April 2023	-
Additions	-
Disposals	-
Carrying amount as at 31st March 2024	-
Additions	13.69
Disposals	-
Carrying amount as at 31st March 2025	13.69
As at 31st March 2024	-
As at 31st March 2025	13.69

*Refer Note 3(f)

Capital Work in Progress (CWIP) ageing schedule

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 Intangible Assets under Development, whose completion is overdue or has exceeded its cost compared to its original plan

As at 31st March 2024

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 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 2025 (CONTD.)

11 (d) Intangible Assets under development*

(₹ Lakhs)

Particulars	Amount
Carrying amount as at 1st April 2023	-
Additions	67.79
Disposals	-
Carrying amount as at 31st March 2024	67.79
Additions	179.07
Disposals	-
Carrying amount as at 31st March 2025	246.86
As at 31st March 2024	67.79
As at 31st March 2025	246.86

*Refer Note 3(g)

Intangible Assets under Development ageing schedule

As at 31st March 2025

(₹ 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	179.07	67.79	-	-	246.86
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 2024

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	67.79	-	-	-	67.79
Projects temporarily suspended	-	-	-	-	-

11 (e) Other Intangible Assets - Computer Software*

(₹ Lakhs)

Particulars	Amount
Carrying amount as at 1st April 2023	398.02
Additions	55.22
Disposals	-
Carrying amount as at 31st March 2024	453.24
Additions	8.33
Disposals	-
Carrying amount as at 31st March 2025	461.57
Accumulated depreciation / amortisation and impairment	
Balance as at 1st April 2023	241.44
Depreciation for the year	46.49
Depreciation on disposals	-
Balance as at 31st March 2024	287.93
Depreciation for the year	35.33
Depreciation on disposals	-
Balance as at 31st March 2025	323.26
Net Carrying amount	
As at 31st March 2024	165.31
As at 31st March 2025	138.31

*Refer Note 3(g)

NOTES FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2025

(₹ Lakhs)

Particulars	As at 31st March 2025	As at 31st March 2024
12. OTHER NON-FINANCIAL ASSETS		
Considered good-Unsecured		
- Advance for Property, Plant and Equipment	1,500.00	1,500.00
- Prepaid Expenses	75.38	74.72
- GST Input Tax Credit	201.73	276.57
- NCD Public Issue Expenses	40.95	-
- Others - Stock of Stationery Items	1.78	2.06
Total	1,819.84	1,853.35

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

13. PAYABLES

(I) Trade Payables

(i) Total outstanding dues of micro enterprises and small enterprises	11.22	0.59
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	117.64	177.33

(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	431.48	171.78
Total	560.34	349.70

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	11.22	0.59
- 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	11.22	0.59

NOTES FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2025(CONTD.)

Trade Payables Ageing Schedule as at 31st March 2025

(₹ Lakhs)

Particulars	Outstanding for following periods from the due date of payment					
	Unbilled Revenue	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		-	-	-	-	-

Trade Payables Ageing Schedule as at 31st March 2024

Particulars	Outstanding for following periods from the due date of payment					
	Unbilled Revenue	Less than - 1 year	1-2 Years	2-3 years	More than 3 years	Total
MSME		0.59	-	-	-	0.59
Others		349.11	-	-	-	349.11
Disputed Dues - MSME		-	-	-	-	-
Disputed Dues - Others		-	-	-	-	-

Particulars	As at 31st March 2025	As at 31st March 2024
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14. DEBT SECURITIES

At Amortised Cost

Redeemable, Non-Convertible Debentures - Secured	67,368.98	65,619.57
Total	67,368.98	65,619.57
Debt Securities in India	67,368.98	65,619.57
Debt Securities outside India	-	-
Total	67,368.98	65,619.57

Note:

- There are no debt securities measured at FVTOCI or designated at FVTPL.
- The Non-Convertible Debentures are secured by Loan receivables of the Company having carrying value of ₹ 75,997.90 lakhs (31st March 2024 ₹ 73,762.84 Lakhs).
- 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,2025	As at 31st March,2024
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	2,587.00	4,255.50
Maturing between 1 to 2 years	781.00	2,587.00
Maturing between 2 to 3 years	1,309.00	781.00
Maturing between 3 to 4 years	2,414.29	1,309.00
Maturing between 4 to 5 years	-	2,414.29
Sub-Total (A)	7,091.29	11,346.79
Add : Interest accrued but not due	489.75	409.34
Less: unamortized charges	32.31	61.52
(A) Total Amortized Cost	7,548.73	11,694.61

NOTES FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2025 (CONTD.)

(₹ Lakhs)

Particulars	As at 31st March,2025	As at 31st March,2024
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 4 to 5 years	395.00	-
Sub-Total (B)	853.00	-
Add : Interest accrued but not due	9.28	-
Less: unamortized charges	8.93	-
(B) Total Amortized Cost	853.35	-
C) Public Issue - Face value of ₹ 1,000		
- Repayable on maturity:		
Interest Range 9% to 10%		
Maturing within 1 year	12,583.04	8,591.88
Maturing between 1 years to 2 years	6,735.33	12,583.04
Maturing between 2 years to 3 years	8,615.10	5,045.10
Maturing between 3 years to 4 years	14,950.83	6,952.51
Maturing between 4 years to 5 years	7,967.46	14,950.83
Maturing between 5 years to 6 years	3,575.84	2,035.70
Maturing between 6 years to 7 years	1,047.16	1,540.14
Sub-Total (C)	55,474.76	51,699.20
Add : Interest accrued but not due	4,308.52	3,091.75
Less: unamortized charges	816.38	865.99
(C)Total Amortized Cost	58,966.90	53,924.96
TOTAL (A)+(B)+(C)	67,368.98	65,619.57
Total Amortized Cost (A)+(B)+(C)	67,368.98	65,619.57

15. BORROWINGS (OTHER THAN DEBT SECURITIES)*

At amortized cost

Term Loans -Secured

- From Banks	5,700.36	4,884.67
- From Other Lenders	1,574.54	2,332.05

Loan Repayable on Demand

- Cash Credit Facilities and Working Capital Demand Loan from Banks (Secured)	5,109.92	5,263.55
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Total

	12,384.82	12,480.27
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Borrowings in India

	12,384.82	12,480.27
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Borrowings outside India

	-	-
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Total

	12,384.82	12,480.27
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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 2025 (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 2025	Amount outstanding as on 31 March 2024
			Commence-ment 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	2,291.67	-
Add : Interest accrued but not due							20.41	-
Less: unamortized charges							27.34	-
Total Amortized Cost							2,284.74	-

ii) State Bank of India

(₹ Lakhs)

Sl No	Amount of Term Loan sanctioned	Rate of Interest per annum	Repayment		Mora- torium period	Security details	Amount outstanding as on 31st March 2025	Amount outstanding as on 31 March 2024
			Commence- ment 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	1,301.60
2	4,500.00	17.90%	31.10.2023	30.09.2028		3,149.43	3,599.70	
Add : Interest accrued but not due							-	-
Less: unamortized charges							3.32	16.63
Total Amortized Cost							3,415.62	4,884.67

b) Term loans from other Lenders are secured as under:

i) Shriram Transport Finance Company 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 2025	Amount outstanding as on 31 March 2024	
			Commencement date	End date					
1	1,000.00	13.25%	05.11.2023	05.10.2026	-	Hypothecation of specified Loan receivables and personal guarantee by a director	578.78	886.76	
2	1,500.00	13.25%	05.02.2024	05.01.2027	-		987.73	1,433.98	
Add : Interest accrued but not due							14.77	22.23	
Less: unamortized charges							6.74	10.92	
Total Amortized Cost							1,574.54	2,332.05	

c) Loans repayable on demand - Cash credit facilities with banks (secured)

(₹ Lakhs)

Particulars	As at 31st March 2025		As at 31st March 2024	
	Interest Rate Range	Amount outstanding	Interest Rate Range	Amount outstanding
Maturing within 1 Year	11.25 % to 13.10%	5,123.22	9.00 % to 12.85%	5,256.16
Add : Interest accrued but not due		-		32.93
Less: unamortized charges		13.30		25.54
Total Amortized Cost		5,109.92		5,263.55

The cash credit facilities from Banks are secured by hypothecation of specified loan receivables and a personal guarantee by Director(s). The company has also extended collateral security of Company's Building and land belonging to a Director.

d) There are no defaults in repayment of loans and interest thereon.

NOTES FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2025

Particulars	(₹ Lakhs)	
	As at 31st March 2025	As at 31st March 2024
16. DEPOSITS (UNSECURED)		
At amortized cost		
Public Deposits	18,712.18	8,281.47
Total	18,712.18	8,281.47

There are no Deposits measured at FVTOCI or designated at FVTPL

Details of Deposits - Unsecured :

Particulars	As at 31st March 2025	As at 31st March 2024
- Repayable on maturity:		
Interest Range 8.25% to 9%		
Maturing within 1 year	2,764.65	873.64
Maturing between 1 to 2 years	5,047.04	1,677.90
Maturing between 2 to 3 years	4,115.85	2,663.20
Maturing between 3 to 4 years	4,012.11	1,484.09
Maturing between 4 to 5 years	2,275.39	1,526.76
Subtotal	18,215.04	8,225.59
Add : Interest accrued but not due	647.93	126.38
Less: unamortized charges	150.79	70.50
Total Amortized Cost	18,712.18	8,281.47

For Deposits repaid to related parties, Refer Note 43

17. SUB-ORDINATED LIABILITIES (UNSECURED)

At amortized cost		
Redeemable, Non-Convertible Debentures - Unsecured	7,590.61	12,962.06
Redeemable Cumulative Preference Shares ("RCPS")	2,131.70	1,752.52
Sub-Ordinated Liabilities	1,566.23	16,452.40
Loan from Others	1,100.00	-
Total	12,388.54	31,166.98
Sub-Ordinated Liabilities in India	12,388.54	31,166.98
Sub-Ordinated Liabilities outside India	-	-
Total	12,388.54	31,166.98

There are no Sub-ordinated 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 due and payable dividends remain unpaid for 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 2025, the Company declared and paid an interim dividend of ₹ 176.88 lakhs after deduction of tax deducted at source of ₹ 4.78 lakhs on RCPS of ₹ 100 each fully paid (31st March 2024 : ₹ 141.01 lakhs)

NOTES FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2025 (CONTD.)

Details of Sub-Ordinated Liabilities - Unsecured :

(₹ Lakhs)

Particulars	As at 31st March 2025	As at 31st March 2024
A) Redeemable Non-Convertible Debentures - Unsecured :		
Issued on Public Issue		
Repayable on maturity:		
Interest Range 10% to 11%		
Maturing within 1 year	1,603.70	4,374.80
Maturing between 1 years to 2 years	4,759.47	1,603.70
Maturing between 2 years to 3 years	-	4,759.47
Sub-Total (A)	6,363.17	10,737.97
B) Preference Shares		
Repayable on maturity:		
9% Redeemable Preference Shares		
Maturing between 1 to 2 years	1,439.15	331.00
Maturing between 2 to 3 years	716.00	1,439.15
Sub-Total (B)	2,155.15	1,770.15
C) Sub-Ordinated Debts		
- Repayable on maturity:		
Interest Range 10% to 11%		
Maturing within 1 year	1,244.40	12,221.80
Maturing between 1 to 2 years	-	1,244.40
Sub-Total (C)	1,244.40	13,466.20
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)	10,862.72	25,974.32
Add : Interest accrued but not due		
A) Non convertible Debentures - Unsecured	1,258.44	2,286.39
B) Preference Shares	-	-
C) Sub-Ordinated Debts	322.28	3,000.16
Less: Unamortized charges		
A) Non-Convertible Debentures - Unsecured	31.00	62.30
b) Preference Shares	23.44	17.63
c) Sub-Ordinated Debts	0.46	13.96
Total amortized cost	12,388.54	31,166.98

In respect of Sub-Ordinated Liabilities held by related parties refer Note 43

NOTES FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2025

(₹ Lakhs)

Particulars	As at 31st March 2025	As at 31st March 2024
18. OTHER FINANCIAL LIABILITIES		
Investor Education and Protection Fund shall be credited by the following amounts (as and when due)		
- Unpaid dividends	73.83	101.91
- Unpaid matured deposits and Interest accrued thereon	144.37	202.27
- Unpaid matured Sub-Ordinated Debts and Interest accrued thereon	450.26	608.17
- Unpaid matured debentures and Interest accrued thereon	32.70	110.38
- Unpaid Redeemable Cumulative Preference Shares	-	306.50
Advances from Customers	700.53	524.91
Security Deposits	211.75	187.49
Lease Liabilities (Refer Note 48)	269.02	277.03
Total	1,882.46	2,318.66
Note : Equity Dividend pertaining to the financial year 2011 and 2012 for an amount of ₹ 500 have not been transferred into Investor Education and Protection Fund, due to pending legal proceedings.		
19. PROVISIONS		
Provision for Employee Benefits		
Provision for bonus	75.84	69.09
Provision for gratuity (net)	9.31	11.25
Provision for leave encashment	68.41	62.38
Total	153.56	142.72
20. OTHER NON-FINANCIAL LIABILITIES		
Statutory Liabilities	257.34	247.12
Total	257.34	247.12
21. SHARE CAPITAL		
Authorised Share Capital		
10,00,00,000 Equity shares of ₹ 10 each	10,000.00	10,000.00
(FY 2024 10,00,00,000 Equity Shares of ₹10 each)		
30,00,000 Redeemable Cumulative Preference Shares of ₹ 100 each	3,000.00	3,000.00
(FY 2024 30,00,000 Redeemable Cumulative Preference Shares of ₹ 100 each)		
	13,000.00	13,000.00
Issued, Subscribed and Paid up Share capital		
6,47,05,882 Equity shares of ₹ 10 each fully paid up	6,470.59	6,470.59
(FY 2024 : 6,47,05,882 Equity Shares of ₹ 10 each)		
	6,470.59	6,470.59

Equity Shares held by promoters at 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%

Equity Shares held by promoters at 31st March 2024

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	1,92,000	0.30%	-

NOTES FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2025

Particulars	As at 31st March 2025	As at 31st March 2024
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a) Reconciliation of shares outstanding at the beginning and end of the year (₹ Lakhs)

Particulars	As at 31st March 2025		As at 31st March 2024	
	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

b) Details of shareholders holding more than 5% shares in the share capital of the company

Particulars	As at 31st March 2025		As at 31st March 2024		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	5.15	33,31,162	(1.39)	(8,99,636)

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 30th May 2025, recommended a dividend of **8 per cent, ₹0.80 per share** (31st March 2024 : ₹ 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 2024-25 adheres to the ceiling limits on dividend payout ratios for NBFCs, as prescribed by the Reserve Bank of India in Notification RBI/2021-22/59 DOR.ACC.REC.No.23/21.02.067/2021-22 dated 24th June 2021.

