19th ANNUAL REPORT

FY 2025 - 2026

REPCO MICRO FINANCE LIMITED

(Promoted by Repco Bank-Govt.of India Enterprise)

Repco Micro Finance

19th ANNUAL REPORT

FY 2025 - 2026

REPCO MICRO FINANCE LIMITED

(Promoted by Repco Bank-Govt.of India Enterprise)

Index

Sl. No.	Content	Page No
1.	Corporate Information	03
2.	Vision & Mission	05
3.	Management Discussion and Analysis Report	12
4.	Directors' Report to the Members	22
5.	Independent Auditor’s Report	44
6.	Balance Sheet	56
7.	Statement of Profit and Loss	57
8.	AGM Notice	122

CORPORATE INFORMATION

Board of Directors	
Shri. C Thangaraju	Director
Shri. M Raja	Nominee Director
Shri. S Nagoor Ali Jinnah	Independent Director
Shri. R Balachandran	Independent Director
Shri. S T Kannan	Independent Director (Upto 15-05-2026)
Shri. R Suresh	Independent Director (Upto 15-05-2026)
Shri. K Venkatachalam	Additional Director & Independent Director (w.e.f 30-07-2025)
Shri. S Rathinasundaram	Director
Shri. S Innace	Director
Shri. V Krishna Kumar	Director
Shri. A G Venkatachalam	Managing Director

Registered office

"REPCO TOWER" 33,
North Usman Road,
T. Nagar, Chennai – 600 017.
Telephone : 044 2834 0715

Corporate Office

Second Floor - North wing,
Karumuttu Centre,
New No. 634, Anna Salai,
Nandanam,
Chennai-600 035.

Contact Details

: 044 2431 0212
: cs@repcomicrofin.co.in
: https://www.repcomicrofin.co.in

Executives	
Shri. P R Durai	Chief Technology Officer
Shri. P Senthil Kumar	Chief Financial Officer
Shri. S Yoganandhan	Company Secretary & Chief Compliance Officer
Shri. S Vimal	Head Credit & Monitoring Division
Shri. P K B Balamurugan	Head Inspection & Internal Audit Division
Shri. R Seenivasan	Head General Administration Division

Statutory Auditor	Internal Auditor
M/s. P Chandrasekhar LLP Chartered Accountants "SURYA APARTMENTS", No. 18A, 1st Floor, Flat No.5, Balaiah Avenue, Luz, Mylapore, Chennai-600 004	**M/s. R K C G & Associates LLP,** 4th Floor, Tower A, Mena Kampala Arcade, 113, Sir Thyagaraya Road, T. Nagar, Chennai - 600017

Secretarial Auditor	Registrar & Transfer Agent
M/s. A Ramanathan & Company, Plot No. 109, Nehru Street, Alwarthirunagar, Chennai - 600 087	**M/s. Cameo Corporate Services Limited,** Subramanian Building, No.1, Club House Road, Chennai – 600 002

Regulator	Self-Regulatory Organization (SRO)
Reserve Bank of India, Department of Non-Banking Supervision, Chennai – 600 001.	**Sa-Dhan**, A1 – 248, 3rd Floor, Safdarjung Enclave, New Delhi – 110 029.

Lenders

- Bank of Baroda
- Bajaj Finance
- Bandhan Bank
- City Union Bank
- Dhanlaxmi Bank
- Federal Bank
- HDFC Bank
- ICICI Bank
- IDFC First Bank
- Karur Vysya Bank
- Kotak Mahindra Bank
- Maanaveeya
- Repco Bank
- State Bank of India
- Tata Capital

Credit Information Companies (CIC)

- CRIF High Mark
- Equifax
- CIBIL
- Experian

VISION & MISSION



Financial inclusion – reaching the unbanked segment. Providing easy & hassle-free means of finance to SHG's

Up scaling under privileged through financial inclusion and creation of first-generation entrepreneurs.



Repco Micro Finance Ltd., and its Executives received the following awards in the 10th Elets NBFC100 Leader of Excellence Awards, a distinguished recognition celebrating the outstanding contributions of Non-Banking Financial Companies (NBFCs) in driving growth, innovation, and excellence held on 21.11.2025 at Mumbai

The Banking & Finance Post, a bi-monthly magazine published by Elets Technomedia Pvt Ltd, is the organizer and Sa-dhan is one among the Supporting partner.



Excellence in Micro Finance
- 'Repco Micro Finance Ltd'



Operational Excellence Leadership in NBFCs
- Sri. A G Venkatachalam, MD



Financial Leadership Excellence in NBFCs
– Sri. P Senthilkumar, CFO

Inauguration of Coimbatore Regional Office



Inauguration of Madurai Regional Office



Inauguration of Melur Branch - Shifted to a New Spacious Premises



Inauguration of Puducherry Branch - Shifted to a New Spacious Premises



Inauguration of Thirumangalam Satellite Centre



Inauguration of Usilampatti Satellite Centre



RMFL's credit rating was upgraded on 17.10.2025 by ICRA to 'A-' (stable) from 'BBB+'(stable), a remarkable milestone in the journey of service.



BOARD OF DIRECTORS - 2026



Shri. C Thangaraju
Director



Shri. M Raja
Nominee Director



Shri. S Nagoor Ali Jinnah
Independent Director



Shri. R Balachandran
Independent Director



Shri. S Kannan
Independent Director



Shri. R Suresh
Independent Director



Shri. K Venkatachalam
Independent Director



Shri. S Rathinasundaram
Director



Shri. S Innace
Director



Shri. V Krishna Kumar
Director



Shri. A G Venkatachalam
Managing Director

PERFORMANCE HIGHLIGHTS

Particulars	2021-22	2022-23	2023-24	2024-25	2025-26
Outstanding Loan Book (In Cr)	1020.64	1087.06	1331.47	1347.98	1509.83
Disbursements (In Cr)	813.44	865.83	1134.22	1107.97	1263.31
Income from operations (In Cr)	162.49	177.76	247.14	294.34	303.88
Interest Expended (In Cr)	58.11	52.64	80.09	90.79	90.49
Operating Expenses (In Cr)	41.78	48.04	61.76	70.99	84.99
Provisions & Contingencies (In Cr)	48.30	(16.57)	(12.45)	(3.27)	3.10
Profit after Tax (PAT) (In Cr)	10.02	46.23	68.31	81.07	83.01
Networth (In Cr)	278.59	327.07	384.99	453.97	524.10
Gross NPA (%)	8.50	4.95	2.74	1.58	2.19
Net NPA (%)	NIL	1.21	NIL	Nil	Nil
Return on Assets (%)	1.06	4.69	6.10	6.05	5.81
Return on Networth (%)	4.07	15.83	20.24	20.09	17.59
Capital Adequacy Ratio (%)	27.30	30.72	27.68	32.76	32.17
Number of Branches	95	104	115	129	130+ 20 sat.centres

MANAGEMENT DISCUSSION AND ANALYSIS

Management Discussion and Analysis – FY 2025-26

Indian Economy's strength of resilience continued its outlook in FY 2025-26 through mitigation of external risks such as tariffs & trade wars and internal risks such as growth & inflation dynamics.

The dual tax rationalization, Income tax slab revision under New tax regime applicable from FY 2025-26 and streamlining of Goods and Services Tax under GST 2.0 with effect from Sep 22, 2025 are two major economic reforms by the Government of India towards focusing medium to long term growth besides other factors.

Micro-finance Industry:

The Self-Regulatory Organizations' (SROs) released the revised 'Guardrails' during the beginning of the Fiscal towards strengthening the conduct of the Microfinance Industry. It stipulates various measures through guardrails such as Number of lenders, Households combined exposure in microfinance plus retail loans, Processing fees cap, Stipulation on loan for overdue customers, Verification of end-use, etc. The guardrails were productive and contributes to de-leveraging in reduction of excessive borrowings.

On June 06, 2025, the Reserve Bank of India notified the relaxation in Qualifying assets criteria for NBFC-MFIs. Accordingly, qualifying assets of NBFC-MFIs shall constitute a minimum of 60 percent of the total assets (netted off by intangible assets), on an ongoing basis. The 60 percent is the downward revision from 75 percent from April' 2022 and earlier 85 percent Upto March' 2022 since Dec' 2011. The revision in limits enables the MFIs to diversify the loan book.

The industry for micro loans, continued receiving focus from State Governments during FY 2025-26 through notification of Acts/Ordinances. In continuation to Karnataka bill in Feb' 2025, the government of Tamilnadu passed bill in April' 2025 followed by Bihar in Feb' 2026. Though the State enactments is for the protection of borrowers, certain measures were resulting in additional challenges in execution of business and recovery of loan dues.

The Economic Survey 2026 highlights certain deeds of India's microfinance sector, warning that rapid credit growth has caused significant stress, such as over-indebtedness and higher non-performing assets. It calls for tighter credit practices and better income assessment, focusing on household financial stability over just rapid loan expansion. The Economic survey also noted that while private equity and venture capital funding has fuelled the expansion of the microfinance sector along with stress, including over lending and over-indebtedness. The survey also highlighted operational constraints, including the lack of a primary and standardised framework for assessing household income.

The guardrails and risk mitigation strategy adopted by the lenders' led to a constant contraction in gross loan portfolio during the year. However, disbursement seen improving in the last quarter of the fiscal.

The other noticeable happening in the Industry were increase in average ticket size due to concentration of loans to customers based on vintage, as higher delinquency was seen in New-to-credit segment of microfinance resulting in contraction of customer base.

Business segment:

As per RBI's revised regulation with effect from April 2022, 'Definition' of Microfinance and qualifying assets criteria for NBFC-MFIs, A microfinance loan is defined as a collateral-free loan, irrespective of end-use, provided to a household having annual income up to ₹3,00,000. The minimum requirement of microfinance loans for NBFC-MFIs is 60 per cent (revised from 75 percent in June'2025) of the total assets.

At RMFL, Microfinance portfolio constitutes 76% of the total assets of the company as at end of March 31, 2026. The borrowers unadoptable under revised microfinance guidelines are categorized under Non-microfinance for the purpose of retaining the long-standing and quality customers.

Commensurating 15th year of operations, the Company introduced a new loan product 'Repco Micro 15' in previous FY towards supporting Individual borrowers under Micro-finance category and the disbursement in the product were progressive and constitutes 10% of total loans as at end of March' 2026.

Asset Quality:

The quality of loan assets of several lenders deteriorated significantly during FY 2025-26 and resulted in elevated delinquency levels. Also, the asset quality issues were concentrated in few states, especially shown exorbitant business growth post pandemic. It caused higher credit cost and pressure on profitability. The incremental stressed assets were diminishing on account of implementation of guardrails by the companies as framed by SROs.

However, the asset quality of the company is better than the industry on account of stringent underwriting measures carried in the past and conservative growth approach.

Remarkable Milestone:

The Credit Rating of the **'Repco Micro Finance Ltd'** was Upgraded to **'A- (stable)'** from **'BBB+ (stable)'** in Oct' 2025. The rating upgrade, in the state of persistent and numerous challenges in the Microfinance Industry, especially at the present juncture of downgrades and defaults were seen across the industry, is a remarkable **milestone for the company.**

It is a result of 'Prudence, Perseverance and Performance' and the Company achieved this Milestone through systematic business performance, financial soundness and discipline, high and constant significance to compliance and governance, etc…

Highlights of performance - FY 2025-26

- Disbursement crossed the projection of Rs. 1200 crore and stood at Rs.1262 crore - highest figure.
- Loan outstanding crossed the projection and milestone of Rs.1500 crore for the 1st time.
- Net profit reported is the highest ever.
- Net worth crossed the milestone figure of Rs.500 crore
- New branch in the State of AP opened, thus diversified our operations into 5th State.
- Regional Offices (RO) at Coimbatore & Madurai opened taking total RO's to 4.
- 20 Satellite Centres were opened (to strengthen the branch network of 130)
- Borrowings sanctions received stood at Rs. 800 crore, highest ever.
- Highest Number of Lenders' sanction received during the FY - 11 Lenders

Liquidity:

Liquidity support towards repayment of debt obligations and incremental credit growth is a significant challenge persistant all time in Micro finance industry. The challenge was compounded during the year due to Lenders' risk aversion on account of various reasons such as State Acts on Micro loans, Over Indebtedness, Multiple lending and Weaker asset quality.

Several Microfinance institutions defaulted on borrowings in FY 2025-26 due to asset quality stress and funding crunches, threatening the survival of few organizations. To overcome the situation, based on the efforts of SROs, the Government of India, through the Department of Financial Services, Ministry of Finance, has introduced in March 2026, Credit Guarantee Scheme for Microfinance Institutions – 2.0 (CGSMFI – 2.0) to provide guarantee coverage to eligible Member Lending Institutions (MLI) by National Credit Guarantee Trustee Company (NCGTC) for finance assistance extended by them to NBFC-MFIs. It is believed to support the industry to overcome the strain in funding the onward lending.

Persisting risk aversion towards funding to MFIs, Peak Credit Deposit (CD) Ratio in the banking system, Outflow of Foreign investments in Indian Equity and Debt markets draining domestic liquidity, high fluctuation in forex markets, etc… are few major factors restricted the liquidity for the sector as a whole.

Despite numerous and new challenges, company was successful in getting sanctions and arranging funds to fulfil the dual requirements. Three New lenders were also on boarded during the year. The company constantly maintains adequate liquidity towards business growth and repayment of debt obligations.

Information Technology:

Since inception, the Company has been functioning in a fully computerized environment with Core Banking Solution (CBS) and Loan Sanction Workflow (LSW). The Company has further strengthened its digital ecosystem with the implementation of Human Resource Management System (HRMS) and Customer Onboarding Application (COB) for enhancing operational efficiency and employee management.

The Customer Onboarding Application has enabled end-to-end digital onboarding, including real-time verification, automated data flow to LSW, and reduction of manual intervention at branches.

The HRMS system facilitates streamlined employee lifecycle management, including attendance, payroll, and administrative processes.

The Company has enabled digital/online collection mechanisms, allowing customers to make repayments through digital channels, thereby improving collection efficiency and reducing dependency on manual processes.

Human Resources:

During the fiscal, Continuous recruitment of employees was carried to support the business growth and branch expansion. Totally, 262 employees were recruited through various modes taking the employees strength to 1161 as at the end of the year. 100 employees were promoted to higher cadre and Several employee benefits & welfare measures were revised upward to motivate and support their well-being.

Awards:

Repco Micro Finance Ltd., and its Executives received the following awards during

FY 2025-26 in 10th Elets NBFC100 Leader of Excellence Awards at Mumbai on Nov' 21,2025.

- Excellence in Micro Finance - 'Repco Micro Finance Ltd'
- Operational Excellence Leadership in NBFCs - Sri. A G Venkatachalam, MD
- Financial Leadership Excellence in NBFCs – Sri. P Senthil Kumar, CFO

Outlook – FY 2026-27

The sector has mostly overcome the headwinds of the past few quarters, with borrower-level overleverage and asset-quality stress diminishing. As most of the negatives were surpassed, Industry expects the FY 2026-27 on the positive note towards growth. More focus towards Individual and Non-MF loans are widely to be seen in coming years like in the recent past. The effort on improving portfolio quality are perceived across the Microfinance Lenders' through stringent underwriting mechanism.

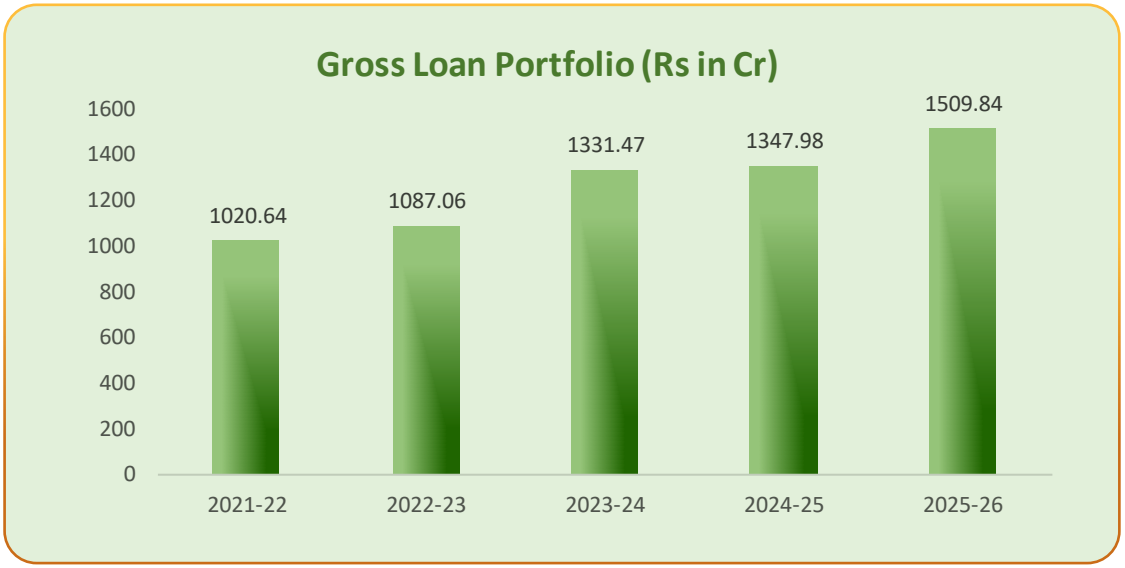
RMFL plans to increase its market share through deepening relationship with existing customers, on-boarding new customers and expanding to newer geographies. The company has demonstrated strong reform commitment in recent years with the implementation of several initiatives towards Internal control and external risks mitigation. RMFL proposed to continue and enhance the service of upliftment and empowerment of customers.