Details of Dividends proposed (₹ Lakhs)

Particulars	31st March 2025	31st March 2024
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 2025 shall be paid to share holders subject to the approval of the members of the company at the ensuing Annual General Meeting.

NOTES FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2025 (CONTD.)

- d) For the years ended 31st March 2025 and 31st March 2024
 - 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 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 2025 and 31st March 2024.
 - i) There are no equity shares allotted as fully paid up pursuant to contract 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 2025

(₹ Lakhs)		
Particulars	As at 31st March 2025	As at 31st March 2024
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	4,107.03	3,792.92
Add : Transfer from Retained Earnings	333.03	314.11
Closing balance	4,440.06	4,107.03
Retained Earnings		
Opening Balance	5,266.92	4,463.43
Add : Profit after tax for the year	1,665.15	1,570.54
	6,932.07	6,033.97
Less: Appropriations		
Equity Dividend (31st March 2024 : ₹ 0.80 per share)	517.65	452.94
Transfer to Statutory Reserve	333.03	314.11
Closing Surplus	6,081.39	5,266.92
Item of Other Comprehensive Income ("OCI")		
(i) Fair value changes in Equity Instruments		
Opening Balance	42.89	13.02
Add : Income/(Expenses) for the year	(38.35)	29.87
Closing Balance	4.54	42.89
(ii) Actuarial changes in Defined benefit obligations		
Opening Balance	31.13	28.90
Add : Income/(Expenses) for the year	3.19	2.23
Closing Balance	34.32	31.13
Closing Balance (i) + (ii)	38.86	74.02
Total	16,478.72	15,366.38

Description of Nature and purpose of each reserves

Capital reserve: Capital reserve is the excess amount received on re-issue of forfeited equity shares in an earlier year.

Securities Premium : The amount received in excess of face value of the equity shares is recognised as Securities premium. The reserve can be utilised only for limited purposes such as issuance of bonus shares in accordance with the provisions of the Companies Act 2013.

General reserve : Under the Companies Act, 1956, general reserve was created through an annual transfer of net income at a specified percentage in accordance with applicable regulations. Consequent to the introduction of the Companies Act 2013 ("the Act"), the requirement to mandatorily transfer a specified percentage of the net profit to general reserve has been withdrawn. However, the amount previously transferred to the general reserve can be utilised only in accordance with the specific requirements of the Act.

NOTES FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2025 (CONTD.)

Debenture redemption reserve:

Consequent to the amendment to the Companies (Share Capital and Debentures) Rules 2014, as amended the requirement to create Debenture Redemption Reserve ("DRR") is no longer required for listed NBFCs registered with Reserve Bank of India under Section 45-IA of the RBI Act 1934, for the value of outstanding both public issue of debentures and privately placed debentures.

The Company is required to deposit or invest before 30th day of April of each year, as the case may be, a sum which shall not be less than 15% of the amount of its debenture issued through public issue maturing within one year from the Balance sheet date. Accordingly the Company, before the year end / subsequent to the year end has invested a sum of ₹ 665.00 lakhs (Previous Year ₹ 2,420 lakhs) in the form of fixed deposits with scheduled banks, representing 15% of the debenture issued through public issue, which are due for redemption within one year from the balance sheet date.

Statutory reserve: Every year the Company transfers a sum of not less than twenty per cent of net profit after tax of that year as disclosed in the statement of profit and loss to its Statutory Reserve as per Section 45-IC of The Reserve Bank of India Act 1934.

The conditions and restrictions for distribution attached to statutory reserves as specified in Section 45-IC(1) in The Reserve Bank of India Act, 1934:

- (1) Every non-banking financial company ("NBFC") shall create a reserve fund and transfer therein a sum not less than twenty per cent of its net profit every year as disclosed in the statement of Profit and Loss account and before any dividend is declared.
- (2) No appropriation of any sum from the reserve fund shall be made by the NBFC except for the purpose as may be specified by the RBI from time to time and every such appropriation shall be reported to the RBI within twenty-one days from the date of such withdrawal:

Provided that the RBI may, in any particular case and for sufficient cause being shown, extend the period of twenty one days by such further period as it thinks fit or condone any delay in making such report.

- (3) Notwithstanding anything contained in sub-section (1), the Central Government may, on the recommendation of the RBI and having regard to the adequacy of the paid-up capital and reserves of a NBFC in relation to its deposit liabilities, declare by order in writing that the provisions of sub-section (1) shall not be applicable to the NBFC for such period as may be specified in the order:

Provided that no such order shall be made unless the amount in the reserve fund under sub-section (1) together with the amount in the securities premium is not less than the paid-up capital of the NBFC

Retained earnings: Retained earnings are the profits that the Company has earned till date less any transfers to statutory reserve, general reserve, dividends distributions paid to members and transfer from debenture redemption reserve.

Other Comprehensive Income: Other Comprehensive Income comprises items of income and expenses that are not recognised in statement of profit and loss as required or permitted by other Ind AS. They comprise the following : (a) Cumulative gains/(losses) on account of remeasurement of post employment benefit obligations (b) Cumulative gains/(losses) on remeasurement of equity instruments measured at fair value through Other Comprehensive Income. Such remeasurements are not reclassified to the statement of profit and loss in subsequent periods.

Proposed dividend : The Board of Directors of the Company have at their meeting held on 30th May, 2025 recommended a dividend of 8% being ₹ 0.80 per share on the equity shares of the Company, for the year ended 31st March 2025 (₹ 0.80 per share - 31st March 2024) which is subject to approval of members. Consequently the proposed dividend has not been recognised as a liability in the books in accordance with Ind AS 10. (Also Refer Note 57)

NOTES FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2025

(₹ Lakhs)

Particulars	For the Year ended 31st March 2025	For the Year ended 31st March 2024
23. INTEREST INCOME		
(On Financial Instruments measured at amortised cost)		
- Loans	20,482.67	19,566.36
- Bank deposits	161.76	166.13
- Investments	117.41	93.69
Total	20,761.84	19,826.18
There are no income on Financial Instruments measured at FVTOCI		
24. FEES AND COMMISSION (Service rendered at a point in time)		
- Service Charges	344.11	428.64
- Stamp and documentation charges	71.01	82.58
Total	415.12	511.22
25. SALE OF POWER FROM WIND MILLS		
Income from Wind mill -Sale of Electricity	169.87	192.37
Total	169.87	192.37
26. OTHER INCOME		
- Profit on Sale of Investment	2.49	-
- Dividend Income	0.93	-
- Miscellaneous income	2.43	0.25
- Provision no longer required	15.68	-
Total	21.53	0.25
27. FINANCE COSTS		
(On Financial Liabilities measured at amortised cost)		
- Deposits	1,314.39	369.65
- Borrowings	1,596.83	1,360.00
- Debt Securities	6,646.81	5,330.50
- Sub-Ordinated Liabilities	1,908.41	4,048.62
- Lease Liability (Refer Note 48)	16.92	18.37
Bank Charges	94.64	101.18
Debenture Issue Expenses	406.00	344.30
Total	11,984.00	11,572.62
There are no Finance liabilities measured at FVTOCI		
28. IMPAIRMENT ON FINANCIAL INSTRUMENTS		
(On Financial instruments measured at amortised cost)		
Loans (Refer Note 6)	325.18	355.40
Bad Debts	403.13	336.69
Trade Receivables (Refer Note 5)	(17.81)	(18.46)
Investments	1.71	1.41
Total	712.21	675.04
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 2025

(₹ Lakhs)

Particulars	For the Year ended 31st March 2025	For the Year ended 31st March 2024
29. EMPLOYEE BENEFIT EXPENSES		
Salaries and wages (Refer Note 43)	3,258.05	3,342.56
Contributions to Provident and Other Funds	117.90	106.05
Staff Welfare Expenses	212.76	160.86
Gratuity (Refer Note 42)	25.89	22.14
Leave Encashment (Refer Note 42)	33.82	33.09
Total	3,648.42	3,664.70
30. DEPRECIATION AND AMORTIZATION		
Depreciation - Property plant and Equipment (Refer Note 11(a) & 3(f))	262.84	260.02
Depreciation - Investment property (Refer Note 10 (a) & 3 (h))	5.64	4.60
Amortization - Intangibles (Refer Note 11 (d) & 3 (g))	35.33	46.49
Depreciation - Right of use assets (Refer Note No 48)	290.78	276.33
Total	594.59	587.44
31. OTHER EXPENSES		
Rent (Refer Note 48)	57.41	34.24
Rates, Taxes and Licences	241.20	231.66
Stamping on documents	20.44	18.24
Communication	47.67	43.90
Insurance	21.97	22.54
Travelling and Conveyance	383.84	398.92
Printing and Stationery	48.78	45.32
Power and Fuel	56.77	52.87
Advertisements	16.28	18.26
Auditor's Remuneration :		
As Auditor:		
- Audit Fee	22.00	16.00
- Tax Audit Fee	5.50	-
- Limited Review Fee	13.50	11.50
- Certification Fee	16.35	6.18
- Reimbursement of Expenses	2.72	1.50
(# excluding ₹ 7.50 lakhs (31st March 2024 ₹ 7.10 paid for certification and taken as a part of amortised cost of borrowings)		
Legal and Professional Charges	366.84	363.32
Repairs and Maintenance on:		
- Buildings	73.47	75.20
- Machinery	89.83	66.34
- Information Technology	433.38	297.47
- Other Assets	38.01	33.92
Filing Fees	14.84	12.73
Directors' Sitting Fees (Refer Note 43)	29.90	32.10
Corporate Social Responsibility Expenses (Refer Note 37)	47.76	43.67
Loss on Sale of Property, Plant and Equipment	1.55	0.23
Miscellaneous Expenses	98.69	89.65
Total	2,148.70	1,915.76

NOTES FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2025

Particulars	For the Year ended 31st March 2025	For the Year ended 31st March 2024
	(₹ Lakhs)	(₹ Lakhs)

32. (i) CONTINGENT LIABILITIES

(i) Claims against the Company not acknowledged as debt;

a) Income Tax issues	217.16	226.99
Less : Amount paid under protest	42.24	42.24
	<u>174.92</u>	<u>184.75</u>

The Company has disputed Income Tax demand pertaining to the Assessment year 2012-13 for an amount of ₹ NIL (Previous year 31st March 2024 ₹ 9.83 Lakhs in relation to disallowance under Section 14A of the Income Tax Act. The matter is pending with Assessing Officer).

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 2024 ₹ 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
Less : Amount paid under protest	143.30	143.30
	<u>1,939.04</u>	<u>1,939.04</u>

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 (Previous year 31st March 2024 ₹ 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 (Previous year ₹ 143.30 Lakhs) under protest.

c) Consumer Court cases pending	18.35	18.35
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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 (Previous year 31st March 2024 ₹ 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, 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 same is made in the financial statements.

33. EXPENDITURE IN FOREIGN CURRENCY ON ACCOUNT OF :

Expenditure in Foreign Currency	Nil	Nil
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NOTES FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2025

(₹ Lakhs)

Particulars	For the Year ended 31st March 2025	For the Year ended 31st March 2024
34. REMITTANCE OF DIVIDEND IN FOREIGN CURRENCY		
Year to which the dividend relates	2023-24	2022-23
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*	24.67

* Includes ₹ 28.19 lakhs remains unclaimed due to KYC compliance

35. DETAILS OF CRYPTO CURRENCY OR VIRTUAL CURRENCY

Particulars	31st March 2025	31st March 2024
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 2025 and 31st March 2024)

- 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.
- 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.
- 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.
- The Company has not been declared as a wilful defaulter by any bank or financial Institution or other lender.
- The company did not have any transactions with the Companies struck off under section 248 of 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 2025	31st March 2024	
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, 2025 and March 31, 2024, the Company did not have any transaction with above equity shareholders, being the companies whose names have been struck off under section 248 of Companies Act, 2013 or section 560 of 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.

- 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.
- 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

NOTES FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2025 (CONTD.)

- h. The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the company shall (i) 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 (ii) provide any guarantee, security or the like 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, 2025 and March 31, 2024.
- 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 2025:

- I. Amount required to be spent by the company during the year: ₹ **47.36 Lakhs** (FY 2023-24 : ₹ 43.12 Lakhs)
- II. Amount spent during the year on: (by way of contribution to the trusts and the projects undertaken) (₹ Lakhs)

Particulars	31st March 2025	31st March 2024
a. Construction / acquisition of any asset	-	-
b. On purposes other than (a) above:	47.76	43.67
Total	47.76	43.67

Particulars	Year ended 31st March 2025	Year ended 31st March 2024
Amount required to be spent by the company during the year	47.36	43.12
Amount of expenditure incurred	47.76	43.67
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	8.26	33.21
2. Health Care	17.00	1.51
3. Others	22.50	8.95
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	-	12.00
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 made to related party.

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.

NOTES FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2025

(₹ Lakhs)

Particulars	As at 31st March 2025			As at 31st March 2024 Ratio (%)	% of Variance	Reason for variance (If above 25%)
	Numerator	Denominator	Ratio (%)			
Capital to Risk weighted Assets Ratio (CRAR)	24,023.31	1,28,964.17	18.63%	18.48%	0.80%	NA
Tier - I Capital	19,279.52	1,28,964.17	14.95%	14.16%	5.58%	NA
Tier - II Capital	4,743.79	1,28,964.17	3.68%	4.32%	-14.85%	NA
Liquidity Coverage Ratio	2,002.89	1,030.23	194.41%	256.17%	-24.11%	NA

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 loan receivables and other advances 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 -

- preference shares other than those which are compulsorily convertible into equity;
- revaluation reserves at discounted rate of fifty five percent;
- 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
- hybrid debt capital instruments; and
- Sub-Ordinated debt to the extent the aggregate does not exceed Tier I capital.
- 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 Guidelines, 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 2025	As at 31st March 2024
Tier - I Capital	19,279.52	18,574.56
Tier - II Capital	4,743.79	5,663.03
Total Capital	24,023.31	24,237.59
Aggregate of Risk Weighted Assets	1,28,964.17	1,31,152.53
Tier-I Capital adequacy ratio	14.95%	14.16%
Total Capital adequacy ratio	18.63%	18.48%

NOTES FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2025

39. MATURITY ANALYSIS OF ASSETS AND LIABILITIES

The table below show 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 2025		As at 31st March 2024	
		Less than 12 months	More than 12 months	Less than 12 months	More than 12 months
ASSETS					
Financial Assets					
Cash and cash Equivalents	4	4,415.39	-	9,318.55	-
Bank Balances other than Cash and cash Equivalents	4A	688.86	-	682.21	-
Receivables	5				
(i) Trade Receivables		96.49	-	186.11	-
(ii) Other Receivables		22.89	-	12.22	-
Loans	6	56,222.85	61,856.85	57,992.81	62,179.58
Investments	7	150.13	2,156.22	341.05	1,049.02
Other Financial Assets	8	1,770.47	-	1,334.26	-
Non-Financial Assets					
Current tax Assets (net)		-	-	-	-
Deferred tax Assets (net)	9	-	479.35	-	387.03
Investment Property	10	-	268.27	-	266.02
Property Plant and Equipment	11 (a)	-	5,507.50	-	5,665.91
Right of use assets	11 (b)	-	907.28	-	945.70
Capital work-in-progress	11 (c)	-	13.69	-	67.79
Intangible Assets under development	11 (d)	-	246.86	-	-
Other Intangible Assets	11 (e)	-	138.31	-	165.31
Other Non-Financial Assets	12	319.84	1,500.00	353.35	1,500.00
Total Assets		63,686.92	73,074.33	70,220.56	72,226.36
					1,42,446.92

NOTES FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2025 (CONTD.)

(₹ Lakhs)

Particulars	Notes	As at 31st March 2025		As at 31st March 2024	
		Less than 12 months	More than 12 months	Less than 12 months	More than 12 months
LIABILITIES AND EQUITY					
Liabilities					
Financial Liabilities					
Payables	13				
(I) Trade Payables					
(i) Total outstanding dues of micro enterprises and small enterprises		11.22	-	11.22	0.59
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises		117.64	-	177.33	177.33
(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		431.48	-	171.78	171.78
Debt Securities	14	15,170.04	52,198.94	67,368.98	65,619.57
Borrowings (Other than debt securities)	15	7,764.33	4,620.49	12,384.82	12,480.27
Deposits	16	2,911.60	15,800.58	18,712.18	8,281.47
Sub-Ordinated Liabilities	17	3,948.10	8,440.43	12,388.53	31,166.98
Other Financial Liabilities	18	1,401.69	480.78	1,882.47	2,318.66
Non-Financial Liabilities					
Current tax Liabilities (net)		103.72	-	103.72	3.46
Provisions	19	153.56	-	153.56	142.72
Deferred tax Liabilities (net)		-	-	-	-
Other Non-Financial Liabilities	20	257.34	-	257.34	247.12
Equity					
Equity Share Capital	21	-	6,470.59	6,470.59	6,470.59
Other Equity	22	-	16,478.72	16,478.72	15,366.38
Total Liabilities and Equity		32,270.72	1,04,490.53	1,36,761.25	1,42,446.92

NOTES FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2025

40. DISCLOSURE PURSUANT TO IND AS "7" - Change in Liabilities arising from Financing Activities

(₹ Lakhs)

Particulars	31st March 2024	Cash Flows	Others	31st March 2025
Debt Securities	65,619.57	1,718.65	30.76	67,368.98
Deposits	8,281.47	10,387.26	43.45	18,712.18
Borrowings Other than Debt securities	12,480.27	(156.13)	60.68	12,384.82
Sub-Ordinated Liabilities	31,166.97	(18,803.05)	24.62	12,388.54
Lease Liabilities	277.03	(40.62)	32.61	269.02
Total	1,17,825.31	(6,893.89)	192.12	1,11,123.54

41. DISCLOSURE PURSUANT TO IND AS "12" INCOME TAX

a. Explanation of Relationship between Tax Expense and Accounting Profit

Sl No	Particulars	FY 2024-25	FY 2023-24
1	Profit before Tax	2,333.13	2147.79
2	Applicable Income Tax Rate (%)	25.17%	25.17%
3	Expected Income Tax Expense	587.20	540.55
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	61.55	48.38
	Effect of expenses / provisions deductible in determining taxable profit	20.29	(11.68)
	Effect of differential tax rate	(1.06)	-
	Effect of interest on tax	-	-
	Tax Effect of Adjustments	-	-
5	Tax Expense/(Income)	667.98	577.25

b. Deferred Tax Asset/(Liabilities) - Major Components

Sl No	Particulars	Balance as at 31st March 2024	Tax Expense/ (Income) charged in P&L Statement	Tax Expense/ (Income) charged in OCI	Balance as at 31st March 2025
		(A)	(B)	(C)	D = (A) - (B+C)
1	Application of Expected Credit Loss on Financial Assets	1,174.62	(37.90)	(12.23)	1,224.75
2	Employee benefit expenses	35.92	15.72	0.75	19.45
3	Right of Use Assets & Lease Liabilities	2.70	(0.22)	-	2.92
4	Application of EIR on Financial Liabilities	(160.70)	(16.63)	-	(144.07)
5	Differences in Carrying amount of Property, Plant and Equipment	(665.51)	(41.81)	-	(623.70)
	Deferred Tax Asset / (Liabilities)	387.03	(80.84)	(11.48)	479.35

c. Tax Items in Statement of Profit and Loss

NOTES FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2025 (CONTD.)

(₹ Lakhs)

Sl No	Particulars	31st March 2025	31st March 2024
1	Current Tax Expense/(Income)	748.81	579.77
2	Deferred Tax Expense/(Income)		
	Amount of deferred tax expense/(income) relating to originating and reversal of temporary difference	(80.83)	(2.52)
	Amount of deferred tax expense/(income) relating to change in tax rates or the imposition of new taxes	-	-
	Income Tax Expense / (Income) recognised in statement of profit and loss	667.98	577.25

d. Tax Items recognised in Other Comprehensive Income

Sl No	Particulars	31st March 2025	31st March 2024
1	Tax Expense		
	- Current Tax Expense	-	-
	- Deferred Tax Expense	(11.48)	10.79
	Income Tax Expense/(Income) recognised in Other Comprehensive Income	(11.48)	10.79

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 reasons

Adverse Salary Growth Experience: Salary hikes that are higher than the assumed salary escalation will result into an increase in Obligation at a rate that is higher than expected.

Variability in mortality rates: If actual mortality rates are higher than assumed mortality rate assumption 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 than 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

NOTES FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2025 (CONTD.)

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.

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 2025	As at 31st March 2024
I	Present Value of Defined Benefit Obligation		
	Defined benefit obligation at the beginning of the period	149.32	151.95
	(i) Current service cost	25.94	22.11
	(ii) Past Service Cost		
	(iii) Interest Cost	9.80	9.81
	(iv) Re-measurement Loss/(gain) due to :		
	(a) Changes in financial assumptions	4.04	0.86
	(b) Changes in demographic assumptions	-	-
	(c) Experience on defined benefit obligation	(8.65)	(4.92)
	(v) Benefits paid	(25.64)	(30.49)
	Defined benefit obligation as at the end of the period	154.81	149.32
II	Fair Value of Plan Assets		
	Fair Value of Plan Assets at the beginning of the period	138.07	143.11
	(i) Benefits Paid	(25.64)	(30.49)
	(ii) Employer Contribution	23.90	16.77
	(iii) Expected Interest Income on Plan assets	9.85	9.78
	(iv) Actuarial (Loss)/Gain from Return on plan assets	(0.68)	(1.10)
	Fair Value of Plan Assets as at the end of the period	145.50	138.07
	Net (Asset)/Liability Recognised in Balance Sheet (I-II)	9.31	11.25
III	Cost of Defined Benefit Plan for the Year		
	(i) Current service cost	25.94	22.11
	(ii) Past Service Cost	-	-
	(iii) Interest Cost	9.80	9.81
	(iv) Expected Interest Income on Plan assets	(9.85)	(9.78)
	Net Cost recognized in the Statement of Profit and Loss	25.89	22.14
IV	Re-measurement (Loss)/gain due to		
	(a) Changes in financial assumptions	4.04	0.86
	(b) Changes in demographic assumptions	-	-
	(c) Experience on defined benefit obligation	(8.65)	(4.92)
	Actuarial (Loss)/Gain from Return on Plan Assets	0.68	1.10
	Net cost recognised in Other Comprehensive Income	(3.93)	(2.96)

NOTES FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2025 (CONTD.)

(₹ Lakhs)

V	Significant Actuarial Assumptions		
	(i) Discount Rate	6.65%	7.18%
	(ii) Expected Return on Plan Assets	7.18%	7.18%
	(iii) Salary Escalation Rate	4.00%	4.00%
	(iv) Attrition Rate	19.00%	19.00%
		Indian Assured Lives Mortality (2012-14) Ultimate	Indian Assured Lives Mortality (2012-14) Ultimate
VI	Sensitivity Analysis for significant actuarial assumption	Impact on defined benefit obligation	Impact on defined benefit obligation
	(i) Discount Rate		
	+ 100 Basis Rate	-4.49%	-4.10%
	- 100 Basis Rate	4.94%	4.49%
	(ii) Salary Growth		
	+ 100 Basis Rate	4.71%	4.31%
	- 100 Basis Rate	-4.35%	-3.99%
	(iii) Attrition Rate		
	+ 100 Basis Rate	0.05%	0.23%
	- 100 Basis Rate	-0.08%	-0.27%

Expected payment for future years

Particulars	As at 31st March 2025	As at 31st March 2024
Within the next 12 months	27.45	31.73
Between 2 and 5 years	59.22	55.55
Between 5 and 10 years	28.05	33.87
Beyond 10 years	40.09	28.17
Total Expected Payments	154.81	149.32

Notes :

- The Company expects to contribute ₹ 34.11 Lakhs to the fund in the next financial year.
- The weighted average duration of the defined benefit obligation as at 31st March 2025 is 6.63 years (31st March 2024: 5.49 years).
- The estimate of future salary increase takes into account inflation, promotions, productivity gains and other relevant factors.
- 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.
- The entire Plan Assets are invested in insurer managed funds with Life Insurance Corporation of India (LIC).
- 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.
- The method and type of assumptions used in preparing the sensitivity analysis does not change as compared to the prior period.