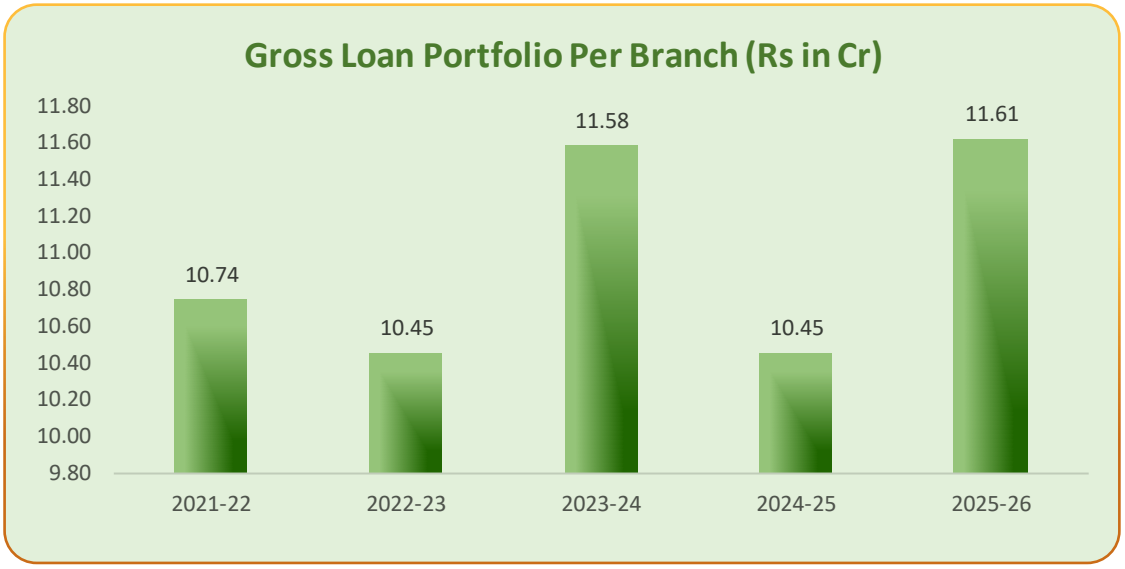
The company is projected to grow in double digits, both in terms of business and profitability through maintaining affordability in lending rates and better asset quality.

*****

Operational Metrics

The Operational Performance of the Company during the last five years is graphically presented below:






No. of Branches -year wise
140
120
100
80
60
40
20
0
95
104
115
129
130
2021-22
2022-23
2023-24
2024-25
2025-26


No. of Loans Outstanding
400000
350000
300000
250000
200000
150000
100000
50000
0
333499
285439
273446
266791
261822
2021-22
2022-23
2023-24
2024-25
2025-26

Analysis of Financial Performance

Financial results

Your Company's Profit before tax for the FY 2025-26 was at Rs.112.16 Cr against Rs.108.55 Cr in the FY 2024-25. Net Profit for the FY 2025-26 stood at Rs.83.01 Cr against Rs. 81.07 Cr in the FY 2024-25.

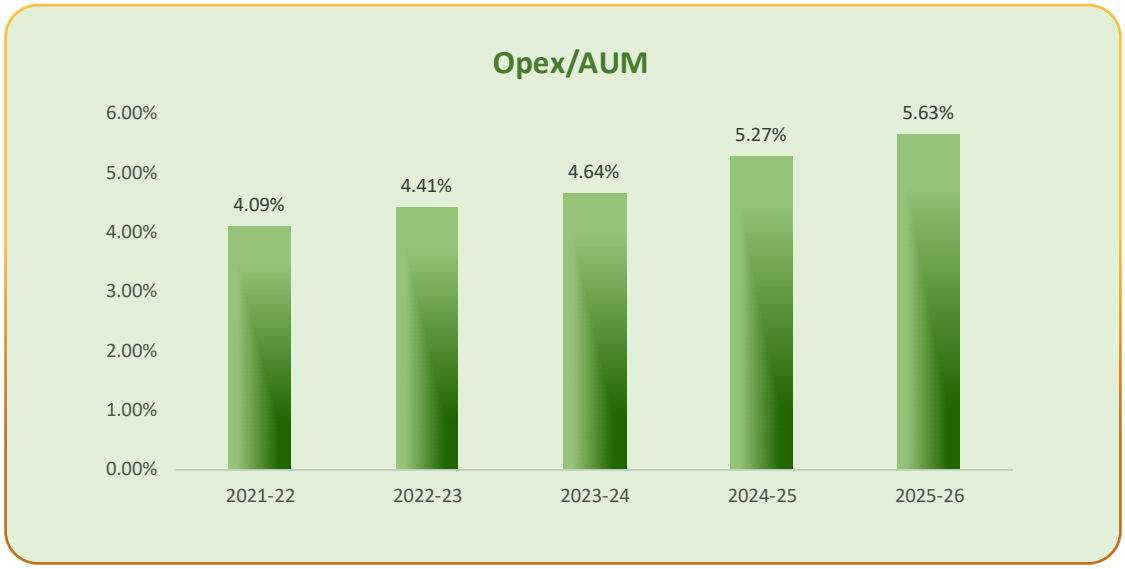
Position for the Fiscal ending March, 2026

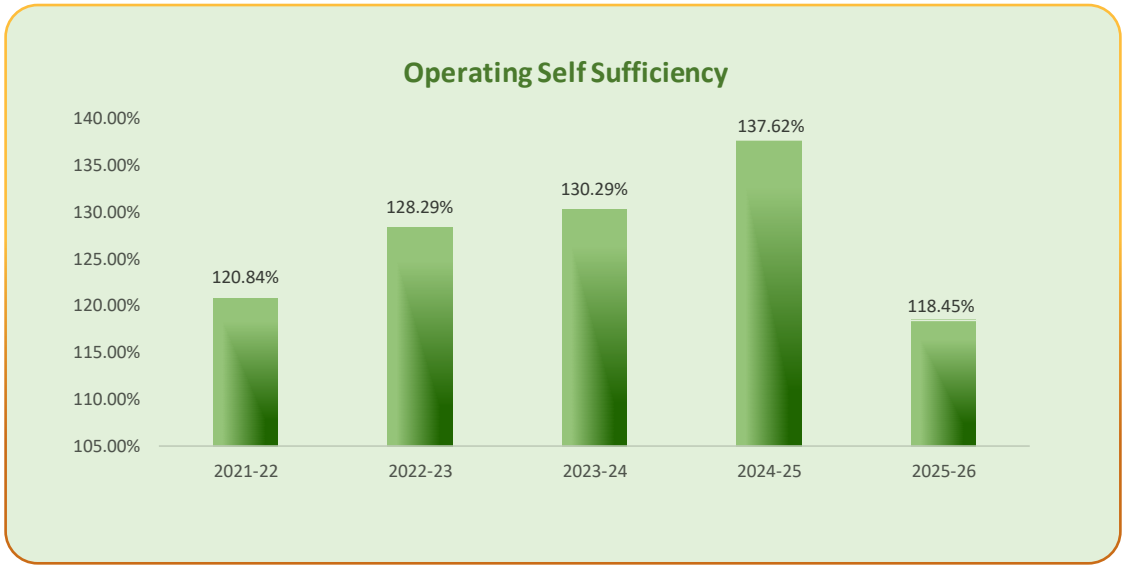
S.No.	Details	Amount (Rs.in Cr)
Business Operations		
1	Disbursement during the year	1263.31
2	Gross loan portfolio (AUM) as at end of fiscal	1509.84
3	Revenue from operations during the year	303.88
Solvency & Liquidity		
4	Net worth as at end of fiscal	524.10
5	Capital Adequacy Ratio as at end of fiscal	32.17
6	Cash & Cash Equivalent as at end of fiscal	6.23
Efficiency		
7	Effective cost of borrowing (average)	10.66 %
8	Cost to income ratio	39.83
9	Collection efficiency	99%
10	Net Interest Margin	11.36%

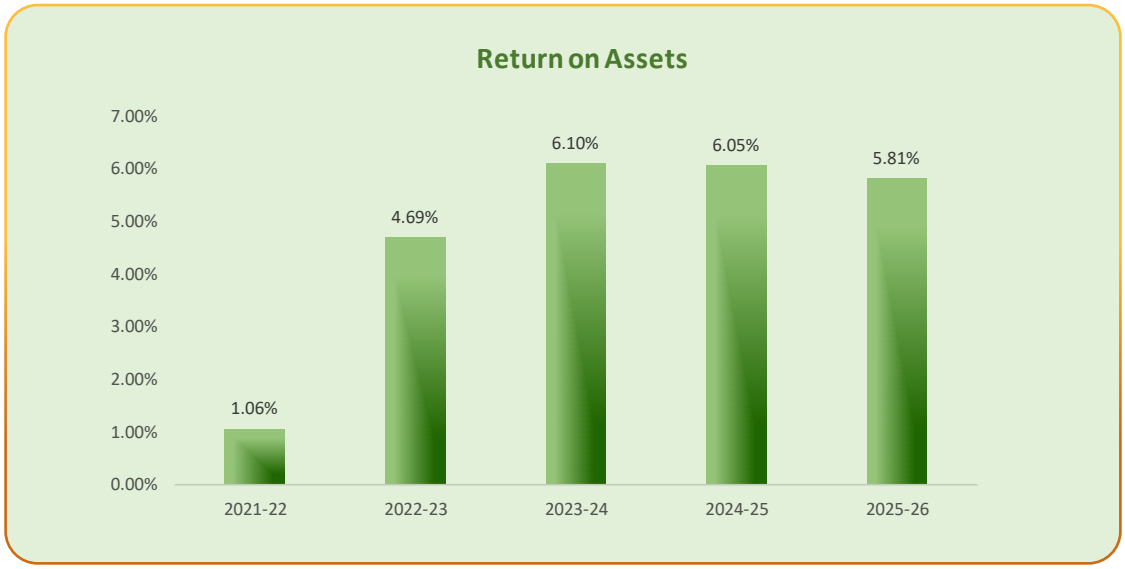
Key Financial ratios are as below

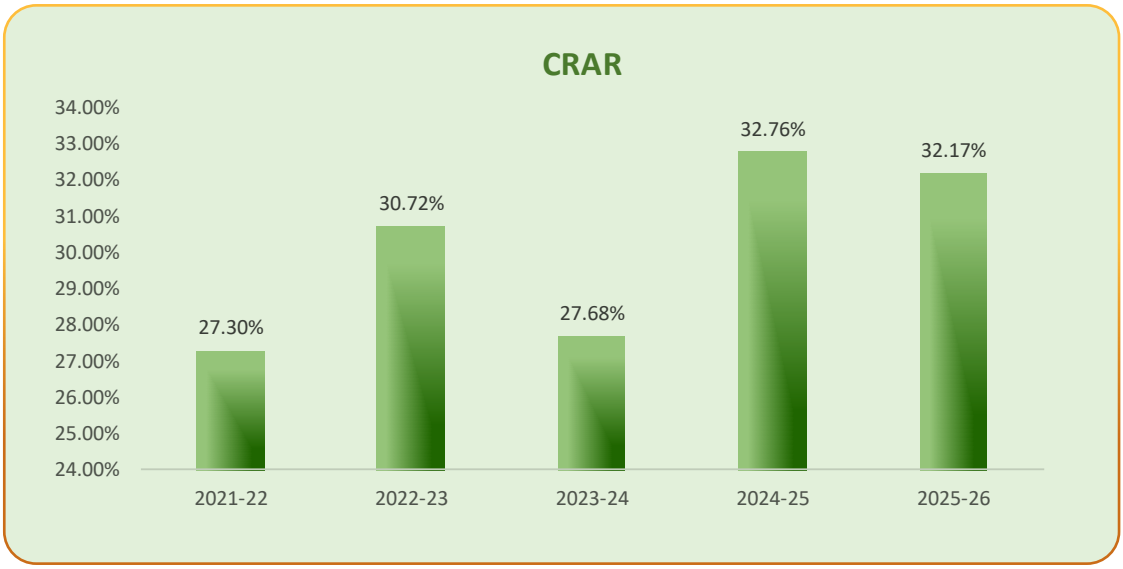
Key Financial Ratios	FY 2025-26
CRAR	32.17
Return on Assets	5.81
Return on Equity	17.59
Gross NPA	2.19%
Net NPA	NIL
Debt equity ratio	1.81

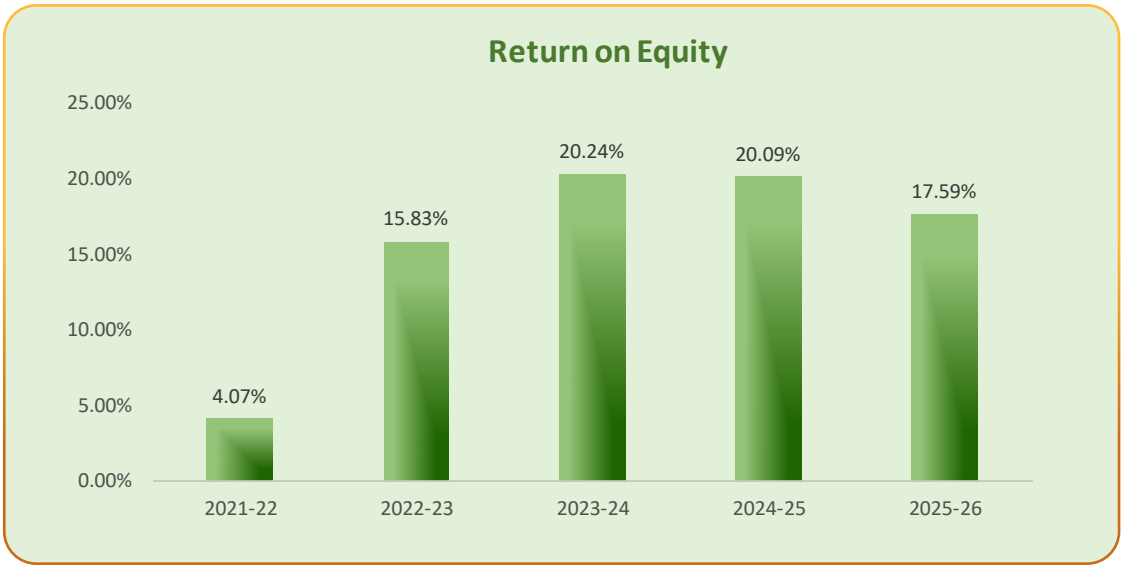
Financial dashboard

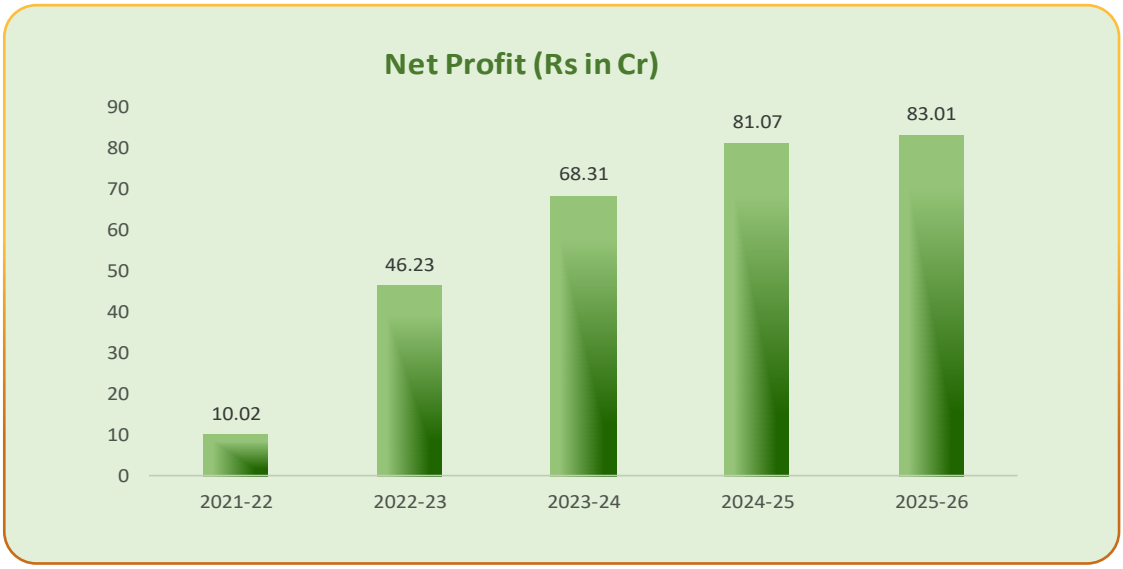


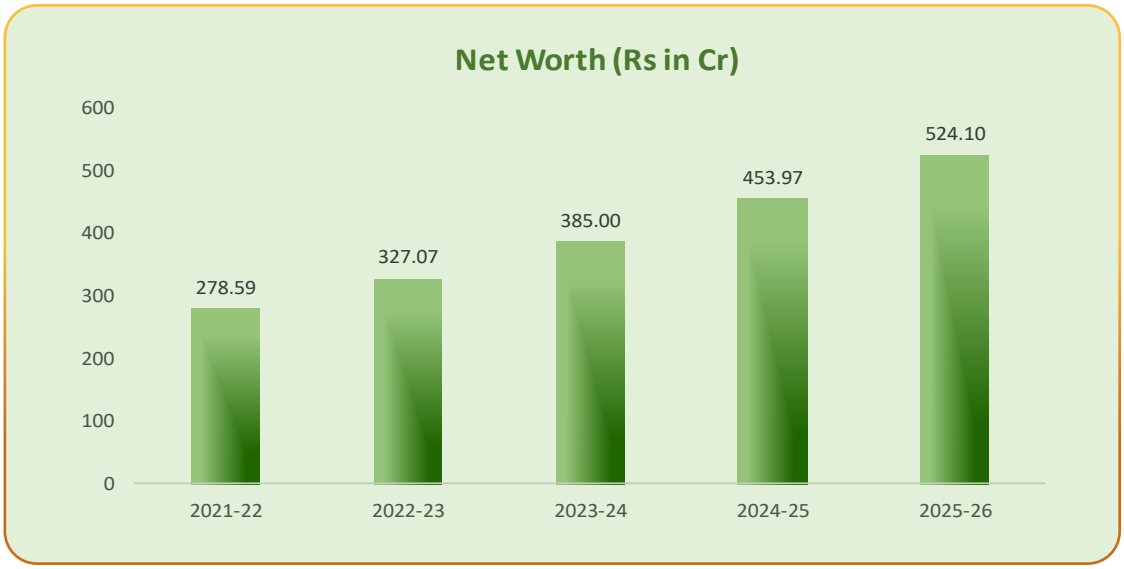





CRAR
34.00%
33.00%
32.00%
31.00%
30.00%
29.00%
28.00%
27.00%
26.00%
25.00%
24.00%
27.30%
30.72%
27.68%
32.76%
32.17%
2021-22
2022-23
2023-24
2024-25
2025-26


Return on Equity
25.00%
20.00%
15.00%
10.00%
5.00%
0.00%
4.07%
15.83%
20.24%
20.09%
17.59%
2021-22
2022-23
2023-24
2024-25
2025-26


Net Profit (Rs in Cr)
90
80
70
60
50
40
30
20
10
0
10.02
46.23
68.31
81.07
83.01
2021-22
2022-23
2023-24
2024-25
2025-26



Internal control systems and their adequacy.