NOTES FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2025 (CONTD.)

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.

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 2025	As at 31st March 2024
I	Present Value of Defined Benefit Obligation		
	Defined benefit obligation at the beginning of the year	62.38	59.24
	(i) Current service cost	17.19	15.30
	(ii) Interest cost	3.53	3.18
	(iii) Re-measurement Loss/(gain) due to :	-	-
	(a) Changes in financial assumptions	1.74	0.30
	(b) Changes in demographic assumptions	-	-
	(c) Experience on defined benefit obligation	10.05	14.31
	(iv) Benefits paid	(26.47)	(29.95)
	Defined benefit obligations as at the end of the year	68.42	62.38
II	Cost of Defined Benefit Plan for the Year		
	(i) Current service cost	17.19	15.30
	(ii) Interest cost	3.53	3.18
	(iii) Others	11.78	14.61
	Net Cost recognized in the Statement of Profit and Loss	32.50	33.09
III	Significant Actuarial Assumptions		
	(i) Discount Rate	6.65%	7.18%
	(ii) Expected Return on Plan Assets	-	-
	(iii) Salary Escalation Rate	4.00%	4.00%
	(iv) Attrition Rate	19.00%	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 2025 (CONTD.)

(₹ Lakhs)

Sl No	Particulars	As at 31st March 2025	As at 31st March 2024
IV	Sensitivity Analysis for significant actuarial assumption	Impact on defined benefit obligation	Impact on defined benefit obligation
	(i) Discount Rate		
	+ 100 Basis Rate	-4.16%	-3.44%
	- 100 Basis Rate	4.68%	3.76%
	(ii) Salary Growth		
	+ 100 Basis Rate	3.95%	3.39%
	- 100 Basis Rate	-3.54%	-3.15%
	(iii) Attrition Rate		
	+ 100 Basis Rate	0.77%	0.08%
	- 100 Basis Rate	-0.87%	-0.12%

Expected payment for future years

Particulars	As at 31st March 2025	As at 31st March 2024
Within the next 12 months	12.63	10.38
Between 2 and 5 years	28.93	19.25
Between 5 and 10 years	12.80	9.01
Beyond 10 years	14.06	23.74
Total Expected Payments	68.42	62.38

Notes :

- The Company has not funded its Compensated Absences Liability and the same continues to remain as unfunded as at 31st March 2025 and 31st March 2024.
- The estimate of future salary increase takes into account inflation, promotions, productivity gains and other relevant factors.
- 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)	117.90	106.05
b) Employees State Insurance Scheme (included in staff welfare expenses in Note 29)	12.77	6.92

NOTES FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2025

43. Disclosure pursuant to Ind AS "24" - Related Party Disclosure

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 Ltd. 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 A Selvakumar Independent Director Sri P S Gopalakrishnan, Independent Director (Till 26.09.2024) Sri M Bhaskar (From 08.08.2024 upto 21.05.2025) Sri Advait Kurlekar (From 08.08.2024) Smt Priya Bhansali, Independent Director Sri K P Ramakrishnan, Independent Director Dr S Veluswamy, Director Sri Sundaramurthy Kumarasamy, Chief Financial Officer (From 01.07.2024) Sri S Venkatesh, Company Secretary (From 10.09.2024) Sri Srinivasan Anand (Chief Financial Officer) (Till 30.06.2024) Sri C Subramaniam, Company Secretary (Till 09.09.2024)
C	Close relatives of members of Key Management Personnel	Smt Karunambal Vanavarayar, Sister of Dr M Manickam Sri M Harihara Sudhan, Son of Dr M Manickam Smt Vinodhini Balasubramaniam, Wife of Sri M Balasubramaniam Smt Samyuktha Vanavarayar, daughter of Sri M Balasubramaniam Selvi Shruthi Balasubramaniam, daughter of Sri M Balasubramaniam Selvan Amrith Vishnu Balasubramaniam, Son of Sri M Balasubramaniam Smt Bhavani Gopal, Wife of P S Gopalakrishnan Selvi Anusha Bhansali, Daughter of Smt.Priya Bhansali Smt Lalitha Ramakrishnan, Wife of Sri K P Ramakrishnan

NOTES FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2025 (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 2025	For the year ended 31st March 2024
1	Income					
	Rent received					
	Sakthifinance Financial Services Ltd	28.38	-	-	28.38	44.79
	ABT Industries Ltd.	25.83	-	-	25.83	24.60
	Sakthi Pelican Insurance Broking Pvt Ltd	1.42	-	-	1.42	4.68
	Income from HP Operations					
	Sakthi Foundation	0.01	-	-	0.01	2.93
	Suddha Sanmarga Nilayam	-	-	-	-	0.38
	Interest Income					
	ABT Industries Ltd.	1.91	-	-	1.91	71.32
	Other Income					
	Sakthi Pelican Insurance Broking Pvt Ltd	55.46	-	-	55.46	25.96
	Reimbursement of Expenses / Income					
	ABT Industries Ltd	1.00	-	-	1.00	4.63
2	Expenses					
	Purchase of fuel & Others					
	N.Mahalingam & Co	6.61	-	-	6.61	14.38
	Purchase of Intangible Assets/Fixed Assets					
	Sakthi Digital Limited	-	-	-	-	5.55
	N.Mahalingam & Co	0.12	-	-	0.12	-
	Reimbursement of Expenses (Electricity / Internet charges)					
	ABT Industries Ltd	8.46	-	-	8.46	7.81
	Sakthifinance Financial Services Ltd.	0.50	-	-	0.50	0.98
	Repairs and Maintenance Expenses					
	Sakthi Digital Limited	6.10	-	-	6.10	-
	Rent paid					
	Smt.Vinodhini Balasubramaniam	-	-	2.40	2.40	2.40
	M. Srinivaasan	-	129.56	-	129.56	123.33
	ARC Retreading Company Pvt Ltd	2.57	-	-	2.57	2.31
	N.Mahalingam & Co	13.64	-	-	13.64	12.60
	Sakthifinance Financial Services Ltd.	-	-	-	-	9.38
	Resource Mobilisation Charges					
	Sakthifinance Financial Services Ltd.	365.18	-	-	365.18	679.84
	ABT Industries Ltd	11.34	-	-	11.34	5.67
	Printing charges					
	Nachimuthu Industrial Association	-	-	-	-	20.22
	Sakthi Sugars Ltd.(Om Sakthi)	2.77	-	-	2.77	3.36
	Sakthi Foundation	1.26	-	-	1.26	1.37
	Corporate Social Responsibility Expenses					
	Ramanandha Adigalar Foundation	-	-	-	-	12.00

NOTES FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2025 (CONTD.)

(₹ 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 2025	For the year ended 31st March 2024
	Remuneration					
	M.Balasubramaniam	-	43.80	-	43.80	49.80
	Sundaramurthy K	-	19.19	-	19.19	-
	Srinivasan Anand	-	6.14	-	6.14	26.10
	S.Venkatesh	-	12.57	-	12.57	-
	C.Subramaniam	-	8.80	-	8.80	20.03
	Amrit Vishnu B	-	-	4.06	4.06	10.28
	Perquisites					
	M.Balasubramaniam	-	9.19	-	9.19	-
	Employee Benefits					
	M.Balasubramaniam	-	4.32	-	4.32	4.32
	Sundaramurthy K	-	0.16	-	0.16	-
	S.Venkatesh	-	0.63	-	0.63	-
	C.Subramaniam	-	0.51	-	0.51	1.15
	Amrit Vishnu B	-	-	0.08	0.08	0.22
	Commission					
	M.Balasubramaniam **	-	84.06	-	84.06	77.72
	Sitting Fees					
	Non-Executive Directors					
	M.Manickam	-	1.20	-	1.20	3.00
	M.Srinivaasan	-	1.90	-	1.90	2.70
	S.Veluswamy	-	3.40	-	3.40	2.80
	Independent-Directors					
	A Selvakumar	-	2.80	-	2.80	10.40
	P S Gopalakrishnan	-	0.90	-	0.90	2.40
	Priya Bhansali	-	6.50	-	6.50	4.40
	K P Ramakrishnan	-	5.60	-	5.60	6.40
	M Bhaskar	-	4.90	-	4.90	-
	Advait Kurlekhar	-	2.70	-	2.70	-
	Reimbursement of Travelling Expense					
	Non-Executive Directors					
	M.Manickam	-	0.09	-	0.09	0.15
	M.Srinivaasan	-	0.12	-	0.12	0.15
	S.Veluswamy	-	0.21	-	0.21	0.15
	Independent-Directors					
	A Selvakumar	-	0.09	-	0.09	0.15
	P S Gopalakrishnan	-	0.03	-	0.03	0.15
	Priya Bhansali	-	0.24	-	0.24	0.15
	K P Ramakrishnan	-	0.24	-	0.24	0.15
	M Bhaskar	-	0.21	-	0.21	-
	Advait Kurlekhar	-	0.15	-	0.15	-

** subject to approval of members at the ensuing Annual General Meeting

NOTES FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2025 (CONTD.)

(₹ 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 2025	For the year ended 31st March 2024
3	Assets					
	Loans and advances given					
	ABT Industries Ltd	150.00	-	-	150.00	500.00
	Advance for Intangible assets					
	Sakthi Digital Limited	336.38	-	-	336.38	-
	Loans and advances repaid					
	ABT Industries Ltd	(125.00)	-	-	(125.00)	(500.00)
	Sakthi Foundation	(1.05)	-	-	(1.05)	-
	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
	Sakthi Foundation	-	-	-	-	1.05
	ABT Industries Ltd	26.91	-	-	26.91	-
	Sakthi Digital Limited	336.38	-	-	336.38	-
	Rent / Other reimbursement receivables					
	Sakthifinance Financial Services Ltd	2.88	-	-	2.88	3.13
	ABT Industries Ltd.	27.02	-	-	27.02	26.15
	Sakthi Pelican Insurance Broking Private Limited	26.79	-	-	26.79	26.32
4	Liabilities:					
	Transactions during the year					
	Investment in NCDs:					
	ABT Finance Ltd	-	-	-	-	(8.00)
	Sakthifinance Financial Services Ltd.	(36.08)	-	-	(36.08)	(0.77)
	Sakthi Financial Services (Cochin) Pvt Ltd	(0.50)	-	-	(0.50)	(125.00)
	Smt Samyuktha Vanavaraayar	-	-	(75.00)	(75.00)	15.00
	Selvi Shruthi Balasubramaniam	-	-	(5.00)	(5.00)	15.00
	Smt Karunambal Vanavarayar	-	-	-	-	(76.00)
	Smt Lalitha Ramakrishnan	-	-	-	-	(6.00)
	Smt Vinodhini Balasubramaniam	-	-	(30.00)	(30.00)	200.00
	Mr. Amrit Vishnu Balasubramaniam	-	-	-	-	10.00
	Selvi Anusha Bhansali	-	-	-	-	(10.00)
	Sri Hariharasudhan Manickam	-	-	1.00	1.00	-
	Sri Sundaramurthy K	-	25.00	-	25.00	-
	Subscription in Deposits:					
	Bhavani Gopal	-	-	-	-	5.00
	Sri Sundaramurthy K	-	175.00	-	175.00	-
	Subscription in SD Bonds:					
	Smt.Vinodhini Balasubramaniam	-	-	-	-	(10.00)
	Selvi Shruthi Balasubramaniam	-	-	-	-	(10.00)

NOTES FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2025 (CONTD.)

(₹ 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 2025	For the year ended 31st March 2024
	Subscription in Redeemable Cumulative Preference Shares ("RCPS") :					
	Sakthi Financial Services (Cochin) Pvt Ltd	(166.50)	-	-	(166.50)	166.50
	Outstanding as at the year end					
	Investment in NCDs:					
	Sakthifinance Financial Services Ltd.	210.00	-	-	210.00	246.08
	Sakthi Financial Services (Cochin) Pvt Ltd	24.40	-	-	24.40	24.90
	Sri P S Gopalakrishnan	-	35.00	-	35.00	35.00
	Smt Vinodhini Balasubramaniam	-	-	250.00	250.00	280.00
	Smt Samyuktha Vanavaraayar	-	-	135.00	135.00	210.00
	Selvi Shruthi Balasubramaniam	-	-	50.00	50.00	55.00
	Mr. Amrit Vishnu Balasubramaniam	-	-	22.00	22.00	22.00
	Bhavani Gopal	-	-	10.00	10.00	10.00
	Smt Lalitha Ramakrishnan	-	-	25.00	25.00	25.00
	Sri Hariharasudhan Manickam	-	-	3.00	3.00	2.00
	Smt Karunambal Vanavarayar	-	-	524.00	524.00	524.00
	Sri Sundaramurthy K	-	25.00	-	25.00	-
	Subscription in Deposits:					
	Bhavani Gopal	-	-	5.00	5.00	5.00
	Sri Sundaramurthy K	-	175.00	-	175.00	-
	Subscription in Redeemable Cumulative Preference Shares ("RCPS") :					
	Sakthi Financial Services (Cochin) Pvt Ltd	-	-	-	-	166.50
	Liabilities for Expenses Payable:					
	ARC Retreading Company Pvt Ltd	0.21	-	-	0.21	0.21
	Nachimuthu Industrial Association	-	-	-	-	0.59
	N.Mahalingam and Co	1.91	-	-	1.91	2.05
	Sakthi Sugars Ltd.	-	-	-	-	0.41
	Sakthi Digital Limited	-	-	-	-	5.55
	Sakthi Foundation	0.10	-	-	0.10	0.10
	Commission / perquisites payable to Sri M.Balasubramaniam	-	93.25	-	93.25	77.72
	M.Srinivaasan	-	9.88	-	9.88	6.01

Terms and conditions of transaction with related parties:

1. All transactions are in the ordinary course of business on terms equivalent to those that prevail in an arm's length transaction.
2. 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, 2025 and March 31, 2024.
3. There have been no guarantees provided or received to/from any related party on receivables or payables.
4. For the year ended 31st March, 2025, 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.
5. During the year ended 31st March 2025, the Company has not written off any receivables due from related parties.