The Company has an internal control system, commensurate with the size, scale and nature of its operations. Testing of such systems forms a part of review by the Audit function. The Internal Audit function monitors and evaluates the efficacy and adequacy of Internal Control system in the Company to ensure that financial reports are reliable, operations are effective and efficient and activities comply with the required policies and procedures. Based on the report, the concerned officials take corrective action, if any, in their respective areas and thereby strengthen the controls. Audit observations and corrective actions thereon are presented to the Audit Committee of the Company from time to time, if any.

Material developments in Human Resources

The Company has total manpower strength of 1161 as on 31st March, 2026. Training programme for newly inducted staff, refresher training for existing employees are being conducted to impart knowledge and skill.

Road Map for FY 2026-2027

The company projects to cross Rs.1650 Crore as Loans outstanding during FY 2026-27.

For and on behalf of the Board of Directors

Sd/-

A.G. Venkatachalam
Managing Director

DIRECTORS' REPORT TO THE MEMBERS

Your Directors have great pleasure in presenting the Nineteenth Annual Report of the Company with audited accounts for the year ended March 31, 2026.

FINANCIAL RESULTS

Rs. In lakh

Particulars	As at 31.03.2026 (INDAS)	As at 31.03.2025 (INDAS)
Operating Income	30328.69	29367.00
Other Income	59.44	67.37
Total Income	30388.13	29434.38
Finance Cost	9049.75	9079.82
Administration & Other Costs	8890.91	9131.74
Provision for Standard Assets	-	-
Provision for Non-Performing Assets	310.51	(327.32)
Depreciation	921.23	695.05
Profit before tax	11215.74	10855.08
Provision for tax and others	2789	2650
Deferred Tax Asset	125.76	97.97
Profit after tax	8300.98	8107.11
CRAR	32.17%	32.76%

DIVIDEND

Your Directors recommend a payment of dividend @ Rs.1.20 per equity share of face value of Rs.10 each for the period ended March 31, 2026. The dividend pay-out is subject to the approval of members at the ensuing AGM.

CHANGE IN SHARE CAPITAL

During FY 2025-2026, the Company has not allotted any Shares.

As on 31st March, 2026, the issued, subscribed and paid up share capital of your Company stood at Rs. 99,20,00,000/- comprising 9,92,00,000 Equity shares of Rs. 10 each.

OPERATIONAL HIGHLIGHTS

There was no change in nature of operations of the company during the year under review.

The summary of operational highlights is as under

Particulars	As at 31.03.2026	As at 31.03.2025
Number of branches	130	129
Satellite Centers	20	-
Number of customers	2,61,822	2,66,791
Number of employees	1161	1080
Amount disbursed (Rs.in Cr.)	1262	1107.97
Gross loan portfolio (Rs. In Cr.)	1509.83	1347.98

During the year, the Company was able to raise the necessary funding resources to match the business and operational needs leveraging on its existing relationship with banks, despite of challenging market conditions.

LOAN ASSETS & DISBURSEMENT:

As at March 31, 2026, the loan assets stood at Rs. 1510 Crore. The total loan disbursement during the year was Rs. 1262 Crore.

BORROWING FROM BANKS:

During this fiscal, RMFL received fresh Term loan sanctions from Banks & NBFCs amounting to Rs. 800 Crore. The outstanding term loans and overdraft from banks, as at March 31, 2026 were Rs. 853 Crore and Rs. 92 Crore respectively.

DEPOSIT:

During the year, your Company has not accepted any deposit within the meaning of Section 76 of the Companies Act, 2013, read with the Companies (Acceptance of Deposits) Rules, 2014.

TRANSFER TO RESERVES:

As required under Section 45-IC of RBI Act, 1934, an amount equivalent to 20% of the profit after tax has been transferred to the Statutory Reserve account.

COMPLIANCE WITH RBI GUIDELINES / DIRECTIONS:

Reserve Bank of India (RBI) has granted the Certificate of Registration to the Company in 2010 vide Registration no. N-07-00780 to commence the business of a Non-Banking Financial Institution without accepting public deposits. The Company was converted into an NBFC-MFI with effect from December 2013. Your Company is a Systemically Important Non-Deposit taking Non-Banking Financial Company (NBFC-ND-SI) and comes under Middle Layer NBFC-ML as per Scale Based Regulations of RBI. Your Company has complied with and continues to comply with all the applicable regulations and directions of RBI.

ANNUAL RETURN

In accordance with the Companies Act, 2013, the annual return in the prescribed format is placed on the Company's website and can be accessed at https://www.repcomicrofin.co.in.

CONTRACTS AND ARRANGEMENTS WITH RELATED PARTIES:

All transactions entered by the Company with related parties were in the ordinary course of business and at arm's length pricing basis.

The policy on related party transactions as approved by the Board is provided in the Company's website under the tab Company policies.

Transactions with the related parties are disclosed under the head "Related Party Disclosure" as set out in Notes to the Financial Statements and forming part of Annual report.

ADEQUACY OF INTERNAL FINANCIAL CONTROLS

The Company has put in place an adequate internal control system to safeguard all assets and ensure operational efficiency. The Company also has an Internal Auditor which was carried out by an Independent Chartered Accountant firm, conducting comprehensive audits of functional areas and operations of the Company to examine the adequacy and compliance with policies and statutory requirements. Any significant observations from the audit are reported to the Audit Committee and follow-up actions are taken accordingly.

A team of inspection officials has been deputed to visit the branches at regular intervals to have effective control over the working of branches and observations are reported to the Audit Committee. The Audit Committee reviews the adequacy and effectiveness of the Company's internal control environment and monitors the implementation of audit recommendations.

RISK MANAGEMENT:

The Company has in place the mechanism to assess, monitor & mitigate various risks to key business objectives. Major risks identified by the business and functions are systematically addressed through mitigating actions taken at the earliest.

PARTICULARS OF LOANS, GUARANTEE OR INVESTMENTS:

The Company has not made any Investments, given any loans or guarantees covered under provisions of section 186 of the Companies Act, 2013.

PARTICULARS OF EMPLOYEES:

The provisions of Section 197 (12) of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is not applicable to the Company. The said provisions are applicable to listed company.

CONSERVATION OF ENERGY & TECHNOLOGY ABSORPTION:

The Company does not have any activity relating to conservation of energy and technological absorption and does not own any manufacturing facility. Hence, the requirement of disclosure of particulars relating to conservation of energy and technology absorption in terms of Section 134 of the Companies Act, 2013 and the Rules framed thereunder is not applicable.

FOREIGN EXCHANGE EARNINGS AND OUT-GO:

During the period under review there was no foreign exchange earnings or out flow.

HUMAN RESOURCES:

Attracting, enabling and retaining talent have been the cornerstone of the Human Resource function and the results underscore the important role that human capital plays in critical strategic activities such as growth.

Consistent pursuit to connect with staff on a regular basis, communicate in an open and transparent manner are yielding desired results.

The number of employees as on 31 March, 2026 was 1161 and out of which 665 employees are women.

This is evident from the high retention rates and improved engagement levels of the associates. Number of employees recruited during the year is 262 and number of employees left/dropped during the year is 181.

VIGIL MECHANISM / WHISTLE BLOWER

The Company in pursuance to sub-section 9 of Section 177 of the Companies Act, 2013 has framed Vigil Mechanism / Whistle Blower policy for directors and employees to report genuine concerns about unethical behaviour, actual or suspected frauds and to provide safeguard against victimization of persons who use vigil mechanism.

REPORT ON CORPORATE GOVERNANCE

A report on Corporate Governance (Section II of RBI circular dated 19th April 2022) containing the composition of the Board of Directors, Change in Directors & Key Managerial Personnel and composition of various committees are presented in a separate section under the head Corporate Governance which is attached as Annexure-I and forms part of this Report.

EVALUATION OF BOARD, COMMITTEES & INDEPENDENT DIRECTORS

The Board of Directors had carried out an annual evaluation of its own performance, Committees and Individual Directors pursuant to the provisions of Section 134 of the Companies Act, 2013. The performance evaluation was done taking into account the criteria laid down by the Nomination and Remuneration Committee such as i) rendering independent, unbiased opinion and resolution of issues at meetings, ii) initiative in terms of new ideas and planning for the company, iii) timely inputs on the minutes of meetings of the Board and Committee, iv) Professional Skills, problem-solving and decision making, etc.

DECLARATION OF INDEPENDENCE BY INDEPENDENT DIRECTORS

The Company has received necessary declarations of independence from each of its Independent Directors under Section 149(7) of the Companies Act, 2013, that he/she meets the criteria of Independent Director as envisaged in Section 149 (6) of the Companies Act, 2013. All Independent Directors have submitted the declaration of independence, as required pursuant to Section 149(7) of the Act, stating that they meet the criteria of independence as provided in Section 149(6) of the Companies Act, 2013 and are not disqualified from continuing as Independent Directors.

The Company has also received undertakings and declarations from each director on fit and proper criteria in terms of the provisions of Corporate Governance (Reserve Bank) Directions, 2015.

CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE

Pursuant to the provisions of Section 135 and Schedule VII of the Companies Act, 2013, CSR Committee has been constituted. The said committee has recommended and the Board has approved a policy on Corporate Social Responsibility (CSR), which can be accessed in the link https://www.repcomicrofin.co.in → Company Policies.

The detailed report on CSR is attached as Annexure II.

REMUNERATION POLICY:

The Company has a policy in place relating to the appointment of Directors, payment of Managerial remuneration, Directors' qualifications, positive attributes, independence of Directors and other related matters as provided under section 178(3) of the Companies Act, 2013 and the aforesaid policy is available in the weblink https://www.repcomicrofin.co.in → Company policies.

DIRECTORS RESPONSIBILITY STATEMENT:

In accordance with the provisions of Section 134(5) of the Companies Act, 2013 the Board hereby submit its responsibility Statement: -

a. In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;

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

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

d. The directors had prepared the annual accounts on a going concern basis

e. The directors had laid down internal financial control to be followed by the company and that such internal financial controls are adequate and were operating effectively; and

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

SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES:

The Company does not have any Subsidiary, Joint venture or Associate Company.

STATUTORY AUDITOR:

M/s. P Chandrasekhar LLP, Chartered Accountants, (Firm Registration No. 000580S), were appointed as the Statutory Auditor of the Company at the 17th Annual General Meeting held on September 18, 2024 to hold office for a period of three years till the conclusion of the Annual General Meeting of the Company to be held for the year 2027.

Guidelines for Appointment of Statutory Central Auditors (SCAs)/Statutory Auditors (SAs) of Commercial Banks (excluding RRBs), UCBs and NBFCs (including HFCs) dated 27 April, 2021, mandates that every company has to appoint the SCAs/SAs for a continuous period of three years, subject to the firm satisfying the eligibility norms each year.

To confirm M/s. P Chandrasekhar LLP, Chartered Accountants, Chennai are satisfying the eligibility norms for the year 2025-2026, the certificate received from auditors as per Form B prescribed in the above guidelines and consent letter in compliance with the provisions of Section 141 of the Companies Act, 2013 was reviewed by the Audit Committee and the board.

There are no qualifications or adverse remarks in the Auditor's Report, which require any clarification/ explanation.

SECRETARIAL AUDITOR:

Pursuant to the provisions of Section 204 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed Shri. A. Ramanathan, Practicing Company Secretary to undertake the Secretarial Audit of the Company.

The Secretarial Audit Report obtained from Shri. A. Ramanathan, Practicing Company Secretary is attached as Annexure-III and forms part of this Report.

There are no qualifications or adverse remarks in the Secretarial Auditor's Report, which require any clarification/explanation.

MATERIAL CHANGES AND COMMITMENT AFFECTING THE FINANCIAL POSITION OF THE COMPANY BETWEEN 31ST MARCH AND THE DATE OF BOARD'S REPORT:

No material changes and commitments have occurred affecting the financial position of the Company after March 31, 2026 until the date of this Report.

PENALTY

There are no penalties or restrictions imposed on it by the Reserve Bank of India or any other statutory authority.

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

The Company has constituted Internal Complaints Committee in line with the requirement of The Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013.

The following is a summary of sexual harassment complaints received and disposed of during the year 2025-2026.

No of complaints received: Nil
No of complaints disposed of: Nil

CREDIT RATING

The Credit Rating obtained from the Rating agencies are valid as on 31-03-2026 is given below:

Rating Agency	Instrument	Rating	Limit in Rs. Cr.
ICRA	Long-term Bank Facilities	A minus (upgraded from BBB plus)	600.00

DISCLOSURE AND TRANSPARENCY

At regular intervals, Board of Directors of the Company discuss, review and decide upon matters related to policy formulations, appraisal of performances, overall supervision and control of your company.

Board of Directors of your company have also delegated various powers to the Managing Director, who monitors the day-to-day activities of your company. Notice and Agenda setting out the business to be transacted are being sent to Directors in advance by complying to necessary regulations in this regard.

ACKNOWLEDGMENT

Your Directors wish to place on record their sincere appreciation for the encouragement and co-operation received by the Company from Repco Bank, Repco Home Finance Limited, RBI, Sa-Dhan, Bankers, Stakeholders, Vendors/Suppliers, Customers' and its Employees' during the year.

For and on behalf of the Board of Directors

Sd/-

Shri. A G Venkatachalam
Managing Director
DIN- 05289154

Sd/-

Shri. C Thangaraju
Director
DIN- 00223383

Place: Chennai
Date: 07/05/2026

ANNEXURE - I

REPORT ON CORPORATE GOVERNANCE

1) CORPORATE GOVERNANCE PHILOSOPHY

At Repco Micro Finance Limited (RMFL / 'the Company') we believe that sound governance practices are the bedrock for the functioning of the Company and for creation of value of its stakeholders on a sustainable and long-term basis. This philosophy guides us in maintaining an ethical framework within which we operate.

2) BOARD OF DIRECTORS

The Board holds a fiduciary position and is entrusted with the responsibility to act in the best interests of the Company and ensure value creation for all, through the Governance mechanism in the Company. The Board along with its committees assumes its responsibilities towards all its stakeholders by ensuring transparency, impartiality, and independence in its decision making.

The Board of Directors is required to look after the functioning of the company and that of its management and ensure that every decision taken is in the best interest of the stakeholders of the Company.

The Board monitors and approves the annual business plans & strategies and various policies of the company. It also reviews the operational and financial performance of the company. The Board ensures the integrity of the financial reporting system, financial & internal control, risk management, and compliance with the applicable laws. The day-to-day management of the affairs is done by Senior Management of the company, which includes the Managing Director and functional heads, who function under the overall supervision and guidance of the Board of Directors.

2.1. Composition of the Board

During the financial year 2025-2026, the Board met 5 (Five) times on 07-05-2025, 30-07-2025, 04-11-2025, 29-01-2026 and 17-03-2026 respectively. The details of the constitution and meetings of the Board and the various Committees held during the year are given below.

The company has complied with the applicable Secretarial Standards, viz., SS-1 and SS-2, as issued by the Institute of Company Secretaries of India, from time to time.

Attendance of each Director at Board Meetings held during FY 2025-2026 and at the 18th Annual General Meeting (AGM) is detailed below:

Sl. No	Name of the Director	Director Since	Capacity#	DIN	Number of Meetings		
					Board		AGM 30-07-2025
					Held	Attended	Attended
1.	Shri. C Thangaraju	16-05-2022	Non-Executive & Non-Independent	00223383	5	5	Present
2.	Shri. M Raja	01-10-2024	Nominee Director	10704590	5	5	Present
3.	Shri. V. Dasaraty	07-08-2018	Independent Director Ceased w.e.f 02-05-2025	08190101	-	-	Not Applicable
4.	Shri. S. Nagoor Ali Jinnah	29-09-2020	Independent Director	05238633	5	5	Present
5.	Shri. R Balachandran	29-09-2020	Independent Director	01648200	5	5	Present

6.	Shri. S. T. Kannan	06-02-2023	Independent Director	00277899	5	5	Present
7.	Shri. R. Suresh	06-02-2023	Independent Director	09099261	5	5	Present
8.	Shri. Rathinasundaram	16-05-2023	Non-Executive & Non-Independent	10150583	5	5	Present
9.	Shri. K Venkatachalam	30-07-2025	Additional Director & Independent Director	09805830	3	3	Not Applicable
10.	Shri. S. Innace	18-09-2024	Non-Executive & Non-Independent	10698701	5	5	Present
11.	Shri. Krishna Kumar	18-09-2024	Non-Executive & Non-Independent	10701377	5	5	Present
12.	Shri. A.G. Venkatachalam	01-04-2021	Managing Director	05289154	5	5	Present
# (i.e. Executive/ Non- Executive/ Chairman/ Promoter nominee/ Independent)							

Besides AGM, company has convened an EGM on 04-11-2025 at shorter notice and increased the CSR spending from 2% to 8% for the FY 2025-2026.