NOTES FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2025 (CONTD.)

6. There were no termination benefits and share based payment to any Key Management Personnel (KMP) during the year ended 31st March 2025 and 31st March 2024
7. Outstanding balances as at the year ended are unsecured and settlement takes place in cash / transfer of assets.
8. For the year 31st March 2025 and 31st March 2024, there are no amounts incurred for provision of Key Management Personnel services that are provided by a separate entity.
9. The provisions relating to Post Employment Benefits (Gratuity) and Other Long Term Benefits (Leave encashment) are determined based on actuarial valuation for the Company as a whole. Accordingly such benefits provided to individual Key Management Personnel is not disclosed above.

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 2025	For the year ended 31st March 2024
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)	1,665.15	1,570.54
Basic and diluted earnings per share (Face Value: ₹10 per share) (₹)	2.57	2.43

NOTES FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2025 (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 IndAs , the company has followed Ind As 109 for the calculation of expected credit loss. The measurement of ECL involves three main components Viz.

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 macroeconomic 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 2025 (CONTD.)

The following table provides an overview of the gross carrying amount of loan assets stage-wise :

(₹ Lakhs)

Particulars	31st March 2025				31st March 2024			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Balance at the beginning of the year	1,04,132.21	14,991.67	6,596.05	1,25,719.93	97,578.13	15,116.22	6,997.89	1,19,692.24
New business - net of recovery	62,501.68	5,712.65	554.90	68,769.23	63,194.85	8,484.79	735.11	72,414.75
Transfer due to change in credit worthiness								
Stage 1	3,481.82	(2,966.16)	(515.66)	-	4,033.25	(3,693.03)	(340.22)	-
Stage 2	(2,887.59)	2,927.56	(39.97)	-	(5,761.16)	5,803.65	(42.49)	-
Stage 3	(1,627.53)	(494.30)	2,121.83	-	(1,382.71)	(650.50)	2,033.21	-
Financial Assets that have been derecognised	(56,956.16)	(10,947.15)	(2,230.30)	(70,133.61)	(53,505.17)	(10,066.63)	(2,478.57)	(66,050.37)
Write off during the year	(7.45)	(3.81)	(391.88)	(403.14)	(24.98)	(2.83)	(308.88)	(336.69)
Balance at the end 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

The following table provides an overview of the Expected Credit Loss, stage-wise :

Particulars	31st March 2025				31st March 2024			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Balance at the beginning of the year	438.99	1,168.25	3,940.30	5,547.54	167.16	1,149.30	3,875.68	5,192.14
New business - net of recovery	298.81	537.32	195.12	1,031.25	196.00	616.27	138.35	950.62
Transfer due to change in credit worthiness								
Stage 1	14.64	(12.06)	(2.58)	-	14.55	(11.58)	(2.97)	-
Stage 2	(228.40)	232.34	(3.94)	-	(503.18)	507.40	(4.22)	-
Stage 3	(587.66)	(206.94)	794.60	-	(423.24)	(239.95)	663.19	-
Financial Assets that have been derecognised	834.14	(917.91)	(224.12)	(307.89)	987.77	(852.36)	(413.65)	(278.24)
Write off during the year	(0.44)	(5.30)	(392.45)	(398.19)	(0.07)	(0.83)	(316.08)	(316.98)
Balance at the end of the year	770.08	795.70	4,306.93	5,872.71	438.99	1,168.25	3,940.30	5,547.54

Stage	31st March 2025				31st March 2024			
	Gross Value	Impairment Allowance	Net Carrying Value		Gross Value	Impairment Allowance	Net Carrying Value	
Stage 1	1,08,636.98	770.08	1,07,866.90		1,04,132.21	438.99	1,03,693.22	
Stage 2	9,220.46	795.70	8,424.76		14,991.67	1,168.25	13,823.42	
Stage 3	6,094.97	4,306.93	1,788.04		6,596.05	3,940.30	2,655.75	
Total	1,23,952.41	5,872.71	1,18,079.70		1,25,719.93	5,547.54	1,20,172.39	

NOTES FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2025 (CONTD.)

Geographical break-up of portfolio - Net Stock on Hire (excluding loan repayable on demand and other loans) (₹ Lakhs)

Particulars	FY 2025	FY 2024
Tamil Nadu & Puducherry	96,719	97,897
Kerala	17,715	19,967
Karnataka	3,815	2,991
Andhra	2,680	3,329
Total	1,20,929	1,24,184

Portfolio composition - Net Stock on Hire (excluding loan repayable on demand and other loans)

Particulars	FY2025	FY2024
Commercial Vehicles	1,05,049	1,09,183
Cars & Jeeps	10,563	9,204
Construction Equipment	4,745	4,960
Machinery	572	800
Consumer Durable	-	37
Total	120,929	124,184

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 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&18	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
Financial Assets								
Cash on hand	4	226.19	-	-	-	-	-	226.19
Bank balances	4 & 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

The contracted cash flow arising out of the financial liabilities and financial assets as at 31st March 2024 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	202.26	-	884.92	4,373.83	3,022.73	-	8,483.74
Borrowings	14,15 & 17	19,712.11	5,427.63	18,731.04	35,664.32	26,757.86	3,692.41	1,09,985.37
Foreign Currency Assets		-	-	-	-	-	-	-
Foreign Currency Liabilities		-	-	-	-	-	-	-
Total		19,914.37	5,427.63	19,615.96	40,038.15	29,780.59	3,692.41	1,18,469.11

NOTES FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2025 (CONTD.)

The contracted cash flow arising out of the financial liabilities and financial assets as at 31st March 2024 is furnished hereunder: (cont..)

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	384.83	-	-	-	-	-	384.83
Bank balances	4A	9,035.93	-	580.00	-	-	-	9,615.93
Loans	6	15,507.83	16,244.81	26,240.17	54,816.13	7,115.82	247.63	1,20,172.39
Investments	7	341.05	-	-	150.27	-	898.75	1,390.07
Other financial assets		659.49	175.20	368.35	654.79	-	2,168.75	4,026.58
Total		25,929.13	16,420.01	27,188.52	55,621.19	7,115.82	3,315.13	1,35,589.80

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 2025	As at 31st March 2024
Financial assets			
Fixed rate instruments			
Loans	6	1,23,952.41	1,25,719.93
Investments	7	2,167.20	1,200.34
Term Deposits with Banks	4 & 4A	2,375.00	4,020.00
Variable rate Instruments		-	-
Total		1,28,494.61	1,30,940.27
Financial Liabilities			
Fixed rate instruments			
Debt securities	14 & 18	67,401.68	65,729.95
Borrowings (other than debt securities)	15	1,574.54	2,332.05
Deposits	16 & 18	18,856.55	8,483.74
Sub-Ordinated liabilities	17 & 18	9,607.09	30,022.64
Preference Shares	17 & 18	2,131.70	2,059.02
Variable rate instruments			
Bank Borrowings	15	10,810.28	10,148.22
Total		1,10,381.84	1,18,775.62

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 2025		31st March 2024	
	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	108.36	(108.36)	101.57	(101.57)

NOTES FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2025 (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 2025 and 31st March 2024.

- 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 2025 and 31st March 2024.

- b. Disclosures pursuant to Ind AS "23" - Borrowing Costs

There were no borrowing costs capitalized during the years ended 31st March 2025 and 31st March 2024 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 discontinuing operations during the financial years ended 31st March 2025 and 31st March 2024

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 2025	As at 31st March 2024
Investment in Equity Instruments (Quoted)	Level 1	113.28	163.86

b.i. Financial assets and financial liabilities measured at amortised cost as at 31st March 2025

Particulars	Notes	Carrying Amount	Fair Value			Total
			Level 1	Level 2	Level 3	
Financial Assets						
Cash and Cash Equivalents	4	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	118,079.70	-	-	118,079.70	118,079.70
Investments	7	2,193.07	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

NOTES FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2025 (CONTD.)

b.ii. Financial assets and financial liabilities measured at amortised cost as at 31st March 2024 (₹ Lakhs)

Particulars	Notes	Carrying Amount	Fair Value			Total
			Level 1	Level 2	Level 3	
Financial Assets						
Cash and Cash Equivalents	3	9,318.55	5,878.55	3,440.00	-	9,318.55
Bank Balances other than Cash and Cash Equivalents	4A	682.21	-	682.21	-	682.21
Trade Receivables	5	198.33	-	-	198.33	198.33
Loans	6	1,20,172.39	-	-	1,20,172.39	1,20,172.39
Investments	7	1,226.21	1,200.34	-	25.87	1,226.21
Other Financial Assets	8	1,334.26	-	-	1,334.26	1,334.26
Financial Liabilities						
Payables	13					
(I) Trade Payables		177.92	-	-	177.92	177.92
(II) Other Payables		171.78	-	-	171.78	171.78
Debt Securities	14	65,619.57	53,924.96	-	11,694.61	65,619.57
Borrowings (Other than debt securities)	15	12,480.27	-	-	12,480.27	12,480.27
Deposits	16	8,281.47	-	-	8,281.47	8,281.47
Sub-Ordinated Liabilities	17	31,166.98	12,962.06	-	18,204.92	31,166.98
Other Financial Liabilities	18	2,318.66	-	-	2,318.66	2,318.66

c. Financial assets and Financial Liabilities measured at Fair Value through Profit or Loss as at 31st March 2025 and as at 31st March 2024

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 2025 and 31st March 2024. There are no restrictions imposed by lease arrangements. (₹ Lakhs)

Particulars	31st March 2025	31st March 2024
(a) Depreciation charge for Right-of-Use Assets (included in depreciation and amortization expense)	290.78	276.33
(b) Interest expense on Lease Liabilities (included in finance cost)	16.92	18.37
(c) The expense relating to short-term leases (included in other expenses)	57.41	34.24
(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	24.29	28.99
(g) Gains or Losses from Sale and lease back transactions	-	-
(h) Total cash flow for leases	285.95	294.64
(i) Addition to right of use assets	252.37	162.91

NOTES FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2025 (CONTD.)

(₹ Lakhs)

Lease liability movement	31st March 2025	31st March 2024
Opening Balance	277.03	372.92
Add : Addition during the year	245.31	163.46
Interest on lease liability	32.62	35.29
Less : Deletions during the year	-	-
Lease rental payments	285.94	294.64
Closing Balance	269.02	277.03

Maturity Analysis of lease liability	31st March 2025	31st March 2024
Less than 1 year	152.34	145.60
1-3 years	147.44	141.44
3-5 years	3.31	32.19
More than 5 years	-	-
Total future undiscounted cash outflow on lease liability	303.09	319.23

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 2025

49. Disclosures under RBI Directions

49.1 Schedule to the Balance Sheet of a Non-Banking Financial Company as required under Master Direction-Reserve Bank of India (Non-Banking Financial Company - Scale Based Regulation) Directions, 2023 (No. RBI/DOR/2023-24/106 DOR.FIN.REC.No.45/03.10.119/2023-24 dated 19th October 2023, as amended. (₹ Lakhs)

Sl No	Particulars	As at 31st March 2025		As at 31st March 2024	
		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 : Unsecured (Other than falling within the meaning of Public deposit) (b) Deferred Credits (c) Term Loans (d) Inter-Corporate loans and borrowing (e) Commercial paper (f) Public Deposits (g) Sub-Ordinated Debts (h) Other Loans - Cash Credit	67,401.68	32.70	65,729.95	110.38
(2)	Break-up of (1) (f) and (g) above (Outstanding Public deposits inclusive of interest accrued thereon but not paid): (a) In the form of Unsecured Debentures (b) In the form of Partly secured Debentures (i.e.) debentures where there is a shortfall in the value of security (c) Other Public Deposits (d) Sub-Ordinated Debts # Represents unclaimed deposits and interest accrued thereon	7,590.61 - 18,856.55 2,016.49	- - 144.37 450.26	12,962.06 - 8,483.74 17,060.57	- - 202.27 608.17
(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	3,023.41		1,535.59	
(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 (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 (b) Loans other than (a) above	- - - 1,20,705.34 223.66 - -		- - - 1,24,076.53 107.81 - -	

NOTES FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2025 (CONTD.)