Sl. No	Name of the Director	No. of Directorship in-cluding RMFL	Remuneration			No. of shares#
			Salary & other compensation	Sitting Fee (In Rs.)	Com-mission	
1.	Shri. C Thangaraju	2	Nil	7,75,000	Nil	Nil
2.	Shri. M Raja*	1	Nil	5,75,000	Nil	Nil
3.	Shri.V. Dasaraty	1	Nil	Nil	Nil	Nil
4.	Shri.S. Nagoor Ali Jinnah	1	Nil	6,00,000	Nil	Nil
5.	Shri. R Balachandran	5	Nil	6,75,000	Nil	Nil
6.	Shri. S. T. Kannan	1	Nil	6,25,000	Nil	Nil
7.	Shri. R. Suresh	1	Nil	5,25,000	Nil	Nil
8.	Shri. K Venkatachalam	2	Nil	3,25,000	Nil	Nil
9.	Shri. Rathinasundaram	1	Nil	5,25,000	Nil	Nil
10.	Shri. S. Innace	1	Nil	5,00,000	Nil	Nil
11.	Shri. Krishna Kumar	1	Nil	5,00,000	Nil	Nil
12.	Shri. A.G. Venkatachalam	2	80.31 Lakh	Nil	Nil	10
# No. of shares held in and convertible instruments held in the NBFC * Sitting fee paid by the company directly to RHFL being nominee director.						

The Independent Directors of the company have given their declaration that they meet the criteria of Independence as prescribed under Section 149(6) and the rules made thereunder and Schedule IV of the Companies Act, 2013. The Company has also received undertaking and declaration from each director on fit and proper criteria in terms of the provisions of Corporate Governance (Reserve Bank) Directions, 2015.

As per Master Direction DNBR. PD. 008/03.10.119/2016-17 dated Sept 01, 2016, and updated thereof from time to time, all the Fit and Proper criteria in the appointment of Directors were duly followed by the Board of Directors.

2.2. Changes in Directorship:

Details of change in composition of the Board during the current and previous financial years are given below.

Sl. No.	Name of the Director	Capacity (i.e., Executive/ Non-Executive/ Chairman/ Promoter nominee/ Independent)	Nature of change (resignation, appointment)	Effective date
Change in directors during the previous year 2024-2025.				
1.	Shri K. Swaminathan	Nominee Director	Cessation	30-09-2024
2.	Shri. M Raja	Additional Director & Nominee Director	Appointment	01-10-2024
3.	Shri. S. Innace	Additional Director	Appointment	18-09-2024
4.	Shri. Krishna Kumar	Additional Director	Appointment	18-09-2024
5.	Shri. A.G. Venkatachalam	Appointed as Managing Director	Appointment	03-06-2024
Change in directors during the year 2025-2026.				
1.	Shri.V. Dasaraty	Independent	Cessation	02-05-2025
2.	Shri. K Venkatachalam	Additional Director & Independent Director	Appointment	30-07-2025

Apart from the resignation of Shri. V Dasaraty as mentioned above, there are no resignations from independent directors before the expiry of her/ his term during the current period.

There are no relationships amongst the directors inter-se which are required to be disclosed.

2.3. Appointment/Re-appointment of Directors approved by the Board / Shareholders during the period.

In the Annual General Meeting held on July 30, 2025, the Shareholders approved the appointment / re-appointment of the following directors.

i) Regularized the appointment of Shri. M Raja as Nominee Director of the Company
ii) Change in designation of Shri. S. Innace as Additional Director to Director of the Company
iii) Change in designation of Shri. V Krishna Kumar as Additional Director to Director of the Company

2.4. Changes in Key Managerial Personnel:

There is no change in Key Managerial Personnel during the Financial Year.

2.5. Committees of the Board and its composition.

Presently the Board has seven (7) Committees viz., Audit Committee, Nomination and Remuneration Committee, Corporate Social Responsibility Committee, Information Technology Strategy Committee, Asset Liability Committee, Risk Management Committee and Special Fraud Monitoring Committee. The Board delegates power to these Committees from time to time. These committees constituted by the Board would carry out their functions as per the specific terms of reference.

None of the Directors hold office in more than ten Public Companies in terms of Section 165 of the Companies Act, 2013.

Audit Committee

The powers, role and terms of reference of the Audit Committee are in line with the provisions of Section 177 of the Companies Act, 2013 and Reserve Bank of India Regulations and majority of the members of the Committee are Independent Directors.

Terms of reference of the Audit Committee include:

i) The recommendation for appointment, remuneration and terms of appointment of auditors of the company;

ii) Review and monitor the auditor's independence and performance, and effectiveness of audit process;

iii) Examination of the financial statement and the auditors' report thereon;

iv) Approval or any subsequent modification of transactions of the company with related parties;

v) scrutiny of inter-corporate loans and investments;

vi) Valuation of undertakings or assets of the company, wherever it is necessary;

vii) Evaluation of internal financial controls and risk management systems;

viii) Monitoring the end use of funds raised through public offers and related matters, and

ix) To oversee the vigil mechanism.

x) The Audit Committee must ensure that an Information System Audit of the internal systems and processes is conducted at least once in two years to assess operational risks faced by the NBFCs.

xi) To frame / review the scope of Internal Audit

During the year the Audit Committee had met 4 (Four) times on 07-05-2025, 30-07-2025, 04-11-2025 and 29-01-2026 respectively.

The composition and attendance of each Director at the Audit Committee Meeting is given below.

Sl. No.	Name of the Director	Member of Committee since	Capacity (i.e., Executive/ Non-Executive/ Chairman/ Promoter nominee/ Independent)	Number of Meetings of the Committee		No. of shares held in the NBFC
				Held	Attended	
1.	Shri.V.Dasaraty	07-08-2018 Ceased w.e.f 02-05-2025	Independent Director and Chairperson of the committee	-	-	Nil
2.	Shri. Ramachandran Balachandran	22-10-2020	Independent Director and Chairperson of the committee	4	4	Nil
3.	Shri. C. Thangaraju	25-10-2024	Non-Executive and Non-Independent Director	4	4	Nil
4.	Shri. S. Nagoor Ali Jinnah	16-05-2022	Independent Director	4	4	Nil
5.	Shri. K Venkatachalam	01-09-2025	Additional Director & Independent Director	2	2	Nil
6.	Shri. R. Suresh	16-05-2023	Independent Director	4	4	Nil
7.	Shri. Krishna Kumar	25-10-2024	Non-Executive and Non-Independent Director	4	4	Nil

The Board of Directors had accepted all the recommendations provided by the Committee.

Nomination and Remuneration Committee (NRC)

The Nomination and Remuneration Committee of the Board of Directors was constituted as per requirement of Section 178 of the Companies Act, 2013 and Reserve Bank of India Regulations with half of the members are Independent Directors.

Terms of reference of the Nomination and Remuneration Committee include:

i) Identify the persons who can become directors;

ii) To ensure 'fit and proper' status and credentials of proposed/existing directors;

iii) Formulate the criteria for determining the qualifications, positive attributes etc. and independence of a director;

iv) Recommend to the Board a policy relating to the remuneration for the directors, key managerial personnel, for the approval of the Board.

During the year the Nomination and Remuneration Committee had met 2 (Twice) on 07-05-2025 and 30-07-2025 respectively.

The Composition and attendance of each Director at the Nomination and Remuneration Committee Meeting is given below

Sl. No.	Name of the Director	Member of Committee since	Capacity (i.e., Executive/ Non-Executive/ Chairman/ Promoter nominee/ Independent)	Number of Meetings of the Committee		No. of shares held in the NBFC
				Held	Attended	
1.	Shri. S. Nagoor Ali Jinnah	22-10-2020	Independent Director and Chairperson of the committee	2	2	Nil
2.	Shri. C. Thangaraju	16-05-2022	Non-Executive Director	2	2	Nil
3.	Shri. Ramachandran Balachandran	16-05-2022	Independent Director	2	2	Nil
4.	Shri. M Raja	25-10-2024	Nominee Director	2	2	Nil
5.	Shri. S T Kannan	25-10-2024	Independent Director	2	2	Nil
6.	Shri. K Venkatachalam	01-09-2025	Additional Director & Independent Director	-	-	Nil

The Board of Directors had accepted all the recommendations provided by the Committee.

Corporate Social Responsibility Committee

Corporate Social Responsibility (CSR) Committee is constituted as per Section 135 of the Companies Act 2013. The CSR Committee monitors the overall CSR Activities of the Company. It provides guidance on various areas where CSR activities can be carried out.

During the year the CSR Committee had met 3 (Thrice) on 07-05-2025, 04-11-2025 and 29-01-2026 respectively.

The composition and attendance of each Director at the CSR Committee Meeting is given below:

Sl. No.	Name of the Director	Member of Committee since	Capacity (i.e., Executive/ Non-Executive/ Chairman/ Promoter nominee/ Independent)	Number of Meetings of the Committee		No. of shares held in the NBFC
				Held	Attended	
1.	Shri. C. Thangaraju	16-05-2022	Non-Executive Director Chairperson of the committee	3	3	Nil
2.	Shri. S. Nagoor Ali Jinnah	22-10-2020	Independent Director	3	3	Nil
3.	Shri. M Raja	25-10-2024	Nominee Director	3	3	Nil
4.	Shri. Rathinasundaram	25-10-2024	Non-Executive Director	3	3	Nil
5.	Shri. A.G. Venkatachalam	30-03-2022	Executive Director (Managing Director)	3	3	10 shares on behalf of Repco Bank.
6.	Shri. K Venkatachalam	01-09-2025	Additional Director & Independent Director	2	2	Nil

Information Technology Strategy Committee

Terms of reference of Information Technology Strategy Committee include:

1. Ensure that the company has put an effective IT strategic planning process in place;
2. Guide in preparation of IT Strategy and ensure that the IT Strategy aligns with the overall strategy of the company towards accomplishment of its business objectives;
3. Satisfy itself that the IT Governance and Information Security Governance structure fosters accountability, is effective and efficient, has adequate skilled resources, well defined objectives and unambiguous responsibilities for each level in the organisation;
4. Ensure that the company has put in place processes for assessing and managing IT and cybersecurity risks;
5. Ensure that the budgetary allocations for the IT function (including for IT security), cyber security are commensurate with the Company's IT maturity, digital depth, threat environment and industry standards and are utilised in a manner intended for meeting the stated objectives; and
6. Review, at least on annual basis, the adequacy and effectiveness of the Business Continuity Planning and Disaster Recovery Management of the company.
7. Review the functions of IT Steering Committee and Information Security Committee on a quarterly basis.

During the year, the IT Strategy Committee Meeting had met 4 (Four) times on 10-04-2025, 30-07-2025, 04-11-2025 and 29-01-2026 respectively.

The composition and attendance of each Director / Member at the IT Strategy Committee Meeting is given below:

Sl. No.	Name of the Director	Member of Committee since	Capacity (i.e., Executive/ Non-Executive/ Chairman/ Promoter nominee/ Independent)	Number of Meetings of the Committee		No. of shares held in the NBFC
				Held	Attend-ed	
1.	Shri. R Balachandran	22-10-2020	Independent Director and Chairperson of the committee	4	4	Nil
2.	Shri. C. Thangaraju	03-02-2024	Non-Executive and Non-Independent Director	4	4	Nil
3.	Shri. S. T Kannan	16-05-2023	Independent Director	4	4	Nil
4.	Shri. M Raja	25-10-2024	Nominee director	4	4	Nil
5.	Shri. S. Innace	25-10-2024	Non-Executive and Non-Independent Director	4	4	Nil
6.	Shri. A.G. Venkatachalam	01-04-2021	Executive Director (Managing Director)	4	4	10 shares on behalf of Repco Bank.

Asset Liability Management Committee

The Asset Liability Management Committee (ALMC) of the Board of Directors was constituted as per the requirement of Reserve Bank of India Regulations.

The ALMC reviews the following:

i. Monitoring the asset liability gap
ii. Strategizing action to mitigate risk associated with the asset liability gap
iii. Developing risk policies and procedures and verifying adherence to various risk parameters and prudential limits
iv. Reviewing the risk monitoring system
v. Ensure that credit exposure to any one group does not exceed the internally set limits as well as statutory limits set by RBI.

The Committee met twice during the year on 30-07-2025 and 29-01-2026 and all the members were present during the meeting.

The composition and attendance of each Director at the Asset Liability Management Committee meeting is given below:

Sl. No.	Name of the Director	Member of Committee since	Capacity (i.e., Executive/ Non-Executive/ Chairman/ Promoter nominee/ Independent)	Number of Meetings of the Committee		No. of shares held in the NBFC
				Held	Attend-ed	
1.	Shri. A.G. Venkatachalam	01-04-2021	Executive Director and Chairperson of the committee	2	2	10 shares on behalf of Repco Bank.
2.	Shri. C. Thangaraju	16-05-2022	Non-Executive Director.	2	2	Nil
3.	Shri. Ramachandran Balachandran	23-03-2021	Independent Director	2	2	Nil
4.	Shri. S. T. Kannan	16-05-2023	Independent Director	2	2	Nil
5.	Shri. S. Rathinasundaram	16-05-2023	Non-Executive Director	2	2	Nil
6.	Shri. S. Innace	25-10-2024	Non-Executive Director	2	2	Nil

Risk Management Committee

The Risk Management Committee (RMC) of the Board of Directors was constituted as per the requirement of Reserve Bank of India Regulations.

The Terms of reference of the RMC include:

i. To ensures that all the risk associated with the functioning of the Company are identified, controlled and mitigated;

ii. To lay down procedures regarding managing and mitigating the risk through Integrated Risk Management Systems, Strategies and Mechanisms;

iii. To deal with issues relating to credit policies and procedure and manage the credit risk, operational risk, management of policies and process;

iv. Identifying, measuring and monitoring the various risk faced by the Company, assist in developing the Policies and verifying the Models that are used for risk measurement from time to time;

v. To monitor the progress made in putting in place a progressive risk management system and risk management policy and strategy followed by the NBFC;

vi. To have oversight over implementation of risk and other policies including Anti Money Laundering and KYC (Know your Customer) Policies.

vii. Review of Cyber Security related risks at least on a yearly basis in consultation with the IT Strategy Committee.

The Committee met twice during the year on 30-07-2025 and 29-01-2026; all the members, were present during the meeting.

The composition and attendance of each Director at the Risk Management Committee Meeting is given below:

Sl. No.	Name of the Director	Member of Committee since	Capacity (i.e., Executive/ Non-Executive/ Chairman/ Promoter nominee/ Independent)	Number of Meetings of the Committee		No. of shares held in the NBFC
				Held	Attend-ed	
1.	Shri. R. Suresh	16-05-2023	Independent Director and chairperson	2	2	Nil
2.	Shri. C. Thangaraju	25-10-2024	Non-Executive Director	2	2	Nil
3.	Shri V Dasaraty	30-03-2022 Ceased w.e.f 02-05-2025	Independent Director	-	-	Nil
4.	Shri. S T Kannan	07-05-2025	Independent Director	2	2	
5.	Shri. S. Rathinasundaram	16-05-2023	Non-Executive Director	2	2	Nil
6.	Shri. Krishna Kumar	25-10-2024	Non-Executive Director	2	2	Nil
7.	Shri. A.G. Venkatachalam	01-04-2021	Executive Director (Managing Director)	2	2	10 shares on behalf of Repco Bank.

Special Fraud Monitoring Committee (SFMC)

A Special Fraud Monitoring Committee is constituted as per Master Directions on Fraud Risk Management in NBFC, RBI Master Direction DOS.CO.FMG.SEC.No.7/23.04.001/2024-25 dated July 15, 2024 w.e.f. 25-10-2024.

During the fiscal no fraud cases have been deducted. The company has filed closure applications with the Reserve Bank of India for all the existing fraud cases and the status of the closure application is under progress. Accordingly, the requirement for convening a meeting did not arise.

Name of the Director	Member of Committee since	Capacity (i.e., Executive/ Non-Executive/ Chairman/ Promoter nominee/ Independent)
Shri. R Balachandran	25-10-2024	Independent Director and chairperson
Shri. C Thangaraju	25-10-2024	Non-Executive Director
Shri. S. Nagoor Ali Jinnah	25-10-2024	Independent Director
Shri. R Suresh	25-10-2024	Independent Director
Shri. A.G. Venkatachalam	25-10-2024	Managing Director

2.6. General Body Meetings

Details of the date, place and special resolutions passed at the General Body Meetings during the year 2025-2026.

There were no special resolutions proposed to shareholders for approval during the fiscal 2025-2026.

2.7. Details of non-compliance with requirements of the Companies Act, 2013

There is no default in compliance with the requirements of the Companies Act, 2013, including with respect to compliance with accounting and secretarial standards.

2.8. Details of penalties and strictures

There are no penalties or restrictions imposed on it by the Reserve Bank of India or any other statutory authority.

2.9. Additional items as per Sl. No. f of Scale Based regulation dated 22-10-2021.

a) Disclosure on modified opinion, if any, expressed by auditors, its impact on various financial items and views of management on audit qualification.

   There is no qualification/observations/modified opinion expressed by auditors in their report.

b) Items of income and expenditure of exceptional nature.- Nil

c) Breach of covenant - Nil

d) Divergence in Asset Classification and Provisioning - Nil

ANNEXURE-II

Annual Report on Corporate Social Responsibility (CSR) FY 2025-2026

1. Brief outline of the CSR Policy of the Company.

- The present CSR policy sets forth the approach of the Company in allotting the CSR amount to the thrust areas which are defined in the policy with more weightage given to Health care and Education.
- Under each thrust area as much as activities are included to give a wider scope
- Mode of execution, executing agency and criteria for identifying the executing agency are defined.
- Term of the project is defined as short and long term and if it is for a long term the requirement of programme objectives, implementation schedules, timelines for milestones of the programme etc. are outlined
- Formation of CSR implementation committee to monitor the progress of CSR programmes and report on a monthly basis
- The manner of treating the unspent amount in case of ongoing projects and in other case is included.

2. Composition of CSR Committee:

Sl. No.	Name of the Director	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.	Shri. C Thangaraju	Chairperson & Director	3	3
2.	Shri. M Raja	Nominee Director	3	3
3.	Shri. S. Nagoor Ali Jinnah	Independent Director	3	3
4.	Shri. Venkatachalam Kandasamy (w.e.f 01-09-2025)	Additional Director & Independent Director	2	2
5.	Shri. S. Rathinasundaram	Director	3	3
6.	Shri. A.G. Venkatachalam	Managing Director	3	3

3. Provide the web-link where the Composition of the CSR committee, and CSR Policy approved by the board are disclosed on the website of the company.

CSR Committee - www.repcomicrofin.co.in --> Corporate --> corporate governance
CSR Policy - www.repcomicrofin.co.in --> Company policies --> CSR policy.

4. Provide the executive summary along with web-link(s) of the Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of rule 8, if applicable – Not Applicable.

5. CSR Obligations

(a) Average net profit of the company as per section 135(5). – Rs. 87,07,57,401/-

(b) Two per cent of average net profit of the company as per section 135(5)- Rs. 1,74,15,148/-, the Shareholders has approved the enhanced CSR contribution upto 8% of the average net profit of the company to Rs. 6,96,60,592/- vide EGM Dated 04-11-2025.

(c) Surplus arising out of the CSR projects or programmes or activities of the previous financial years. – Nil

(d) Amount required to be set off for the financial year, if any -Nil

(e) Total CSR obligation for the financial year (5b+5c-5d) – Rs. 6,96,60,592/-

6. Details of amount spent or unspent

(a) Amount spent on CSR projects (both ongoing project and other than ongoing project) Rs. 6,96,60,592/-. Details provided in Annexure- I

(b) Amount spent on Administrative Overheads – Nil

(c) Amount spent on Impact Assessment, if applicable - Not Applicable

(d) Total amount spent for the Financial Year (a+b+c) - Rs. 6,96,60,592/-.

(e) CSR amount spent or unspent for the financial year:

Total Amount Spent for the FY (in Rs.)	Amount Unspent (in Rs.)				
	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.
6,96,60,592/-	Nil	NA	NA	Nil	NA

(f) Excess amount for set off, if any - Nil

7. Unspent.

(a) Details of Unspent CSR amount for the preceding three financial years: - Nil.

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

If Yes, enter the number of Capital assets created/ acquired – Nil

Furnish the details relating to such asset(s) so created or acquired through Corporate Social Responsibility amount spent in the Financial Year - Nil

Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5) - Nil.

Sd/-	Sd/-	Sd/-
Chief Financial Officer	**Managing Director**	**Chairperson of CSR Committee**

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sl. No.	Name of the Project	Item from the list of activities in schedule VII to the Act.	Local area (Yes/ No).	Location of the project.		Amount spent for the project (in Rs.).	Mode of implementation - Direct (Yes/No).	Mode of implementation - Through implementing agency.	
				State.	District.			Name.	CSR registration number.
	OTHER THAN ONGOING PROJECT								
1.	Education Aid & Medical Aid to Repatriates, Education Infrastructure facilities.	Promoting Health care, infrastructure & Education	No	Tamil Nadu	Across Tamil-nadu, Kerala, Karnataka	6,58,42,727	No	Repatriate Welfare Trust	CSR00014376
2.	Procured and handed over 7 units of Smart Boards and 10 nos of iron stands facility to Govt. High school, Errukkanchery. Chennai	Infrastructure	Yes	Tamil Nadu	Chennai	9,99,200	Yes	Nil	Nil
3.	Paver Block and Solar Light to the Government Boys Higher Secondary School, Mohanoor Salai, Namakkal.	Infrastructure	Yes	Tamil Nadu	Namakkal	4,35,333	Yes	Nil	Nil
4.	Paver Block to the Government Girls Higher Secondary School, Mohanoor Salai, Namakkal.	Infrastructure	Yes	Tamil Nadu	Namakkal	4,16,666	Yes	Nil	Nil
5.	Paver Block to the Nallipalayam Government Higher Secondary School (North), (A coed school), Namakkal.	Infrastructure	Yes	Tamil Nadu	Namakkal	4,16,666	Yes	Nil	Nil
6.	iBreast Exam IBR Device and Cartridge to India Turns Pink.	Healthcare	Yes	Tamil Nadu	Chennai	9,30,000	No	India Turns Pink	CSR00036886
7.	2 Nos of Freezer Box TO Anbu Arivu Foundation – Destitute Home.	Healthcare	Yes	Tamil Nadu	Udhagaman-dalam	1,20,000	No	Anbu Arivu Foundation	CSR00080872
8.	Gen set for computer Training Centre, replacement of old computers, career guidance event expenses	Education & Infrastructure	Yes	Tamil Nadu	Rajagambiram, Sivagangai District.	5,00,000	No	Thiru-ponathar education-al trust.	CSR 00027828
	TOTAL					**6,96,60,592**			

This is to certify that, pursuant to Rule 5 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, the funds so disbursed have been utilized for the purposes and in the manner as approved by the Committee / Board.

For Repco Micro Finance Limited.
Sd/-
Chief Financial Officer
Shri. P Senthil Kumar

ANNEXURE-III

Form No. MR-3

SECRETARIAL AUDIT REPORT
For The Financial Year Ended 31st March 2026

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,

The Members,
Repco Micro Finance Limited
CIN# U74900TN2007PLC064126
'Repco Tower' No.33 North Usman Road,
T. Nagar, Chennai – 600017.

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by M/s Repco Micro Finance Limited (hereinafter called "the company"). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my Opinion thereon.

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

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

(i) The Companies Act, 2013 (the Act) and the rules made there under;

(ii) Reserve Bank of India Act, 1934 and the rules made thereunder

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws Framed there under, to the extent applicable

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings, to the extent applicable.

I further report that since the company is not a listed entity the compliances under the following acts and regulations are not applicable to the company:

(I) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;

(II) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

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

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

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

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

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

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

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

(h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; I have also examined compliance with the applicable clauses of the following:

(i) Secretarial Standards issued by The Institute of Company Secretaries of India.

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

I further report that

- The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
- Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance or at a shorter notice subject to the concurrence of the Independent Directors, and a system exists for seeking and obtaining further information and clarifications on
- the agenda items before the meeting and for meaningful participation at the meeting.
- Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.I further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.I further report that during the audit period the Company had following events which had bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards etc.

Sd/-

Place : Chennai
Date : 07/05/2026

A. Ramanathan
Company Secretary in Practice
FCS No.9051
CP No. 19747
ICSI UDIN: F009051H000309186
Peer Review Certificate No:2225/2022

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

'Annexure -A'

To,

The Members,
Repco Micro Finance Limited
CIN# U74900TN2007PLC064126
'Repco Tower' No.33 North Usman Road,
T. Nagar, Chennai – 600017

My report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, i followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Where ever required, i have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards are the responsibility of management. My examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

Sd/-

A. Ramanathan
Company Secretary in Practice
FCS No.9051
CP No. 19747
ICSI UDIN: F009051H000309186
Peer Review Certificate No:2225/2022

Place: Chennai
Date : 07/05/2026

INDEPENDENT AUDITOR'S REPORT

TO

THE MEMBERS OF REPCO MICRO FINANCE LIMITED
Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying Ind AS financial statements of REPCO MICRO FINANCE LIMITED (the "Company"), which comprise the Balance Sheet as at March 31, 2026, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date and a summary of significant accounting policies and other explanatory information (hereinafter referred to as the "Ind AS financial statements").

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

Basis for Opinion

We conducted our audit of the Ind AS financial statements in accordance with the Standards on Auditing ("SA"s) 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 Ind AS 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 Ind AS 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 ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Ind AS financial statements for the financial year ended March 31, 2026. These matters were addressed in the context of our audit of the Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the Ind AS financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the Ind AS financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying Ind AS financial statements.

Key Audit Matters	How our audit addressed the key audit matter
1. Provision on Financial Instruments based on expected credit loss models The Company provides loans to retail customers as part of its operations. Traditionally, the Company has provided for loan losses based on guidelines prescribed by the Reserve Bank of India, the relevant regulator. As per the expected credit loss ("ECL") model required to be followed under Ind-AS 109 for loan loss provisioning, the Company is required to make consider and make related estimations, on factors including the probability-weighted loss on financial instruments over their life, reasonable and supportable information about past events, current conditions, and forecasts of future economic conditions which could impact the credit quality of the Company's loans and advances. This involves a significant degree of estimates and judgements, including in respect of: a) Defining the thresholds for significant increase in credit risk and for 'default' definition i.e. the number of days-past-due (DPD) post which a particular loan account will be considered either to have a significant increase in its credit risk or having defaulted. b) Where relevant, segregating the loan portfolio under homogenous pools whereby the loans grouped in a particular category can be expected to demonstrate similar credit characteristics such that their probability of default can be determined on a collective basis c) Determining whether the effect of less frequent past events is to be considered for determining the future probability of default. d) Management overlay for macro-economic factors which could impact the credit quality of the loans and factor the effect of those in loss estimation process As at March 31, 2026, the Company's gross advance exposures amounted to Rs. 1,49,920.64 Lakhs and the related impairment provisions / write off amounted to Rs. 5,202.87 Lakhs. The impairment provision policy is presented in the accounting policies, and in Note 2D.i. K to the financial statements	**Our audit procedures included the following:** • We gained an understanding of the Company's key credit processes comprising granting, booking, monitoring and provisioning and tested the operating effectiveness of key controls over these processes. • We read the Company's Ind-AS 109 Expected Credit Loss("ECL") policy and compared it with the requirements of Ind-AS 109 as well as relevant regulatory guidelines and pronouncements. • We obtained an understanding of the Company's provisioning methodology, the underlying assumptions and the sufficiency of the data used by management. • We tested on a sample basis, the Exposure at Default used in the ECL calculation • We obtained an understanding of the basis and methodology adopted by management to determine 12 month and life-time probability of defaults and the loss given defaults for various homogenous segments and tested the same on a sample basis. • We performed test of details on a sample basis, over the input data used for determining the Probability of Default and Loss Given Default rates and agreed the data with the underlying books of accounts and records. • We tested the arithmetical accuracy of computation of ECL provision performed by the Company in spreadsheets. • We enquired with the management regarding significant judgments and estimates involved in the impairment computation and evaluated the reasonability of such estimates made in accordance with Ind AS 109. • We performed analytical reviews of disaggregated data.

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

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility and Sustainability Report, Corporate Governance and Shareholder's Information, but does not include the Ind AS financial statements and our auditor's report thereon.

Our opinion on the Ind AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Ind AS financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

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 Ind AS 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 Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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 IND As financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Ind AS financial statements, management 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.

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

Auditor's Responsibilities for the Audit of the Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the Ind AS 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 Ind AS financial statements.

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

- We have taken into account the provisions of the Companies Act, RBI regulations, the accounting and auditing standards and matters, which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder

- Identify and assess the risks of material misstatement of the Ind AS 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.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to Ind AS financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- 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 Ind AS 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.
- Evaluate the overall presentation, structure and content of the Ind AS financial statements, including the disclosures, and whether the Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Ind AS financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Ind AS financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Ind AS financial statements.

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. 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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Ind AS 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

1. As required by Section 143(3) of the Act, based on our audit 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, 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 Ind AS specified under Section 133 of the Act

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

f) With respect to the adequacy of the internal financial controls with reference to Ind AS financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to Ind AS financial statements.

g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the 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, as amended, 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 Ind AS financial statements. Refer Note 35 to the Ind AS 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 were no amounts, which were required to be transferred to the Investor Education and protection fund by the Company.

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

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

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

i) The final dividend proposed in the previous year, declared and paid by the Company during the year is in accordance with Section 123 of the Act, as applicable.

j) Based on our examination, which included test checks, the Company has used accounting softwares for maintaining its books of account for the financial year ended March 31, 2026 which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the softwares. Further, during the course of our audit we did not come across any instance of the audit trail feature being tampered with. Additionally the audit trail has been preserved by the Company as per the Statutory requirements for record retention.

2. As required by the Companies (Auditor's Report) Order, 2020 (the "Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For P Chandrasekar LLP
Chartered Accountants
FRN: 000580S/S200066

Sd/-
Partner: R Balagurumurthy
M. No: 024999
UDIN: 26024999JPHYLQ7404
Place: Chennai
Date: 07/05/2026

ANNEXURE "A"

TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Repco Micro Finance Limited of even date)

Report on the Internal Financial Controls with reference to Ind AS Financials Statements under Clause (i) of sub-section 3 of Section 143 of the Companies Act, 2013 (the "Act")

We have audited the internal financial controls with reference to Ind AS financial statements of REPCO MICRO FINANCE LIMITED (the "Company") as of March 31, 2026 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls with reference to Ind As financial statements 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 (the "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

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

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

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

Meaning of Internal Financial Controls with reference to Ind AS financial statements

A company's internal financial control with reference to Ind AS financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to Ind AS financial statements includes those

policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention

or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to Ind AS Financial Statements

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 with reference to Ind AS financial statements to future periods are subject to the risk that the internal financial control with reference to Ind AS financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls with reference to Ind AS financial statements and such internal financial controls with reference to Ind AS financial statements were operating effectively as at March 31, 2026, based on the criteria for internal financial control with reference to Ind AS financial statements 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 Chandrasekar LLP
Chartered Accountants
FRN: 000580S/S20006

Sd/-

Partner: R Balagurumurthy
M. No: 024999
UDIN: 26024999JPHYLQ7404
Place: Chennai
Date: 07.05.2026

ANNEXURE 'B'

TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Repco Micro Finance Limited of even date)

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

i) In respect of the Company's property, plant and equipment, right-of-use assets and intangible assets:

a. (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment and relevant details of right-of-use assets.

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

b. As per the information and explanation given to us, all the Property, Plant and Equipments have been physically verified by the management at regular intervals, which in our opinion, is reasonable. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

c. No immovable properties are held by the Company, hence reporting on this clause is not applicable.

d. The Company has not revalued any of its property, plant and equipment (including right-of-use assets) and intangible assets during the year.

e. No proceedings have been initiated during the year or are pending against the Company as at March 31, 2026 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.

ii) a) The Company is a non-Banking finance company, and it does not hold any inventories. Thus, paragraph 3(ii)(a) of the Order is not applicable to Company.

b) The company has been sanctioned Term loans and Working Capital Limits in excess of Rs. 5 crores in aggregate from banks/financial institutions on the basis of security of Loan Receivables. The quarterly returns or statements filed by the company with the banks or financial institutions are in agreement with the books of account of the Company.

iii)

(a) Since the Company's principal business is to give loans, the provision of clause 3(iii)(a) of the Order is not applicable to it.

(b) The company, being a Non-Banking Financial Company ('NBFC'), registered under provisions of RBI Act, 1934, in our opinion and according to the information and explanations given to us, the, security given and the terms and conditions of the grant of all loans and advances in the nature of loans and advances, provided during the year are, prima facie, not prejudicial to the Company's interest. The company has not made any Investments in or provided any Guarantee during the current year.

(c) The company, being a Non-Banking Financial Company ('NBFC'), registered under provisions of RBI Act, 1934 and rules made thereunder, in pursuance of its compliance with provisions of the said Act/Rules, particularly, the Income Recognition, Asset Classification and Provisioning Norms, monitors repayments of principal and payment of interest by its customers as stipulated. In our opinion and according to the information and explanations given to us, in

respect of loans and advances in the nature of loans, the schedule of repayment of principal and payment of interest has been stipulated and in cases where repayment of principal and payment of interest is not received as stipulated, the cognizance thereof is taken by the Company in course of its periodic regulatory reporting.

(d) The company, being a Non-Banking Financial Company ('NBFC'), registered under provisions of RBI Act, 1934 and rules made thereunder, in pursuance of its compliance with provisions of the said Act/Rules, particularly, the Income Recognition, Asset Classification and Provisioning Norms, monitors and report total amount overdue including principal and / or payment of interest by its customers for more than 90 days. In cases where repayment of principal and payment of interest is not received as stipulated, the cognizance thereof is taken by the Company in course of its periodic regulatory reporting. Refer note 6 to the Financial Statements for summarised details of such loans / advances which are not repaid by borrowers as per stipulations as also details of reasonable steps taken by the Company for recovery thereof.