(₹ Lakhs)

(5)	As at 31st March 2025	As at 31st March 2024
Break-up of Investments:		
Current Investments :		
1. Quoted		
(i) Shares : (a) Equity	-	-
(b) Preference	-	-
(ii) Debentures and Bonds	-	-
(iii) Units of Mutual Funds	-	-
(iv) Government Securities	-	-
(v) Others	-	-
2. Unquoted		
(i) Shares : (a) Equity	-	-
(b) Preference	-	-
(ii) Debentures and Bonds	-	-
(iii) Units of Mutual Funds	-	-
(iv) Government Securities	-	-
(v) Others	-	-
Long Term Investments :		
1. Quoted		
(i) Shares : (a) Equity	113.28	163.86
(b) Preference	-	-
(ii) Debentures and Bonds	-	-
(iii) Units of Mutual Funds	-	-
(iv) Government Securities	2,167.20	1,200.34
(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 2025 (CONTD.)

(₹ Lakhs)

(6) Borrower group-wise classification of assets financed as in 3 and 4 above							
		31st March 2025 (Amount net of provisions)			31st March 2024 (Amount net of provisions)		
	Category	Secured	Unsecured	Total	Secured	Unsecured	Total
	1. Related parties						
	(a) Subsidiaries	-	-	-	-	-	-
	(b) Companies in the same group	-	26.91	26.91	-	-	-
	(c) Other related parties	-	-	-	1.05	-	1.05
	2. Other than related parties	1,15,056.29	2,996.50	1,18,052.79	1,18,635.75	1,535.59	1,20,171.34
	Total	1,15,056.29	3,023.41	1,18,079.70	1,18,636.80	1,535.59	1,20,172.39
(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 2025			31st March 2024		
	1.Related parties						
	(a) Subsidiaries	-	-	-	-	-	-
	(b) Companies in the same group	136.09	136.09	136.09	199.18	186.68	186.68
	(c) Other related parties	-	-	-	-	-	-
	2. Other than related parties	2,170.32	2,170.26	2,170.26	1,203.47	1,203.39	1,203.39
	Total	2,306.41	2,306.35	2,306.35	1,402.65	1,390.07	1,390.07
(8) Other information							
	Particulars	Amount			Amount		
	(i) Gross Non Performing Assets	6,094.97			6,596.04		
	(a) Related parties	-			-		
	(b) Other than Related parties	6,094.97			6,596.04		
	(ii) Net Non Performing Assets	2,885.24			3,206.68		
	(a) Related parties	-			-		
	(b) Other than Related parties	2,885.24			3,206.68		
	(iii) Assets acquired in satisfaction of debt	-			-		

NOTES FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2025 (CONTD.)

49.2 Balance Sheet disclosures as required under Master Direction-Reserve Bank of India (Non-Banking Financial Company - Scale Based Regulation) Directions, 2023 (No. RBI/DOR/2023-24/106 DOR.FIN.REC.No.45/03.10.119/2023-24 dated 19th October 2023, as amended (₹ Lakhs)

Sl No	Particulars	31st March 2025	31st March 2024
1	Capital to Risk (Weighted) Assets Ratio		
	CRAR (%)	18.63	18.48
	CRAR - Tier I Capital (%)	14.95	14.16
	CRAR - Tier II Capital (%)	3.68	4.32
	Amount of Sub-Ordinated debt considered as Tier-II capital	951.89	2,224.53
	Amount raised by issue of Perpetual Debt Instruments	-	-
2	Investments		
	Value of Investments		
	Gross Value of Investments		
	In India	2,318.91	1,402.63
	Outside India	-	-
	Provisions for Diminution in value of investments		
	In India	12.56	12.56
	Outside India	-	-
	Net Value of Investments		
	In India	2,306.35	1,390.07
	Outside India	-	-
	Movement of provisions held towards diminution in value of investments		
	Opening balance	12.56	0.06
	Add : Provisions made during the year	-	12.50
	Less: Write-off / write-back of excess provisions during the year	-	-
	Closing balance	12.56	12.56
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	-	-
4	Disclosures relating to Securitisation		
	SPV and Minimum Retention Requirements	-	-
	Details of Financial Assets sold to Securitisation / Reconstruction Company for Asset Reconstruction	-	-
	Details of Assignment transactions undertaken by NBFCs	-	-
	Details of non-performing financial assets purchased / sold	-	-
	Details of non-performing financial assets purchased	-	-
	Details of Non-performing Financial Assets sold	-	-

NOTES FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2025 (CONTD.)

(₹ Lakhs)

5	Asset Liability Management Maturity pattern of certain items of Assets and Liabilities as on 31st March 2025												
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		-	-	-	-	-	-	-	-	-	-	-
Asset Liability Management Maturity pattern of certain items of Assets and Liabilities as on 31st March 2024													
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	40.45	60.68	101.13	-	-	-	884.92	4,373.83	3,022.73	-	8,483.74
(ii)	Advances	6	2,360.81	1,046.56	1,728.01	5,187.50	5,184.95	16,244.81	26,240.17	54,816.13	7,115.82	247.63	1,20,172.39
(iii)	Investments	7	-	-	-	341.05	-	-	-	150.27	-	898.75	1,390.07
(iv)	Borrowings	14, 15 17 & 18	1,464.35	630.63	4,798.59	6,825.32	5,993.21	5,427.63	18,731.04	35,664.52	26,757.86	3,692.43	1,09,985.38
(v)	Foreign Currency Assets		-	-	-	-	-	-	-	-	-	-	-
(vi)	Foreign Currency Liabilities		-	-	-	-	-	-	-	-	-	-	-

NOTES FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2025 (CONTD.)

(₹ Lakhs)

Sl No	Particulars	31st March 2025	31st March 2024															
6	Exposures																	
(i)	Exposure to Real Estate Sector	-	-															
(ii)	Exposure to Capital Market	-	-															
a	Direct investment in equity shares, convertible bonds, convertible debentures and units of equity-oriented mutual funds the corpus of which is not exclusively invested in corporate debt	113.28	163.88															
b	Advances against shares / bonds / debentures or other securities or on clean basis to individuals for investment in shares (including IPOs / ESOPs), onvertible bonds, convertible debentures, and units of equity-oriented mutual funds	-	-															
c	Advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security;	-	-															
d	Advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares / convertible bonds / convertible debentures / units of equity oriented mutual funds 'does not fully cover the advances	-	-															
e	secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers.	-	-															
f	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.	-	-															
g	Bridge loans to companies against expected equity flows / issues	-	-															
h	All exposures to Venture Capital Funds (both registered and unregistered)	-	-															
	Total Exposure to Capital Market	113.28	163.88															
(iii)	Details of financing of parent company products	Nil	Nil															
(iv)	Details of Single Borrower Limit (SBL) / Group Borrower Limit (GBL) exceeded by the NBFC	Nil	Nil															
(v)	Unsecured Advances	3,023.41	1,535.59															
7	Miscellaneous																	
(i)	Registration obtained from other financial sector regulators	NA	NA															
(ii)	Disclosure of Penalties imposed by RBI and other regulators - Refer Note 58	-	6.00															
(iii)	Related Party Transactions - Refer Note 43																	
(iv)	Ratings assigned by credit rating agencies and migration of ratings during the year																	
	<table><tr><th>Sl No.</th><th>Particulars</th><th>ICRA Ltd</th></tr><tr><td>(i)</td><td>Deposits</td><td>(ICRA) BBB Stable</td></tr><tr><td>(ii)</td><td>Debentures</td><td>(ICRA) BBB Stable</td></tr><tr><td>(iii)</td><td>Long-Term Borrowings</td><td>(ICRA) BBB Stable</td></tr><tr><td>(iv)</td><td>Short-Term Borrowings</td><td>(ICRA) A2</td></tr></table>	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		
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																	
(v)	Remuneration to Directors																	
	Ref. Page No. 47 of Corporate Governance Report 2025																	

NOTES FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2025(CONTD.)

(₹ Lakhs)

Sl No	Particulars	31st March 2025	31st March 2024
(vi)	Management Ref. Management and Discussion and Analysis report on Page No. 29		
(vii)	Net Profit or Loss for the period, prior period items and changes in accounting policies	Nil	Nil
8	Other Disclosures		
(i)	Provisions and Contingencies 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	1.71	1.41
b	Provision towards NPA	325.18	355.40
c	Provision for Standard Assets	-	-
d	Provision made towards Income Tax	667.98	577.25
e	Other Provision and Contingencies (with details)	-	-
(ii)	Draw down from Reserves		
(iii)	Concentration of Deposits, Advances, Exposures and NPAs		
a	Concentration of Deposits:		
	Total Deposits of twenty largest depositors	1,623.20	556.55
	Percentage of Deposits of twenty largest depositors to Total Deposits	8.85%	6.63%
b	Concentration of Advances:		
	Total Advances to twenty largest borrowers	2,952.95	2,116.34
	Percentage of Advances to twenty largest borrowers to Total Advances	2.40%	1.70%
c	Concentration of Exposures:		
	Total Exposure to twenty largest borrowers / customers	2,482.58	1,955.08
	Percentage of Exposures to twenty largest borrowers / customers to Total Exposure of the NBFC on borrowers / customers	2.05%	1.57%
d	Concentration of NPAs:		
	Total Exposure to top four NPA accounts	141.11	94.24
e	Sector-wise NPAs	% NPAs to Total Advances in that sector	
(i)	Agriculture & allied activities	3.18%	3.19%
(ii)	MSME – Engineering	-	-
(iii)	Corporate borrowers - Textiles	-	-
(iv)	Services - Others	4.13%	7.05%
(v)	Unsecured personal loans	-	-
(vi)	Auto loans - Transport	5.06%	4.99%

NOTES FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2025 (CONTD.)

(₹ Lakhs)

Sl No	Particulars	31st March 2025	31st March 2024
f	Movement of NPAs		
(i)	Net NPAs to Net Advances (%)	2.39%	2.62%
(ii)	Movement of NPAs (Gross)		
	Opening balance	6,596.04	6,997.89
	Additions during the year	2,993.17	3,067.46
	Reductions during the year	3,494.24	3,469.31
	Closing balance	6,094.97	6,596.04
(iii)	Movement of Net NPAs		
	Opening balance	3,206.68	3,420.94
	Additions during the year	2,400.49	2,540.88
	Reductions during the year	2,721.93	2,755.14
	Closing balance	2,885.24	3,206.68
(iv)	Movement of provisions for NPAs (excluding provisions on standard assets)		
	Opening balance	3,389.36	3,576.95
	Provisions made during the year	592.68	526.59
	Write-off / write-back of excess provisions	772.31	714.18
	Closing balance	3,209.73	3,389.36
(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
9	Disclosure of Complaints		
a	No. of complaints pending at the beginning of the year	-	-
b	No. of complaints received during the year	17	49
c	No. of complaints redressed during the year	17	49
d	No. of complaints pending at the end of the year	-	-

49.3 Disclosures as required under Appendix VI-A Master Direction-Reserve Bank of India (Non-Banking Financial Company - Scale Based Regulation) Directions, 2023 (No. RBI/DOR/2023-24/106 DOR.FIN.REC.No.45/03.10.119/2023-24 dated 19th October 2023, as amended.

Public disclosure on Liquidity Risk:

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 2025	4	11,346.42	61.88	9.97
2	Borrowings As at 31st March 2024	4	14,814.82	176.56	12.28

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 2025	1623.20	8.85
2	Total for Top 20 Large Deposits as at 31st March 2024	556.55	6.63

NOTES FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2025 (CONTD.)

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 2025	15,542.88	14.75
2	Total for Top 10 Borrowings as at 31st March 2024	18,568.30	16.81

iv. Funding concentration based on significant instrument / products

Sl No	Name of the Instrument / Products	31st March 2025		31st March 2024	
		Amount (₹ lakhs)	% of total Liabilities	Amount (₹ lakhs)	% of total Liabilities
1	Redeemable Non-Convertible Debentures - Public Issue	55,474.76	48.74	51,699.20	42.86
2	Sub-Ordinated Debts	1,602.01	1.41	13,943.11	11.56
3	Redeemable Non-Convertible Debentures - Secured Retail	7,974.29	7.01	10,737.97	8.90
4	From Bank: Cash Credit and Demand Loans	5,123.22	4.50	5,256.16	4.36
5	Non-Convertible Debentures - Unsecured	6,363.17	5.59	11,451.79	9.49
6	Fixed Deposits	18,336.79	16.11	8,390.85	6.96
7	Term Loans - Financial Institutions and Banks	7,277.12	6.39	7,222.04	5.99
8	Redeemable Cumulative Preference Shares	2,155.15	1.89	1,770.15	1.47
9	Inter-Corporate Deposits	1,100.00	0.97	-	-
	Total	1,05,406.51	92.61	1,10,471.27	91.59

v. Stock Ratios:

a. Commercial Papers as a % of Total Public Funds, Total Liabilities and Total Assets

Sl No	Name of the Instrument / Products	31st March 2025		31st March 2024	
		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 2025	31st March 2024
1	Non-Convertible Debentures (on maturities of less than 1 year)	-	-
2	% to Total Public Funds	-	-
3	% to Total Liabilities	-	-
4	% to Total Assets	-	-

c. Other Short term Liabilities, if any as a percentage of Total Public Funds, Total Liabilities and Total Assets

Sl No	Name of the Instrument / Products	31st March 2025	31st March 2024
1	Other Short term Liabilities	13,340.66	20,508.07
2	% to Total Public Funds	14.52%	20.93%
3	% to Total Liabilities	11.72%	17.00%
4	% to Total Assets	9.75%	14.39%

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,

NOTES FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2025 (CONTD.)