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

(f) Based on our audit procedures, according to the information and explanation made available to us, the Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment during the year

iv) In our opinion and according to the information and explanations given to us, Company has complied with the provisions of Sections 185 and 186 of the Act in respect of loans, investments, guarantees, and security.

v) In our opinion and according to the information and explanations given to us, the company has not accepted deposits from public and hence the provisions of section 73 to 76 or any other provisions of the Companies Act and the rules made there under are not applicable to the company.

vi) The maintenance of cost records has not been specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013 for the business activities carried out by the Company. Hence, reporting under clause (vi) of the Order is not applicable to the Company.

vii) a) The Company is regular in depositing undisputed Statutory dues, including Goods and Service Tax, Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Duty of Customs, Cess, and any other Statutory Dues to the appropriate authorities and there were no undisputed amounts payable which were in arrears as at 31st March 2026 for a period of more than six months from the date they became payable.

b) According to the information and explanations given to us, there are no statutory dues referred to in sub-clause (a) that have not been deposited with the appropriate authorities on account of any dispute except for the following cases:

Name of the statute	Nature of dues	Amount In Lakhs (₹)	Amount paid under Protest (₹)	Period to which the amount relates	Forum where dispute is pending	Remarks, if any
Income Tax Act	Income Tax (Including Interest Accrued)	117.10	117.10	AY 12-13 / FY 11-12	CIT Appeals	-
Income Tax Act	Income Tax (Including Interest Accrued)	846.66	-	AY 24-25 / FY 23-24	CIT Appeals	-

viii) There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961(43 of 1961)

ix) a) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender. Accordingly, the provisions of clause 3(ix) of the Order are not applicable

b) In our opinion and according to the information and explanations given to us, we report that the Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

c) The term loans were applied for the purpose for which the loans were obtained;

d) The funds raised on short term basis have not been utilised for long term purposes;

e) The Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures;

f) The company has not raised loans during the year on the pledge of securities held in its subsidiaries', joint ventures or associate companies.

x) (a) In our opinion and according to the information and explanations given to us, the Company did not raise moneys by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, the provisions of clause 3(x)(a) of the Order are not applicable.

(b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally). Accordingly, provisions of clause 3 (x)(b) of the order are not applicable.

xi) (a) No fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

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

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

xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, the provisions of clause 3(xii)(a)-(c) of the Order are not applicable.

xiii) In our opinion and according to the information and explanations given to us, all transactions with the related parties are in compliance with Section 188 of the Act, where applicable, and the requisite details have been disclosed in the financial statements etc., as required by the applicable accounting standards.

xiv) (a) The Company has an internal audit system commensurate with the size and nature of its business. We have considered the Internal Audit reports issued till date.

(b) We have considered, during the course of our audit, the reports of the Internal Auditor(s) for the period under audit, issued to the company during the year till date, in determining the nature, timing and extent of our audit procedures in accordance with the guidance provided in SA 610 "Using the work of Internal Auditors"

xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with the directors or persons connected with them covered under Section 192 of the Act. Accordingly, provisions of clause 3 (xv) of the order are not applicable.

xvi. a) The Company is required to be registered under Section 45-IA of the RBI Act, 1934 and such registration has been obtained by the Company.

b) The Company has not conducted any Non-Banking Financial or Housing Finance activities without a valid Certificate of Registration from the RBI as per the RBI Act, 1934. Accordingly, provisions of clause 3 (xvi) (b) of the order are not applicable.

c) The Company is not a Core Investment Company ("CIC") as defined in the regulations made by the Reserve Bank of India. Accordingly, provisions of clause 3(xvi)(c) of the Order are not applicable.

d) The Group has no CIC which are part of the Group. Accordingly, the provisions of clause 3(xvi) (d) of the order are not applicable

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

xviii. There has been no resignation of the statutory auditors during the year. Accordingly, provisions of clause 3 (xviii) of the order are 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 and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

xx. a) There is no unspent amount towards Corporate Social Responsibility (CSR) requiring a transfer to a Fund specified in Schedule VII to the Act in compliance with the second proviso to sub-section (5) of Section 135 of the said Act. Accordingly, reporting under clause 3(xx)(a) of the Order is not applicable for the year.

b) There is no unspent amount towards Corporate Social Responsibility (CSR) on ongoing projects requiring a transfer to a special account in compliance with provision of sub-section (6) of Section 135 of the said Act. Accordingly, reporting under clause 3(xx)(b) of the Order is not applicable for the year.

For P Chandrasekar LLP
Chartered Accountants
FRN:000580S/S200066

Sd/-
Partner: R Balagurumurthy
M. No: 024999
UDIN: 26024999JPHYLQ7404
Place: Chennai
Date: 07.05.2026

Balance Sheet as at 31st March 2026				
(All amounts are Rupees in Lakhs, except for share data or unless otherwise stated)				
	Particulars	**Notes**	**As at 31st March, 2026**	**As at 31st March, 2025**
I	**ASSETS**			
(1)	**Financial Assets**			
	(a) Cash and cash equivalents	3	598.00	193.36
	(b) Bank Balance other than (a) above	4	25.13	25.55
	(c) Receivables	5	-	-
	(d) Loans	6	1,44,717.78	1,28,991.31
(2)	**Non-financial Assets**			
	(a) Current tax assets (Net)	7	11.55	-
	(b) Deferred Tax assets (Net)	8	1,453.73	1,579.49
	(c) Property, plant and Equipment	9	1,431.65	1,145.03
	(d) Intangible Assets	9	135.13	97.48
	(e) Right-of-use assets	9	2,686.34	2,005.80
	(f) Intangible assets under development	10	23.37	6.68
	(g) Other non-financial assets	11	587.36	642.67
	Total Assets		**1,51,670.04**	**1,34,687.38**
II	**LIABILITIES AND EQUITY**			
(1)	**Financial Liabilities**			
	(a) Payables	12	-	-
	(I) Trade Payables			
	(i) Total outstanding dues of micro enterprises and small enterprises		-	-
	(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises		-	-
	(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		-	-
	(b) Borrowings (Other than Debt Securities)	13	94,503.61	85,310.64
	(c) Lease Liabilities	14	2,924.70	2,165.92
(2)	**Non-Financial Liabilities**			
	(a) Current tax liabilities (Net)	7	-	78.53
	(b) Provisions	15	603.91	327.21
	(c) Other non-financial liabilities	16	1,227.62	1,407.73
(3)	**Equity**			
	(a) Equity share capital	17	9,920.00	9,920.00
	(b) Other Equity	18	42,490.20	35,477.36
	Total Liabilities and Equity		**1,51,670.04**	**1,34,687.38**
Significant accounting policies and accompanying notes forms integral part of financial statements				

For P Chandrasekar LLP
Chartered Accountants
Firm Regn No: 000580S

Sd/-
Partner: R Balagurumurthy
Membership No: 024999
UDIN: 26024999JPHYLQ7404
Place: Chennai
Date:07.05.2026

Sd/-
A G Venkatachalam
Managing Director
DIN No: 05289154

Sd/-
P Senthil Kumar
Chief Financial Officer

Sd/-
C Thangaraju
Director
DIN No. 00223383

Sd/-
S Yoganandhan
Company Secretary

Statement of Profit and Loss for the year ended 31st March 2026				
(All amounts are Rupees in Lakhs, except for share data or unless otherwise stated)				
	Particulars	**Notes**	**For the year ended March 31, 2026**	**For the year ended March 31, 2025**
	Revenue from operations			
I	Interest income	19	30,328.69	29,367.00
II	Other income	20	59.44	67.38
III	**Total Revenue (I+II)**		**30,388.13**	**29,434.38**
	Expenses			
(i)	Finance costs	21	9,049.75	9,079.82
(ii)	Impairment on financial instruments	22	310.51	(327.32)
(iii)	Bad debts written off	23	790.85	2,726.98
(iv)	Employee Benefits Expenses	24	6,232.34	5,336.50
(v)	Depreciation, amortization and impairment	25	921.23	695.05
(vi)	Other expenses	26	1,867.71	1,068.26
IV	**Total expenses (IV)**		**19,172.39**	**18,579.29**
V	**Profit /(Loss) before exceptional items and tax**	**(III-IV)**	**11,215.75**	**10,855.09**
VI	Exceptional items		-	-
VII	**Profit /(Loss) before tax**	**(V-VI)**	**11,215.75**	**10,855.09**
VIII	Tax Expenses			
	(1) Current Tax		(2,789.00)	(2,650.00)
	(2) Deferred Tax		(125.76)	(97.97)
	(3) Tax expense of earlier year		-	-
IX	**Profit /(loss) for the period from continuing operations**	**(VII-VIII)**	**8,300.99**	**8,107.12**
X	Profit /(Loss) from discontinued operations			
XI	Tax expense of discontinued operations			
XII	Profit /(Loss) from discontinued operations (After tax)	(X-XI)	-	-
XIII	**Profit /(Loss) for the period**	**(IX+XII)**	**8,300.99**	**8,107.12**
XIV	**Other Comprehensive Income**			
	(A) (i) Items that will not be reclassified to profit or loss (specify items and amounts)		-	-
	(ii) Income tax relating to items that will not be reclassified to profit or loss		-	-
	Subtotal (A)		-	-
	(B) (i) Items that will be reclassified to profit or loss (specify items and amounts)		(97.75)	(25.79)
	(ii) Income tax relating to items that will be reclassified to profit or loss		-	6.49
	Subtotal (B)		**(97.75)**	**(19.30)**
XV	**Total comprehensive income for the period (Comprising Profit (loss) and other comprehensive income for the period**	**(XIII+ XIV)**	**8,203.24**	**8,087.81**
XVI	**Earnings per equity share**			
	Weighted Average Number of Shares Outstanding during the Period		9,92,00,000	9,92,00,000
	Basic and Diluted Earnings per share (Rs.)		8.27	8.15
	Nominal value per Equity Share (Rs.)		10	10
Significant accounting policies and accompanying notes forms integral part of financial statements				

For P Chandrasekar LLP
Chartered Accountants
Firm Regn No: 000580S

Sd/-
Partner: R Balagurumurthy
Membership No: 024999
UDIN: 26024999JPHYLQ7404
Place: Chennai
Date:07.05.2026

Sd/-
A G Venkatachalam
Managing Director
DIN No: 05289154

Sd/-
P Senthil Kumar
Chief Financial Officer

Sd/-
C Thangaraju
Director
DIN No. 00223383

Sd/-
S Yoganandhan
Company Secretary

Cash Flow Statement for the year ending March 31, 2026					
(All amounts are Rupees in Lakhs, except for share data or unless otherwise stated)					
	Particulars	**For the year ended 31-03-2026**		**For the year ended 31-03-2025**	
	CASH FLOW FROM OPERATING ACTIVITIES				
	NET PROFIT BEFORE TAX		**11,215.75**		**10,855.09**
	Adjustments For:				
	Depreciation & amortisation	921.23		695.05	
	Finance Cost	9,049.75		9,079.82	
	Ind AS 19 - Adjustments Actuiral Gain/Loss	(97.75)		(25.79)	
	Impairment on financial instruments	310.51		(327.32)	
	(Profit)/Loss on Sale of Property, plant and equipment	(0.83)		(3.82)	
	Interest Earned on Deposits	(1.68)		(1.55)	
	Interest Earned on Lease Deposits	(16.97)		(13.69)	
	Lease Modification Profit/Loss	(2.91)		(4.95)	
	Bad debts written off (Net)	761.51		2,685.44	
			10,922.86		12,083.19
	Operating Profit Before Working Capital Changes		**22,138.61**		**22,938.28**
	Changes in Working Capital				
	Increase/(Decrease) in Provisions		276.70		94.89
	Increase/(Decrease) in Other Non-Financial Liabilities		(180.10)		338.80
	(Increase)/Decrease in Other Non-Financial Assets		26.41		(170.07)
	(Increase)/Decrease in Receivables		-		-
	Operating Profit after Working Capital Changes		**22,261.61**		**23,201.90**
	Direct Taxes Paid		(2,879.09)		(2,867.38)
	Net Cash From Operations		**19,382.52**		**20,334.52**
	(Increase)/Decrease in Loans and Advances		(16,798.12)		(4,504.71)
	Net Cash Generated from operating activity (A)		**2,584.41**		**15,829.81**
	Cash Flow From Investing Activities				
	Purchase of Fixed Assets		(752.38)		(753.47)
	Sale of Fixed Assets		3.99		13.76
	Change in Intangibile assets under development		(16.69)		(4.43)
	Investments in Fixed Deposits(Net)/ Earmarked deposits		0.25		(10.25)
	Interest Earned on Deposits		1.51		1.39
	Net Cash Used in Investing Activities (B)		**(763.32)**		**(753.00)**
	Cash Flow From Financing Activities				
	Proceeds from Issue Share Capital(Net off of Issue Expenses)		-		-
	Increase in Secured and Unsecured Loans(Net)		9,192.97		(4,829.33)
	Finance Cost		(8,790.47)		(8,890.05)

	Dividends Paid		(1,190.40)		(1,190.40)
	Payment towards Lease Liability		**(628.55)**		**(488.51)**
	Net Cash Used in Financing Activities (C)		**(1,416.45)**		**(15,398.29)**
	Net Increase/Decrease in cash and cash equivalent (A+B+C)		**404.64**		**(321.48)**
	Cash and cash equivalents at the beginning of the year		193.36		(321.48)
	Cash and Cash Equivalents at the end of the year		598.00		514.84
	Earmark deposits with banks		-		193.36
	Fixed deposits with banks		25.13		0.25
	Total cash and Bank balances at the end of the year		**623.13**		**25.30**

For P Chandrasekar LLP
Chartered Accountants
Firm Regn No: 000580S

Sd/-
A G Venkatachalam
Managing Director
DIN No: 05289154

Sd/-
C Thangaraju
Director
DIN No. 00223383

Sd/-
Partner: R Balagurumurthy
Membership No: 024999
UDIN: 26024999JPHYLQ7404
Place: Chennai
Date:07.05.2026

Sd/-
P Senthil Kumar
Chief Financial Officer

Sd/-
S Yoganandhan
Company Secretary

Statement of change in Equity As on 31st March 2026						
(All amounts are Rupees in Lakhs, except for share data or unless otherwise stated)						
Equity share capital	**Balance at the Beginning**		**Addition made during the period**		**Balance at the End**	
Particulars	**Units**	**Value (in lakhs)**	**Units**	**Value (in lakhs)**	**Units**	**Value (in lakhs)**
Balance as at 1st April 2024	99,20,00,000	9,920.00	-	-	99,20,00,000	9,920.00
Addition made during the year -2024-25						
Balance at the End of the Reporting Period 31st March 2025	99,20,00,000	9,920.00	-	-	99,20,00,000	9,920.00
Addition made during the year -2025-26						
Balance at the End of the Reporting Period 31st March 2026	99,20,00,000	9,920.00	-	-	99,20,00,000	9,920.00

Other equity	**Statutory Reserves**	**General reserve**	**Retained earnings**	**Other Comprehensive Income**	**Total Equity**
Balance at 1st April 2024	**6,883.74**	**850.00**	**20,881.71**	**(35.50)**	**28,579.95**
Changes in equity for 2024-25	-	-	-	-	-
Add Profit / Loss for the year 2024-2025	-	-	8,107.12	-	8,107.12
Transferred to Share capital	-	-	-	-	-
Transferred to Reserves	1,621.42	-	(1,621.42)	-	-
Net gain on re-measurement of defined benefit plans	-	-		(25.79)	(25.79)
Less : Income Tax	-	-		6.49	6.49
Dividend for Fin Year 2023-24	-	-	(1,190.40)	-	(1,190.40)
Balance at 31st March 2025	**8,505.16**	**850.00**	**26,177.00**	**(54.80)**	**35,477.36**
Add Profit / Loss for the year 2025-26	-	-	8,300.99	-	8,300.99
Transferred to Reserves	1,660.20	-	(1,660.20)	-	-
Net gain on re-measurement of defined benefit plans	-	-	-	(97.75)	(97.75)
Less : Income Tax	-	-	-	-	-
Dividend for Fin Year 2024-25	-	-	(1,190.40)	-	(1,190.40)
Balance at 31st March 2026	**10,165.36**	**850.00**	**31,627.39**	**(152.55)**	**42,490.20**

Notes to Accounts			
3	**Cash and Cash Equivalents**	**As at 31st March, 2026**	**As at 31st March, 2025**
	Cash on hand	32.14	21.32
	Balances with Banks (of the nature of cash and cash equivalents)	565.86	172.04
	Total	**598.00**	**193.36**

4	**Bank balances**	**As at 31st March, 2026**	**As at 31st March, 2025**
	Amount maintained in banks towards designated CSR activities - 2024-25	-	0.25
	Fixed deposit with bank not considered as cash and cash equivalents*(Including Interest Accrued)	25.13	25.30
	Total	**25.13**	**25.55**
*Fixed Deposits with banks are held as Lien or security against the SOD/Term Loan Facilities availed by the company from banks.			