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.

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:

$$\text{LCR} = \text{Stock of High-Quality Liquid Assets ("**HQLAs**")} / \text{Total Net Cash Outflows over the next 30 calendar days}$$

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 2025 (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 (3)

(₹ Lakhs)

S. 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)
1	High Quality Liquid Assets	6,503.85	6,238.28	5,176.66	4,866.31	3,413.01	3,021.68	2,482.62	2,002.89
2	Cash Outflows:								
3	Deposits (for deposit taking companies)	144.11	165.73	119.00	136.85	172.63	198.52	324.66	373.36
4	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
5	Secured wholesale funding	4,200.90	4,831.04	409.12	470.48	1,636.08	1,881.49	755.99	869.39
(i)	Additional requirements, of which	-	-	-	-	-	-	-	-
(ii)	Outflows related to derivative exposure and other collateral requirements	-	-	-	-	-	-	-	-
(iii)	Outflows related to loss of funding on debt products	-	-	-	-	-	-	-	-
6	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
7	Other contractual funding obligations	110.33	126.88	-	-	-	-	-	-
8	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
9	Cash Inflows:								
10	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
11	Inflows from fully performing exposures	-	-	-	-	-	-	-	-
12	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 2025 (CONTD.)

For the year ended 31st March 2024

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 (3)

(₹ Lakhs)

S. No.	Particulars	Apr-Jun 2023		Jul - Sep 2023		Oct-Dec 2023		Jan - Mar 2024	
		Unweighted Value* (Average)	Weighted Value # (Average)	Unweighted Value* (Average)	Weighted Value # (Average)	Unweighted Value* (Average)	Weighted Value # (Average)	Unweighted Value* (Average)	Weighted Value # (Average)
1	High Quality Liquid Assets								
1	Total High Quality Liquid Assets (HQLA)	3,204.54	2,965.54	2,287.79	2,048.79	2,646.36	2,466.99	5,659.52	5,519.21
2	Cash Outflows:								
2	Deposits (for deposit taking companies)	324.81	373.54	429.07	493.43	438.02	503.72	252.26	290.10
3	Unsecured wholesale funding	16.86	19.39	16.86	19.39	1,217.69	1,400.34	2,799.74	3,219.70
4	Secured wholesale funding	2,259.88	2,598.87	3,161.35	3,635.56	1,018.27	1,171.01	979.32	1,126.22
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	1,054.10	1,212.21	948.86	1,091.19	1,056.96	1,215.50	1,633.73	1,878.79
6	Other contractual funding obligations	-	-	-	-	-	-	389.68	448.14
7	Other contingent funding obligations	-	-	-	-	-	-	-	-
8	TOTAL CASH OUTFLOWS	3,655.65	4,204.01	4,556.14	5,239.57	3,730.94	4,290.57	6,054.73	6,962.95
9	Cash Inflows:								
9	Secured Lending	5,258.06	3,943.55	5,733.53	4,300.15	6,640.27	4,980.20	6,397.39	4,798.05
10	Inflows from fully performing exposures	-	-	-	-	-	-	-	-
11	Other cash inflows	3,054.83	2,291.12	4,322.52	3,241.89	627.21	45.41	13.80	10.35
12	TOTAL CASH INFLOWS	8,312.89	6,234.67	10,056.05	7,542.04	7,267.48	5,025.61	6,411.19	4,808.40
13	TOTAL HQLA		2,965.54		2,048.79		2,466.99		5,519.21
14	TOTAL NET CASH OUTFLOWS		1,051.00		1,309.89		1,056.97		2,154.37
15	LIQUIDITY COVERAGE RATIO (%)		282.16%		156.41%		229.99%		256.17%
	Components of HQLA								
	- Cash on Hand		210.04		186.68		188.74		204.07
	- Balances with Banks		1,799.50		906.11		1,560.76		4,753.90
	- Government Securities		1,195.00		1,195.00		896.86		701.55
	- Commercial Paper		-		-		-		-
	TOTAL		3,204.54		2,287.79		2,646.36		5,659.52

*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 2025

49.4 In terms of RBI Circular No. RBI/2020-21/16 DOR.No.BP.BC/3/21.04.048/2020-21 dated August 6, 2020 in relation to the Resolution Framework for COVID-19-related Stress, disclosure is as follows: (₹ Lakhs)

Type of Borrowers	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of the previous half-year ended 30th September 2024	Of such accounts, aggregate debt that slipped into NPA during the half-year	Of such accounts amount written off during the half-year	Of such accounts amount paid by the borrowers during the half-year	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of this half-year ended 31st March 2025
Personal Loans	6.12	6.04	-	0.08	-
Corporate Loans	-	-	-	-	-
Of which MSMEs	-	-	-	-	-
Others	-	-	-	-	-
Total	6.12	6.04	-	0.08	-

49.5 Disclosure as required under Master Direction-Reserve Bank of India (Non-Banking Financial Company - Scale Based Regulation) Directions, 2023 (No. RBI/DOR/2023-24/106 DOR.FIN.REC.No.45/03.10.119/2023-24 dated 19th October 2023, as amended:

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 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 2025 (CONTD.)

Note : In terms of the requirement as per Master Direction-Reserve Bank of India (Non-Banking Financial Company - Scale Based Regulation) Directions, 2023 (No. RBI/DOR/2023-24/106 DOR.FIN.REC.No.45/03.10.119/2023-24 dated 19th October 2023, as amended, Non-Banking Finance Companies (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 corporation exceeds the total provision required under IRACP (including standard asset provisioning), as at 31st March 2025 and accordingly, no amount is required to be transferred to impairment reserve.

For the year ended 31st March 2024

(₹ 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	1,04,132.22	438.98	1,03,693.24	520.66	(81.68)
	Stage 2	14,991.67	1,168.27	13,823.40	74.96	1,093.31
Sub-Total		1,19,123.89	1,607.25	1,17,516.64	595.62	1,011.63
Non-Performing Assets (NPA)						
Substandard	Stage 3	3,276.88	997.61	2,279.27	326.08	671.53
Doubtful - up to 1 year	Stage 3	473.56	209.63	263.93	229.36	(19.73)
1 to 3 years	Stage 3	179.68	97.53	82.15	169.13	(71.60)
More than 3 years	Stage 3	74.11	43.71	30.40	72.99	(29.28)
Sub-Total for doubtful assets		727.35	350.87	376.48	471.48	(120.61)
Loss	Stage 3	2,591.82	2,591.82	-	2,591.82	-
Sub-Total for NPA		6,596.05	3,940.30	2,655.75	3,389.38	550.92
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	1,04,132.22	438.98	1,03,693.24	520.66	(81.68)
	Stage 2	14,991.67	1,168.27	13,823.40	74.96	1,093.31
	Stage 3	6,596.05	3,940.30	2,655.75	3,389.38	550.92
	Total	1,25,719.94	5,547.55	1,20,172.39	3,985.00	1,562.55

Note : In terms of the requirement as per Master Direction-Reserve Bank of India (Non-Banking Financial Company - Scale Based Regulation) Directions, 2023 (No. RBI/DOR/2023-24/106 DOR.FIN.REC.No.45/03.10.119/2023-24 dated 19th October 2023, as amended, Non-Banking Finance Companies (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 corporation exceeds the total provision required under IRACP (including standard asset provisioning), as at 31st March 2024 and accordingly, no amount is required to be transferred to impairment reserve.

49.6 In terms of RBI Circular RBI/2021-22/125 DOR/STR/REC.68/21.04.048/2021-22 dated 12 November 2021, on "Prudential norms on Income Recognition, Asset Classification and Provisioning pertaining to Advances – Clarifications", the Company has revised its process of NPA classification by flagging of the borrower accounts as overdue as part of the day-end process for the due date.

49.7 Disclosure pursuant to Master Direction-Reserve Bank of India (Non-Banking Financial Company - Scale Based Regulation) Directions, 2023 (No. RBI/DOR/2023-24/106 DOR.FIN.REC.No.45/03.10.119/2023-24 dated 19th October 2023, as amended is given below:

Particulars	31st March 2025		31st March 2024	
	Sanctioned during the year	Outstanding balance	Sanctioned during the year	Outstanding balance
Directors and their relatives	-	-	-	-
Entities associated with directors and their relatives	150.00	25.00	500.00	-
Senior Officers and their relatives	-	-	-	-

NOTES FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2025 (CONTD.)

49.8 Disclosures as required by Master Direction-Reserve Bank of India (Non-Banking Financial Company - Scale Based Regulation) Directions, 2023 (No. RBI/DOR/2023-24/106 DOR.FIN.REC.No.45/03.10.119/2023-24 dated 19th October 2023, as amended: DOR.ACC.REC.No.20/21.04.018/2022-23 dated 19th April 2022.

1) Compliance with Scale Based Regulations ("SBR")

The SBR was notified by the Reserve Bank of India ("RBI") effective 1st October 2022. The RBI has classified the Company as NBFC in Middle Layer ("ML"). We have ensured full compliance with various requirements prescribed under SBR for NBFC-ML within the specified timelines including adopting policy for enhanced regulatory framework, Policy on Internal Capital Adequacy Assessment Process ("ICAAP"), complying with exposure norms, setting limits for sensitive sector exposure etc.

2) Exposure to real estate sector

(₹ Lakhs)

Particulars	31st March 2025	31st March 2024
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	-	-

3) Exposures to capital market

(₹ Lakhs)

Particulars	31st March 2025	31st March 2024
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	113.28	163.88
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	-	-
(iii) Category III	-	-
Total exposure to capital market	113.28	163.88

NOTES FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2025 (CONTD.)

4) Sectoral exposures

(₹ Lakhs)

Sectors	31st March 2025			31st March 2024		
	Total Exposure (includes on balance sheet and off-balance sheet exposure)	Gross NPAs	Percentage of Gross NPAs to total expo- sure 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	3,841.31	122.30	3.18%	3,338.71	106.66	3.19%
2. Industry	-	-	-	-	-	-
3. Services	-	-	-	-	-	-
i. Transport Operators	1,08,397.83	5,488.84	5.06%	1,03,960.36	5,189.99	4.99%
ii. Others	-	-	-	-	-	-
Total of Services (i+ii+...+Others)	1,08,397.83	5,488.84	5.06%	1,03,960.36	5,189.99	4.99%
4. Personal Loans	-	-	-	-	-	-
5. Others	11,713.27	483.83	4.13%	18,420.86	1,299.39	7.05%

5) Intra-group exposures

Particulars	31st March 2025	31st March 2024
i) Total amount of intra-group exposures	1,999.39	1,687.73
ii) Total amount of top 20 intra-group exposures	1,999.39	1,687.73
iii) Percentage of intra-group exposures to total exposure of the NBFC on borrowers/customers	1.61%	1.34%

6) Unhedged foreign currency exposures

Particulars	31st March 2025	31st March 2024
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 2025 (CONTD.)

7) Related Party Disclosures

(₹ Lakhs)

Related Party Items	Parent (as per ownership or control)		Promoter Group		Key Management Personnel		Directors		Relatives of Key Management Personnel		Others		Total	
	31st March 2025	31st March 2024	31st March 2025	31st March 2024	31st March 2025	31st March 2024	31st March 2025	31st March 2024	31st March 2025	31st March 2024	31st March 2025	31st March 2024	31st March 2025	31st March 2024
Balance Outstanding at the end of the year														
Borrowings	-	-	234.40	437.48	25.00	-	60.00	-	1,019.00	1,163.00	-	-	1,338.40	1,600.48
Deposits	-	-	-	-	175.00	-	-	-	5.00	5.00	-	-	180.00	5.00
Placement of deposits	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Advances	-	-	1,891.29	1,529.28	-	-	-	-	-	-	876.79	877.37	2,768.08	2,406.65
Investments	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Purchase of fixed/other assets	-	-	-	-	-	-	-	-	-	-	0.12	5.55	0.12	5.55
Sale of fixed/other assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest paid	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest received	-	-	1.91	-	-	-	-	-	-	-	-	-	1.91	-
Maximum Outstanding during the year														
Borrowings	-	-	437.48	437.48	25.00	-	60.00	-	1,129.00	1,014.00	-	-	1,651.48	1,451.48
Deposits	-	-	-	-	175.00	-	-	-	-	-	-	-	175.00	-
Placement of deposits	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Advances	-	-	2,015.67	1,500.00	-	-	-	-	-	-	850.00	850.00	2,865.67	2,350.00
Investments	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Others														
Loans and advances given (Asset)	-	-	150.00	500.00	-	-	-	-	-	-	-	-	150.00	500.00
Advance for Property, Plant and Equipment (Asset)	-	-	336.38	-	-	-	-	-	-	-	-	-	336.38	-
Loans and advances repaid (Asset)	-	-	125.00	500.00	-	-	-	-	-	-	1.05	36.08	126.05	536.08
Investment in NCD (Liability)	-	-	-	-	-	-	-	-	524.00	524.00	-	-	524.00	524.00
Investment in Preference Shares (Liability)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rent Paid	-	-	-	-	-	-	129.56	123.33	-	-	-	-	129.56	123.33
Resource Mobilisation Charges	-	-	376.52	685.50	-	-	-	-	-	-	-	-	376.52	685.50

NOTES FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2025 (CONTD.)