5	**Receivables**	**As at 31st March, 2026**	**As at 31st March, 2025**
	Receivables considered good – Secured	-	-
	Receivables considered good – Unsecured	-	-
	Total	**-**	**-**

7	**Current tax assets/Liabilities (Net)**	**As at 31st March, 2026**	**As at 31st March, 2025**
	Current Tax (Net)	11.55	(78.53)
	Total	**11.55**	**(78.53)**

8	**Deferred Tax (Net)***	**As at 31st March, 2026**	**As at 31st March, 2025**
	Deferred tax relating to origination and reversal of temporary differences	1,453.73	1,579.49
	Total	**1,453.73**	**1,579.49**
Refer Note 29 for Components of Deferred tax assets and liabilities			

11	**Other non - financial assets**	**As at 31st March, 2026**	**As at 31st March, 2025**
	Balance with Government Authorities	-	38.03
	Rental security deposits	344.12	277.01
	Other Advances	149.14	314.57
	Prepaid expenses	94.10	13.06
	Total	**587.36**	**642.67**

Trade receivables ageing schedule as at 31 March 2026								
Particulars		Outstanding for following periods from due date of payment				Total		
		Not due	Less than 6 months	6 months to 1 year	1 to 2 years	2 to 3 years	More than 3 years	Total
(i)	Undisputed trade receivables – considered good	-	-	-	-	-	-	-
(ii)	Undisputed trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(iii)	Undisputed trade receivables – credit impaired	-	-	-	-	-	-	-
(iv)	Disputed trade receivables– considered good	-	-	-	-	-	-	-
(v)	Disputed trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vi)	Disputed trade receivables – credit impaired	-	-	-	-	-	-	-
	Total	-	-	-	-	-	-	-
Less: Expected Credit Loss							-	
Total trade receivables							-	

Trade receivables ageing schedule as at 31 March 2025								
Particulars		Outstanding for following periods from due date of payment				Total		
		Not due	Less than 6 months	6 months to 1 year	1 to 2 years	2 to 3 years	More than 3 years	Total
(i)	Undisputed trade receivables – considered good	-	-	-	-	-	-	-
(ii)	Undisputed trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(iii)	Undisputed trade receivables – credit impaired	-	-	-	-	-	-	-
(iv)	Disputed trade receivables– considered good	-	-	-	-	-	-	-
(v)	Disputed trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vi)	Disputed trade receivables – credit impaired	-	-	-	-	-	-	-
	Total	-	-	-	-	-	-	-
Less: Expected Credit Loss							-	
Total trade receivables							-	

6	Loans	As at 31st March, 2026						As at 31st March, 2025					
		Amortised cost	At fair value			Sub- total	Total	Amortised cost	At fair value			Sub-total	Total
			Through other compre-hensive income	Through profit or loss	Designated at fair value through profit or loss				Through other compre-hensive income	Through profit or loss	Designated at fair value through profit or loss		
(A)	(i) Others - MF loans	1,15,163.69	-	-	-	-	1,15,163.69	1,10,628.35	-	-	-	-	1,10,628.35
	(ii) Others - Non-MF loans	34,756.96	-	-	-	-	34,756.96	23,255.32	-	-	-	-	3,255.32
	Total (A) - Gross	**1,49,920.64**					**1,49,920.64**	**1,33,883.67**					**1,33,883.67**
	Less - Impairment loss allowance	(5,202.87)	-	-	-	-	(5,202.87)	(4,892.36)	-	-	-	-	(4,892.36)
	Total (A) Net	**1,44,717.78**					**1,44,717.78**	**1,28,991.31**					**1,28,991.31**
(B)	(i) Secured by tangible assets	-	-	-	-	-	-	-	-	-	-	-	-
	(ii) Secured by intangible assets	-	-	-	-	-	-	-	-	-	-	-	-
	(iii) Covered by bank/Gov-ernment Guarantees	-	-	-	-	-	-	-	-	-	-	-	-
	(iv) Unsecured	1,49,920.64	-	-	-	-	1,49,920.64	1,33,883.67	-	-	-	-	1,33,883.67
	Total (B) - Gross	**1,49,920.64**					**1,49,920.64**	**1,33,883.67**					**1,33,883.67**
	Less - Impairment loss allowance	(5,202.87)	-	-	-	-	(5,202.87)	(4,892.36)	-	-	-	-	(4,892.36)
	Total (B) - Net	**1,44,717.78**					**1,44,717.78**	**1,28,991.31**					**1,28,991.31**

Note 6 .1 Term loans

6.1.1 An analysis of changes in the gross carrying amount and the corresponding ECL allowances in relation to term loans is, as follows:

	Particulars	FY 2025-26				FY 2024-25			
		Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
	Gross Carrying amount opening balance	1,31,301.48	453.53	2,128.66	**1,33,883.66**	1,28,247.69	191.80	3,624.89	**1,32,064.38**
	Assets derecognised or repaid	(88,252.46)	(63.14)	(33.85)	**(88,349.46)**	(86,690.34)	(37.20)	(45.94)	**(86,773.48)**
	New assets originated or purchased	1,05,118.36	37.26	21.66	**1,05,177.28**	91,223.81	64.48	31.46	**91,319.75**
	Transfers to Stage 1	3.88	(3.68)	(0.20)	**-**	3.25	(3.25)	-	**-**
	Transfers to Stage 2	(272.08)	272.29	(0.21)	**-**	(385.71)	385.71	-	**-**
	Transfers to Stage 3	(1,584.94)	(392.78)	1,977.72	**-**	(1,097.22)	(148.01)	1,245.22	**-**
	Amounts written off	-	-	(790.85)	**(790.85)**	-	-	(2,726.98)	**(2,726.98)**
	Gross carrying amount closing balance	**1,46,314.24**	**303.47**	**3,302.92**	**1,49,920.64**	**1,31,301.48**	**453.53**	**2,128.66**	**1,33,883.67**

6.1.2 Reconciliation of ECL balance is given below:

	Particulars	FY 2025-26				FY 2024-25			
		Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
	ECL allowance - opening balance	2,529.67	234.04	2,128.66	**4,892.37**	1,498.31	96.47	3,624.89	**5,219.68**
	New assets originated or purchased	524.91	126.24	1,736.03	**2,387.18**	144.70	273.45	1,163.20	**1,581.34**
	Assets derecognised or repaid	(1,979.50)	(10.87)	(33.85)	**(2,024.23)**	(420.17)	(74.40)	(45.94)	**(540.52)**
	Transfers to Stage 1	0.10	(0.10)	(0.01)	**-**	0.13	(0.13)	-	**-**
	Transfers to Stage 2	(10.82)	11.01	(0.18)	**-**	(15.32)	15.32	-	**-**
	Transfers to Stage 3	(52.52)	(210.60)	263.12	**-**	(32.40)	(81.09)	113.49	**-**
	Changes to models and inputs used for ECL calculations	731.57	6.83	-	**738.40**	1,354.42	4.42	-	**1,358.84**
	Impact on yearend ECL of exposures transferred between stages during the year	-	-		**-**	-	-	-	**-**
	ECL Provision on account of written off accounts	-	-	(790.85)	**(790.85)**	-	-	(2,726.98)	**(2,726.98)**
	ECL allowance - closing balance	**1,743.40**	**156.55**	**3,302.92**	**5,202.87**	**2,529.67**	**234.04**	**2,128.66**	**4,892.37**

Note No. 9 Property, Plant and Equipment; Intangible Assets; Right to Use of Assets

Particulars								Intangible Assets		Right to Use of Assets		Grand Total
	Furniture and fittings	Office equip-ments	Electrical equipments	Computer	Servers and networks	Vehi-cles	Total	Software	Total	Building	Total	
Cost or deemed cost												
Balance as at April 1, 2024	**383.08**	**107.15**	**112.42**	**368.20**	**131.09**	**71.05**	**1,172.99**	**68.84**	**68.84**	**2,447.95**	**2,447.95**	**3,689.78**
Add.Addition	243.16	31.04	52.93	202.56	81.68	64.60	675.97	77.51	77.51	825.27	825.27	1,578.74
Less: Disposal/transfer	2.06	0.06	6.19	21.02	-	8.61	37.95	-	-	61.56	61.56	99.52
Balance as at March 31, 2025	**624.18**	**138.13**	**159.16**	**549.74**	**212.77**	**127.03**	**1,811.01**	**146.35**	**146.35**	**3,211.65**	**3,211.65**	**5,169.01**
Balance as at April 1, 2025	**624.18**	**138.13**	**159.16**	**549.74**	**212.77**	**127.03**	**1,811.01**	**146.35**	**146.35**	**3,211.65**	**3,211.65**	**5,169.01**
Add.Addition	309.34	15.60	47.92	223.41	16.18	27.35	639.80	112.58	112.58	1,208.84	1,208.84	1,961.22
Less: Disposal/transfer	5.17	4.76	-	22.15	2.70	-	34.77	-	-	44.94	44.94	79.72
Balance as at March 31, 2026	**928.35**	**148.97**	**207.08**	**751.00**	**226.26**	**154.38**	**2,416.04**	**258.92**	**258.92**	**4,375.55**	**4,375.55**	**7,050.51**
Accumulated Depreciation												
Balance as at April 1, 2024	**127.16**	**39.72**	**20.40**	**135.37**	**61.97**	**13.60**	**398.22**	**42.92**	**42.92**	**826.33**	**826.33**	**1,267.48**
Add. Depreciation Expense	58.52	35.26	22.23	123.32	29.47	26.95	295.76	5.94	5.94	393.36	393.36	695.05
Less: Disposal/transfer	1.78	0.04	3.69	14.31	-	8.18	27.99	-	-	13.84	13.84	41.83
Balance as at March 31, 2025	**183.91**	**74.95**	**38.94**	**244.38**	**91.44**	**32.37**	**665.98**	**48.86**	**48.86**	**1,205.85**	**1,205.85**	**1,920.70**
Balance as at April 1, 2025	**183.91**	**74.95**	**38.94**	**244.38**	**91.44**	**32.37**	**665.98**	**48.86**	**48.86**	**1,205.85**	**1,205.85**	**1,920.70**
Add. Depreciation Expense	91.69	5.42	4.07	200.32	21.02	27.50	350.02	74.93	74.93	496.27	496.27	921.22
Less: Disposal/transfer	3.64	4.50	-	21.03	2.45	-	31.61	-	-	12.91	12.91	44.53
Balance as at March 31, 2026	**271.95**	**75.87**	**43.01**	**423.68**	**110.00**	**59.86**	**984.38**	**123.79**	**123.79**	**1,689.21**	**1,689.21**	**2,797.38**
Carrying Amount							-				-	-
As at March 31, 2025	**440.27**	**63.18**	**120.22**	**305.35**	**121.33**	**94.66**	**1,145.03**	**97.48**	**97.48**	**2,005.80**	**2,005.80**	**3,248.31**
As at March 31, 2026	**656.39**	**73.10**	**164.07**	**327.32**	**116.26**	**94.51**	**1,431.65**	**135.13**	**135.13**	**2,686.34**	**2,686.34**	**4,253.13**

Note No. 10 Intangible assets under development

Description	Gross Carrying Value				Amortisation				Impairment				Net Carrying Value	
	As at 01-04-2024	Additions during the year	Dele-tions/ Adjust-ments	As at 31-03-2025	As at 01-04-2024	Addi-tions during the year	Dele-tions/ Adjust-ments	As at 31-03-2025	As at 01-04-2024	Addi-tions during the year	Dele-tions/ Adjust-ments	As at 31-03-2025	As at 31-03-2025	As at 31-03-2024
Intangible Assets under Development	2.25	4.43	-	6.68	-	-	-	-	-	-	-	-	6.68	2.25

Description	Gross Carrying Value				Amortisation				Impairment				Net Carrying Value	
	As at 01-04-2025	Additions during the year	Dele-tions/ Adjust-ments	As at 31-03-2026	As at 01-04-2025	Addi-tions during the year	Dele-tions/ Adjust-ments	As at 31-03-2026	As at 01-04-2025	Addi-tions during the year	Dele-tions/ Adjust-ments	As at 31-03-2026	As at 31-03-2026	As at 31-03-2025
Intangible Assets under Development	6.68	23.37	6.68	23.37	-	-	-	-	-	-	-	-	23.37	6.68

12	Payables	As at 31st March, 2026	As at 31st March, 2025
	Trade payables		
	(i) Total outstanding dues of micro enterprises and small enterprises (refer Note below)	-	-
	(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	-	-
	Other payable	-	-
	(i) Total outstanding dues of micro enterprises and small enterprises (refer Note below)	-	-
	(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	-	-
	(A) Dues to micro enterprises and small enterprises	-	-

12.1	Payables	As at 31st March, 2026	As at 31st March, 2025
	(i) the principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year;	-	-
	(ii) the amount of interest paid by the Company in terms of section 16 of MSMED Act, 2006, along with the amounts of the payment made to the suppliers beyond the appointed day during the year;	-	-
	(iii) the amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act, 2006;	-	-
	(iv) the amount of interest accrued and remaining unpaid at the end of each accounting year;	-	-
	(v) the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act, 2006.	-	-

Note: The management has identified micro and small enterprises as defined under Micro, Small and Medium Enterprises Development Act, 2006 (MSMED) on the basis of information made available by the supplier or vendors of the Company. Based on the information available with the Company, as at the year end, there are no dues to micro and small Enterprises that are reportable under the MSMED Act, 2006.

13	Borrowings (Other than Debt Securities)	As at 31st March, 2026	As at 31st March, 2025
	At amortised cost		
	Secured*		
	(a)Term Loan		
	from banks	67,093.94	54,500.25
	from Other Financial Institutions including NBFCs	11,708.14	8,072.07
	(b) Working capital/ Cash credit		
	Working capital/ Cash credit from Banks	4,032.52	4,999.62
	Loans from related party		
	Secured Overdraft facilities	5,170.21	9,550.66
	Term Loans	6,498.80	8,188.04
	At amortised cost		
	Total	**94,503.61**	**85,310.64**

*All the above loans are secured by Hypothecation of Micro finance and Non-Micro Finance Loans. Further company has provided Specific Lien on Deposits placed with banks aggregating to Rs.25.13 Lakhs. Kindly refer Note No 4

Maturity Profile of term Loans from Bank and other financial institutions including NBFC's

As at March 31, 2026												
Rate of Interest (%)	Maturities											
	Due within 1 year		Due between 1 to 3 years		Due between 3 to 5 years		Due between 5 to 10 years		Due above 10 years		Total	
	No. of Instalment*	Amount	No. of Instalment*	Amount	No. of Instalment	Amount	No. of Instalment	Amount	No. of Instalment	Amount	No. of Instalment	Amount
8.50% to 9.50%	66	8,358.65	49	7,759.84	-	-	-	-	-	-	115	16,118.49
9.51% to 10.50%	154	26,345.85	144	24,231.33	-	-	-	-	-	-	298	50,577.18
10.51% to 11.50%	55	7,738.92	28	4,367.49	-	-	-	-	-	-	83	12,106.42
Total	**275**	**42,443.42**	**221**	**36,358.66**	**-**	**-**	**-**	**-**	**-**	**-**	**496**	**78,802.08**

As at March 31, 2025												
Rate of Interest (%)	Maturities											
	Due within 1 year		Due between 1 to 3 years		Due between 3 to 5 years		Due between 5 to 10 years		Due above 10 years		Total	
	No. of In-stalment*	Amount	No. of In-stalment*	Amount	No. of Instalment	Amount	No. of Instalment	Amount	No. of Instalment	Amount	No. of Instalment	Amount
8.50% to 9.50%	23	1,916.67	1	83.33	-	-	-	-	-	-	24	2,000.00
9.51% to 10.50%	144	23,493.42	123	19,518.49	-	-	-	-	-	-	267	43,011.91
10.51% to 11.50%	122	10,380.59	75	7,179.82	-	-	-	-	-	-	197	17,560.41
Total	**289**	**35,790.67**	**199**	**26,781.65**	**-**	**-**	**-**	**-**	**-**	**-**	**488**	**62,572.32**

Maturity Profile of Cash credit

As at March 31, 2026												
Rate of Interest (%)	Maturities											
	Due within 1 year		Due between 1 to 3 years		Due between 3 to 5 years		Due between 5 to 10 years		Due above 10 years		Total	
	No. of In-stalment*	Amount	No. of In-stalment*	Amount	No. of Instal-ment	Amount	No. of Instal-ment	Amount	No. of Instal-ment	Amount	No. of Instal-ment	Amount
8.50% to 9.50%	NA	4,032.52	-	-	-	-	-	-	-	-	-	4,032.52
9.51% to 10.50%	-	-	-	-	-	-	-	-	-	-	-	-
10.51% to 11.50%	-	-	-	-	-	-	-	-	-	-	-	-
Total	**-**	**4,032.52**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**4,032.52**

As at March 31, 2025												
Rate of Interest (%)	Maturities											
	Due within 1 year		Due between 1 to 3 years		Due between 3 to 5 years		Due between 5 to 10 years		Due above 10 years		Total	
	No. of Instalment*	Amount	No. of Instalment*	Amount	No. of Instalment	Amount	No. of Instalment	Amount	No. of Instalment	Amount	No. of Instalment	Amount
8.50% to 9.50%	-	-	-	-	-	-	-	-	-	-	-	-
9.51% to 10.50%	NA	4,999.62	-	-	-	-	-	-	-	-	NA	4,999.62
10.51% to 11.50%	-	-	-	-	-	-	-	-	-	-	-	-
Total	**-**	**4,999.62**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**4,999.62**

Maturity Profile of Secured Overdraft facilities from Related parties

As at March 31, 2026												
Rate of Interest (%)	Maturities											
	Due within 1 year		Due between 1 to 3 years		Due between 3 to 5 years		Due between 5 to 10 years		Due above 10 years		Total	
	No. of Instalment*	Amount	No. of Instalment*	Amount	No. of Instalment	Amount	No. of Instalment	Amount	No. of Instalment	Amount	No. of Instalment	Amount
8.50% to 9.50%	-	-	-	-	-	-	-	-	-	-	-	-
9.51% to 10.50%	-	-	-	-	-	-	-	-	-	-	-	-
10.51% to 11.50%	NA	5,170.21	-	-	-	-	-	-	-	-	NA	5,170.21
Total	**-**	**5,170.21**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**5,170.21**

As at March 31, 2025												
Rate of Interest (%)	Maturities											
	Due within 1 year		Due between 1 to 3 years		Due between 3 to 5 years		Due between 5 to 10 years		Due above 10 years		Total	
	No. of Instalment*	Amount	No. of Instalment*	Amount	No. of Instalment	Amount	No. of Instalment	Amount	No. of Instalment	Amount	No. of Instalment	Amount
8.50% to 9.50%	-	-	-	-	-	-	-	-	-	-	-	-
9.51% to 10.50%	-	-	-	-	-	-	-	-	-	-	-	-
10.51% to 11.50%	NA	9,550.66	-	-	-	-	-	-	-	-	NA	9,550.66
Total	**-**	**9,550.66**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**9,550.66**

Maturity Profile of Term loan from Related parties

As at March 31, 2026												
Rate of Interest (%)	Maturities											
	Due within 1 year		Due between 1 to 3 years		Due between 3 to 5 years		Due between 5 to 10 years		Due above 10 years		Total	
	No. of Instalment*	Amount	No. of Instalment*	Amount	No. of Instalment	Amount	No. of Instalment	Amount	No. of Instalment	Amount	No. of Instalment	Amount
8.50% to 9.50%	-	-	-	-	-	-	-	-	-	-	-	-
9.51% to 10.50%	-	-	-	-	-	-	-	-	-	-	-	-
10.51% to 11.50%	12	6,498.80	-	-	-	-	-	-	-	-	12	6,498.80
Total	**12**	**6,498.80**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**12**	**6,498.80**

As at March 31, 2025												
Rate of Interest (%)	Maturities											
	Due within 1 year		Due between 1 to 3 years		Due between 3 to 5 years		Due between 5 to 10 years		Due above 10 years		Total	
	No. of Instalment*	Amount	No. of Instalment*	Amount	No. of Instalment	Amount	No. of Instalment	Amount	No. of Instalment	Amount	No. of Instalment	Amount
8.50% to 9.50%	-	-	-	-	-	-	-	-	-	-	-	-
9.51% to 10.50%	-	-	-	-	-	-	-	-	-	-	-	-
10.51% to 11.50%	12	7,189.09	2	998.95	-	-	-	-	-	-	14	8,188.04
Total	**12**	**7,189.09**	**2**	**998.95**	**-**	**-**	**-**	**-**	**-**	**-**	**14**	**8,188.04**

*No of Installments represents the aggregate of all the pending installments across the banks and Financials institutions.