8) Disclosure of Complaints

S. No	Particulars	31st March 2025	31st March 2024
	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	17	49
3	Number of complaints disposed during the year	17	49
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)	-	-

9) 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 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 - AHC Related	-	2	(33.33%)	-	-
Ground - 6 Resources	-	4	NA	-	-
Others	-	2	-	-	-
Total	-	17	(128.44%)	-	-
31st March 2024					
Ground - 1 - NOC Related	-	8	(95.92%)	-	-
Ground - 2 - Statement of Account (SOA) Related	-	-	(100.00%)	-	-
Ground - 3 - Process Related	-	4	(92.98%)	-	-
Ground - 4 - Settlement Related	-	23	(50.00%)	-	-
Ground - 5 - AHC Related	-	3	(92.31%)	-	-
Ground - 6 Resources	-	9	NA	-	-
Others	-	2	(97.37%)	-	-
Total	-	49	(89.92%)	-	-

10) 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, 2025 and March 31, 2024.

NOTES FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2025 (CONTD.)

11) 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)

S.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. (₹ Lakhs)

S.No	Particulars	Amount
1	Gross NPAs as on March 31, 2023* as reported by the NBFC	6,997.89
2	Gross NPAs as on March 31, 2023 as assessed by the Reserve Bank of India/ NHB	6,997.89
3	Divergence in Gross NPAs (2-1)	-
4	Net NPAs as on March 31, 2023 as reported by the NBFC	3,122.21
5	Net NPAs as on March 31, 2023 as assessed by Reserve Bank of India/ NHB	3,122.21
6	Divergence in Net NPAs (5-4)	-
7	Provisions for NPAs as on March 31, 2023 as reported by the NBFC	3,875.68
8	Provisions for NPAs as on March 31, 2023 as assessed by Reserve Bank of India/ NHB	3,875.68
9	Divergence in provisioning (8-7)	-
10	Reported Profit before tax and impairment loss on financial instruments for the year ended March 31, 2023	2,662.04
11	Reported Net Profit after Tax (PAT) for the year ended March 31, 2023	1,281.13
12	Adjusted (notional) Net Profit after Tax (PAT) for the year ended March 31, 2023 after considering the divergence in provisioning	1,281.13

March 31, 2023 is the close of the reference period in respect of which divergences were assessed.

50. Disclosure under clause 34(3) and 53(f) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

Particulars	31st March 2025	31st March 2024
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	25.00	-
Sakthi Foundation	-	1.05
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.	-	-

NOTES FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2025 (CONTD.)

51. 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 a first and pari passu mortgage in favour of the Security Trustee on the Company's Office at 'GDA House', First Floor, Plot No.85, Bhusari Colony (Right), Paud Road, Pune.

52. There are no items of income and expenditure of exceptional nature for the financial year ended 31st March 2025 and 31st March 2024.

53. Disclosure under Code on Social Security, 2020

The Code on Social Security, 2020 (the Code) has been enacted, which would impact contribution by the Company towards Provident Fund and Gratuity. The effective date from which changes are applicable is yet to be notified and the rules thereunder are yet to be announced. The actual impact on account of this change will be evaluated and accounted for when notification becomes effective.

54. 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.

55. There were no whistle blower complaints received by the Company during the financial year ended March 31, 2025 and March 31, 2024. (Refer Note 21 of Board's Report and Refer Note 26(c) of Corporate Governance Report).

56. 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.1624(E) dated 5th August 2023 issued by Ministry of Corporate Affairs.

57. 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 2025 (₹ 0.80 per share - 31st March 2024) which is subject to approval of shareholders. Consequently, the proposed dividend has not been recognised as a liability in the books in accordance with IND AS 10.

58. Disclosure of penalties imposed by RBI and other regulators

During the year ended 31st March 2024, Reserve Bank of India (RBI) has imposed a monetary penalty of ₹ 6.00 lakhs on account of instances of non-compliance with the KYC-RBI-Master Directions - Know Your Customer Directions 2016, as amended for failure to Categorize customers as low, medium and high risk categories and to carry out periodic updation of KYC for high risk customers for the financial year 2021-22. The Company has paid the penalty amount of ₹ 6.00 lakhs to Reserve Bank of India on 29th January 2024.

59. No fraud by the Company or on the Company has been noticed or reported in relation to the Financial Year 2024-25 and 2023-24.

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 2025 and 31st March 2024.

61. The Company has not raised any funds from green deposits during the financial years ended 31st March 2025 and 31st March 2024.

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 attached
For PN Raghavendra Rao & Co.,
 Chartered Accountants
 Firm Regn. No.: 0033285

P R VITTEL
 Partner
 Membership No. 018111

Coimbatore
 30th May 2025

M. BALASUBRAMANIAM
 Vice Chairman and Managing Director
 DIN : 00377053

S.VENKATESH
 Company Secretary and Chief Compliance Officer
 Membership No. FCS 7012

For and on behalf of the Board
M. MANICKAM
 Chairman
 DIN : 00102233

SUNDARAMURTHY KUMARASAMY
 Chief Financial Officer
 Membership No.204905

BRANCH NETWORK

Branch Offices		Address	Fax		Phones	
TAMILNADU			0422	2231915		
Coimbatore Main	641 018	62, Dr.Nanjappa Road			0422	2231471
Coimbatore South	641 045	111-114, First Floor, Banyan Tree Complex, Nanjundapuram Road, Ramanathapuram			0422	2317900
Ariyalur	621 704	TMS Complex, No.2305-9, First Floor, Jeyankondam Road, Valajanagaram Post			04329	229747
Mylapore Chennai	600 004	Raja Rajeswari Towers, No.29 & 30, Dr Radhakrishnan Salai, Mylapore			044	45487278
Dharmapuri	636 701	No.177/11Q , First Floor, Nethaji Bye-pass Road, Opp. Govt. Medical College Hospital			04342	270888
Dindigul	624 001	No.67/3, Nehruji Nagar, 80 Feet Road, Opp: IOB ATM			0451	4059576
Erode	638 003	Sakthi Sugars Building, No. 122, Veerabadra Road			0424	4060522
Hosur	635 109	Sri Krishna Towers, First Floor, Krishnagiri Bye Pass Road			04344	241142
Kallakurichi	606 202	59/5, Gopuram Towers, Second Floor, Durugam Road			04151	223567
Kanchipuram	631 501	14/69, Opp. Santhana Krishna Silk Street, Ground Floor, Mettu Street			044	46074135
Karaikudi	630 002	45, First Floor, Subramaniapuram, 4th Street South			04565	450825
Kumbakonam	612 001	Anna Ice Cream Building, No.1-E, Second Floor, Dr. Besant Road			0435	4059493
Madurai	625 020	757, West Main Road, Anna Nagar			0452	2535585
Madhavaram	600 099	No. 15, Anthony Nagar, 200 Ft Jawaharlal Nehru Road, Kolathur, Chennai			044	45488201
Mettupalayam	641 301	Sundaram Type Office Complex, No. 41/1-A Annur Main Road			04254	450171
Nagercoil	629 001	No. 93/1A, Sarguna Veethi, Chettikulam Junction			04652	222008
Namakkal	637 001	3-A, Annai Palaniammal Plaza, First Floor, Salem Main Road, Opp. Old RTO Office			04286	275125
Perambalur	621 212	No.71, Second Floor, Deenadayalan Commercial Complex, Trichy Road, Venkatesapuram			04328	225570
Pollachi	642 002	N.Mahalingam & Company Building, 108, Coimbatore Road			04259	225004
Sakthi Nagar	638 315	Sakthi Nagar, Bhavani Taluk			04256	246238
Salem	636 004	215/4, Abiroopa Towers, Second Floor, Omalaur Main Road, Kurangu Chavadi			0427	4521286
Sankagiri	637 301	No.1/14/18. D6 F, Settia Gounder Complex-C, Bhavani Main Road			04283	240270
Sivakasi	626 123	100/A4, First Floor, Marutham Hotel Upstairs, Opp. Bell Hotel, Thiruthangal Road			04562	227226
Srirangam	620 006	AMP Towers, 2371/6 Panjakarai Road, Near Srees Hotel			0431	2231181
Thambaram	600 059	No.347, Second Floor, Old GST Road, Irumbuliyur, East Thambaram, Chennai			044	42066254
Theni	625 531	No.15-1-60, Devi Towers, Cumbam Road, Union Bank Upstairs, P.C. Patti			04546	264955
Tirunelveli	627 002	10-A/1, Trivandrum Road, Vannarapettai			0462	4809122
Tirupur	641 602	No.15, First Floor, Ganga Nagar, First Street, Avinashi Road, Banglow Stop			0421	4269037
Trichy	620 017	19/1, Second Floor, Kingston Park, Puthur High Road, Ramalinga Nagar			0431	4513460
Tuticorin	628 003	Mangal Mall, 4/B/A 39 Mani Nagar, First Floor, Palayamkottai Road			0461	2323977
Vellore	632 006	No. 97, Second Floor, First West Main Road, Gandhi Nagar			0416	4056485
Puducherry	605 011	No. 94, Kamaraj Salai, Opp. Jeeva Rukmani Theatre			0413	2213786
KERALA						
Alapuzha	688 011	1st Floor, Ratna Arcade, Amman Kovil Street, Mullackal			0477	2260111
Ernakulam	682 016	New No. 61/3537 (Old No: 61/3633-C), Second Floor, S.A. Road, Valanjambalam			0484	2357359
Kanhangad	671 315	Door No.KM/1353/Ward I/B5/B6, Brother's Buildings, Second Floor Main Road, Near LIC Office			0467	2201102
Kannur	670 594	No. 4/145, First Floor, AG Towers, Near Indoor Stadium, Mundayad (PO)			0497	2703223
Kattappana	685 508	First Floor, XVII – 221/B2, Cheruthenkal Building, Near New Bus Stand			04868	250065
Kottayam	686 001	No.1x572/E, Madappalli Building, First Floor, Sastri Road			0481	2564167
Kozhikode	673 004	5/2248-D, Indira Gandhi Road, Noble Building			0495	2723699
Manjeri	676 121	Kurikkal Plaza, Opp. Court Complex, Kacheripadi			0483	2767468
Muvattupuzha	686 673	Door No.XXIII/392, 392(A), NH 49, Kottayil Buildings, Velloorkunnam, Market PO			0485	2812465
Pala	686 575	Vettipuzhichalil House, First Floor, Century VEE TEE Arcade, Ward No.18, Building No.303(4), Kottaramattam			04822	210930
Palakkad	678 007	12/872, First Floor, KAV Central, Chandranagar Post			0491	2573232
Pathanamthitta	689 645	PMC IX /1128, 10(E), First Floor, Aban Arcade, Ring Road, Near Bus Stand			0468	2224300
Thrissur	680 001	DAZE Towers, Second Floor, Marar Road			0487	2445023
Vadakara	673 101	No.20/59 A-11, Building No. 20/69, Second Floor, Sri Gokulam Towers, Link Road			0496	2515632
KARNATAKA						
Bengaluru	560 001	No.206, Second Floor, Blue Cross Chamber, No. 11, Infantry Road Cross			080	25583365
JP Nagar, Bengaluru	560 078	No.57-132-4, 2nd Cross, Seventh Main, KSRTC Layout, 2nd Phase, JP Nagar			080	26583364
Mangaluru	575 002	No.205, Second Floor, Mangalore Gate, Near Kankanady Bye-pass Road			0824	4052295
MAHARASHTRA						
Mumbai	400 021	1012, Dalamal Towers, 211, Nariman Point			022	22830942
ANDHRA PRADESH						
Rajahmundry	533 103	79-16-12/2, Third Floor, E & S Reddy Complex, Tilak Road, Opp: Saibaba Temple			088	34079023
Vijayawada	520 008	No.54-20/12 C, Main Road, Opp. Anjaneya Restaurant, Gurunanak Colony			0866	4525636
Visakhapatnam	530 016	No.47-3-7, Roshni Palace, 1st Floor, G-4, Nehru Bazar Road, 5th Lane, Dwarakanagar			0891	4604095
NEW DELHI	110 057	No.149, Vasant Enclave			011	26141165

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