14	Lease Liability	As at 31st March, 2026	As at 31st March, 2025
	Lease Liability*	2924.70	2,165.92
	Total	**2924.70**	**2,165.92**
	*Refer Note 36.6 for Movement of Lease Liability		

15	Provisions	As at 31st March, 2026	As at 31st March, 2025
	For Employee benefit		
	- Provision for compensated absences	603.91	327.21
	Total	**603.91**	**327.21**

16	Other non-financial liabilities	As at 31st March, 2026	As at 31st March, 2025
	Statutory dues payable	92.16	107.15
	Outstanding expenses	1,107.46	1,281.25
	Retention money and other sundry liabilities	28.00	19.33
	Total	**1,227.62**	**1,407.73**

17	Equity Share Capital	As at 31st March, 2026	As at 31st March, 2025
	Authorised Capital		
	Equity shares of Rs. 10/- each	20,000	20,000
	Issued, Subscribed & Paid-up Capital		
	Issued, Subscribed and fully paid up Equity Shares	9,920	9,920
	Total Equity	**9,920**	**9,920**

17 a) Reconciliation of shares outstanding at the beginning and at the end of the year					
	Particulars	As at 31st March, 2026		As at 31st March, 2025	
		Number of shares	Amount	Number of shares	Amount
	Equity Shares outstanding at the beginning of the year	9,92,00,000	9,920	9,92,00,000	9,920
	Equity Shares Issued during the year	-	-	-	-
	Equity Shares bought back during the year	-	-	-	-
	Equity Shares outstanding at the end of the year	**9,92,00,000**	**9,920**	**9,92,00,000**	**9,920**

17 b) Shareholders holding more than 5% shares					
S.No	Particulars	As at 31st March, 2026		As at 31st March, 2025	
		No's	% of holding	No's	% of holding
1	Repco Bank Limited	6,76,00,000	68.15%	6,76,00,000	68.15%
2	Repco Home Finance Limited	3,16,00,000	31.85%	3,16,00,000	31.85%
	Total	**9,92,00,000**	**100.00%**	**9,92,00,000**	**100.00%**

17 c) Terms/ rights attached to equity shares

The Company has only one class of equity shares having a par value of Rs. 10/- per share. Each holder of equity shares is entitled to one vote per share. Dividend (if any) proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting except in case of Interim Dividend. 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 and the distribution will be in proportion to the number of equity shares held by the shareholders.

17 d) Shares held by promoters					
S.No	Particulars	As at 31st March, 2026		As at 31st March, 2025	
		No's	% of holding	No's	% of holding
1	Repco Bank Limited	6,76,00,000	68.15%	6,76,00,000	68.15%

17 e)	Reconciliation of Shares held by promoters		
	Particulars	**No. of Units**	**Value (in lakhs)**
	Balance as at 1st April 2024	**6,76,00,000**	**6,760.00**
	Addition made during the FY 2024-25	-	-
	Balance at the End of the Reporting Period 31st March 2025	**6,76,00,000**	**6,760.00**
	% change during the year	**0.00%**	
	Addition made during the FY 2025-26	-	-
	Balance at the End of the Reporting Period 31st March 2026	**6,76,00,000**	**6,760.00**
	% change during the year	**0.00%**	

18	Other equity	As at 31st March, 2026	As at 31st March, 2025
	Statutory Reserve pursuant to Section 45-IC of the RBI Act, 1934		
	As at March 31,2024		**6,883.74**
	Add: Amount transferred from retained earnings		1,621.42
	As at March 31, 2025	**8,505.16**	**8,505.16**
	Add: Amount transferred from retained earnings	1,660.20	
	As at 31 March, 2026	**10,165.36**	
	General Reserve		
	Add: Amount transferred from retained earnings		
	As at March 31, 2025		**850.00**
	Add: Amount transferred from retained earnings		
	As at 31 March, 2026	**850.00**	
	Retained Earnings		
	As at March 31, 2024		**20,881.71**
	Add: Profit for the year		
	Add / (less): Dividend Paid for FY 23-24		(1,190.40)
	As at March 31, 2025	**26,177.00**	
	Add / (less): Dividend Paid for FY 24-25	(1,190.40)	
	Add: Profit for the year	8,300.99	8,107.12
	Transfer to statutory reserve pursuant to Section 45-IC of the RBI Act, 1934	(1,660.20)	(1,621.42)
	As at 31 March, 2025		**26,177.00**
	As at 31 March, 2026	**31,627.39**	

	Other Comprehensive Income		
	As at March 31, 2024		**(35.50)**
	Remeasurement gain / (loss) on defined benefit plan		(25.79)
	Gain / (loss) on fair valuation of quoted investments in equity shares		
	Income tax provision / (reversal) on above		6.49
	As at March 31, 2025	**(54.80)**	**(54.80)**
	Remeasurement gain / (loss) on defined benefit plan	(97.75)	
	Gain / (loss) on fair valuation of quoted investments in equity shares		
	Income tax provision / (reversal) on above	-	
	As at 31 March, 2026	**(152.55)**	
	Total Other Equity		
	As at March 31, 2025		**35,477.36**
	As at March 31, 2026	**42,490.20**	

18.1 Nature and purpose of reserve

18.1.1 Statutory Reserve

Statutory Reserve represents the accumulation of amount transferred from surplus year on year based on the fixed percentage of profit for the year, as per section 45-IC of Reserve Bank of India Act 1934.

18.1.2 General Reserve

General Reserve is created by an appropriation from one component of equity (generally retained earnings) to another, not being an item of Other Comprehensive Income. The same can be utilized by the Company in accordance with the provisions of the Companies Act, 2013.

18.1.3 Other Comprehensive Income

Remeasurement of defined benefit plans - It represents the gain/(loss) on re-measurement of Defined Benefit Obligation and Plan assets

19	Interest income	For the year ended March 31, 2026			For the year ended March 31, 2025		
		On Financial Assets measured at FVTOCI	On Financial Assets measured at Amortised cost	Total	On Financial Assets measured at FVTOCI	On Financial Assets measured at Amortised cost	Total
	Interest on Loans	-	30,328.69	30,328.69		29,367.00	29,367.00
	Interest income from investments	-	-	-	-	-	-
	Financial investments - Debt	-	-	-	-	-	-
	Total		**30,328.69**	**30,328.69**	**-**	**29,367.00**	**29,367.00**

20	Others	For the year ended March 31, 2026	For the year ended March 31, 2025
	Bad debts recovered from written off accounts	29.34	41.54
	Interest received on fixed deposits	1.68	1.55
	Interest income on Lease deposits	16.97	13.69
	Profit on Sale of Assets	0.83	3.82
	Others	10.62	6.78
	Total	**59.44**	**67.38**

21	Finance cost	For the year ended March 31, 2026	For the year ended March 31, 2025
	On Financial liabilities measured at amortised cost		
	Interest expense on Borrowings (other than debt securities): -		
	-Loans from Banks	6,558.45	6663.02
	-Loans from Financial Institution/ NBFC	792.77	850.24
	-Cash Credit/SODL	1179.33	1083.95
	Other Borrowing Costs	259.90	292.84
	Finance Cost on Lease liability	259.29	189.77
	Total	**9,049.75**	**9,079.82**

22	Impairment on financial instruments	For the year ended March 31, 2026			For the year ended March 31, 2025		
		On Financial instruments measured at Fair Value through OCI	On Financial instruments measured at Amortised cost	Total	On Financial instruments measured at Fair Value through OCI	On Financial instruments measured at Amortised cost	Total
	Loans and advances to customers	-	310.51	310.51	-	(327.32)	(327.32)
	Others						
	Total		**310.51**	**310.51**	**-**	**(327.32)**	**(327.32)**

23	Bad Debts Written Off	For the year ended March 31, 2026	For the year ended March 31, 2025
	Loans and advances written off	790.85	2,726.98
	Total	**790.85**	**2,726.98**

24	Employee benefit expenses	For the year ended March 31, 2026	For the year ended March 31, 2025
	Salaries, other allowances and bonus	5183.57	4457.50
	Contribution to provident and other funds	451.23	327.92
	Staff welfare expenses	597.54	551.08
	Total	**6,232.34**	**5,336.50**

25	Depreciation, amortization and impairment	For the year ended March 31, 2026	For the year ended March 31, 2025
	Depreciation of tangible assets	350.03	295.76
	Amortisation of intangible assets	74.93	5.94
	Amortisation on right of use assets	496.27	393.36
	Total	**921.23**	**695.05**

26	Other expenses	For the year ended March 31, 2026	For the year ended March 31, 2025
	Repairs and maintenance	99.38	96.13
	Office expenses	171.53	110.37
	Electricity expenses	74.55	63.65
	Donation	1.00	3.30
	Subscription and membership	12.60	7.20
	Printing and stationery	43.80	60.96
	Travelling and conveyance	92.41	58.77
	Advertisement	8.50	-
	Rent	122.23	97.18
	Directors' sitting fees	61.36	52.64
	Insurance	4.66	5.51
	Communication expenses	185.35	144.34
	Professional and Consultancy Fees	187.59	150.17

	CSR expenses	696.61	111.42
	Miscellaneous expenses	59.76	61.08
	Rates and Taxes	25.26	25.37
	Auditor fees	21.12	20.17
	Total	**1,867.71**	**1,068.26**

26.1	Audit fees	For the year ended March 31, 2026	For the year ended March 31, 2025
	As auditor		
	(a) Audit Fees	13.08	10.90
	(b)Other Certification Fees/Quarterly Review	8.04	9.27
	(c)Others	-	-
	Total	**21.12**	**20.17**

27	Details of CSR expenditure:	31-03-2026	31-03-2025
	(a) Gross amount required to be spent by the Company during the year	696.61	111.42
	(b) Amount spent during the year		
	(i) Construction/acquisition of any asset	-	-
	(ii) On purposes other than (i) above	696.61	87.27
	(c) shortfall at the end of the year		24.15
	(d) Total of previous years shortfall,	-	-
	(e) Total Shortfall for which provision is created		24.15
CSR activities include Education, Preventive Healthcare, Training and Skill Development, etc.,			
28	**Income tax**	**31-03-2026**	**31-03-2025**
	Current Tax expenses	(2,789.00)	(2,650.00)
	Income tax of earlier years	-	-
	Deferred tax expenses	(125.76)	(97.97)
	Total	**(2,914.76)**	**(2,747.97)**
28.1	**Reconciliation of the Total tax charge**		
	The tax charge shown in the statement of profit and loss differs from the tax charge that would apply if all profits had been charged at India corporate tax rate. A reconciliation between the tax expense and the accounting profit multiplied by India's domestic tax rate for the years ended 31 March 2026 and 2025 is, as follows:		
	Accounting profit before tax	11,215.75	10,855.09
	At statutory income tax rate of 25.168% applicable to the company (2025-26 : 25.168%)	2,822.78	2,732.01
	Adjustment in respect of income tax are as below		
	CSR and other expenses	91.98	15.96
	Income tax expense reported in the statement of profit and loss	**2,914.76**	**2,747.97**

29	Deferred tax Asset/(Liability)						
	Particulars	March 31, 2026			2025-26		
		Net balance 01.04.2025	(Charge) / credit in profit and loss	Rec-ognised in OCI	Net balance 31.03.2026	Deferred tax asset	Deferred tax Liability
	Impact of difference between tax depreciation and Book Depreciation / amortisation	(11.62)	1.37		(10.25)		(10.25)
	Remeasurement gain / (loss) on defined benefit plan	18.43	133.56	-	151.99	151.99	
	Impairment allowance for loans	1,231.31	(206.53)		1,024.77	1,024.77	
	Other Items	341.37	(54.15)		287.22	287.22	
	Total	**1,579.49**	**(125.76)**	**-**	**1,453.73**	**1,463.98**	**(10.25)**
		March 31, 2025			2024-25		
	Particulars	Net balance 01.04.2024	(Charge) / credit in profit and loss	Rec-ognised in OCI	Net balance 31.03.2025	Deferred tax asset	Deferred tax Liability
	Impact of difference between tax depreciation and Book Depreciation / amortisation	(10.48)	(1.14)	-	(11.62)	-	(11.62)
	Remeasurement gain / (loss) on defined benefit plan	11.94	-	6.49	18.43	18.43	-
	Impairment allowance for loans	1,313.69	(82.38)	-	1,231.31	1,231.31	-
	Other Items	355.83	(14.46)	-	341.37	341.37	-
	Total	**1,670.98**	**(97.98)**	**6.49**	**1,579.49**	**1,591.11**	**(11.62)**

(All amounts are Rupees in Lakhs, except for share data or unless otherwise stated)

30	Earnings per share	31-03-2026	31-03-2025
	Net Profit after tax as per Statement of profit and loss (Rs. in lakhs) (A)	8,300.99	8,107.12
	Weighted average number of equity shares for calculating basic earnings per share (B)	9,92,00,000	9,92,00,000
	Effect of dilution:		
	Earnings per equity share (face value Rs. 10/- per equity share)		
	Basic and Diluted earnings per share (Rs.) (A/B)	8.27	8.15
	Nominal value per Equity Share (Rs.)	10	10
31	**Segment information**		
	The Company operates under the principal business segment viz. “Providing loans for women members of self-help group”. Further, the Company is operating in a single geographical segment. The Chief Operating Decision Maker (CODM) views and monitors the operating results of its single business segment for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profits or losses and is measured consistently with operating profits or losses in the financial statements. Accordingly, disclosures relating to primary and secondary business segments under the Indian Accounting Standard on ‘Segment Reporting’ (Ind AS 108) are not applicable to the Company.		

32	Retirement benefit plan		
32.1	Defined contribution plan		
	A Contribution towards PF is determined under the Employees' Provident Funds & Miscellaneous Provisions Act,1952 and charged to the Statement of Profit and Loss during the period of incurrence when the services are rendered by the employees		
	The expense charged in statement of profit and loss amounting to Rs. 329.39 Lakhs (FY 2024-25: Rs.270.04 Lakhs) represents contributions payable to these plans by the Company at rates specified in the rules of the plan.		
32.2	Defined benefit plan		
	The Company has a defined benefit gratuity plan in India (funded). The Company's defined benefit gratuity plan is a final salary plan for India employees, which requires contributions to be made to a separately administered fund. The gratuity plan is governed by the Payment of Gratuity Act, 1972. Under the act, employee who has completed five years of service is entitled to specific benefit. The level of benefits provided depends on the member's length of service and salary at retirement age. The fund has the form of a trust and it is governed by the Board of Trustees.		
	The following tables summarise the components of net benefit expense recognised in the statement of profit or loss and the funded status and amounts recognised in the balance sheet for the respective plans:		
	Particulars	**March 31, 2026**	**March 31, 2025**
	A. Reconciliation of opening and closing balance of present value of defined benefit obligation		
	Liability as at the beginning of the period	495.56	364.26
	Add: Interest Cost	90.17	25.40
	Add: Current Service Cost	32.33	65.87
	Less: Benefits Paid directly by the Company	-	-
	Less: Benefits Paid directly from the Assets	(25.98)	(23.96)
	Add: Past Service Cost	-	-
	Add: Settlement Cost	-	-
	Add: Curtailment Cost	-	-
	Actuarial (gain) / loss (Financial Assumptions)	-	-
	Actuarial (gain) / loss (Demographic Assumptions)	-	-
	Actuarial (gain) / loss (Experience)	97.75	64.00
	Liability as at the end of the period	**689.84**	**495.56**
	B. Reconciliation of opening and closing balances of fair value of plan assets		
	Value of Assets as at the beginning of the Period:	405.69	352.54
	Add: Adjustments to the Opening Balance	(4.67)	(19.05)
	Add: Expected Return on Assets	30.12	24.91
	Add: Contributions made	128.27	71.25
	Less: Benefits Paid out of the Assets	(25.98)	(23.96)
	Return on Plan Assets excluding Expected income	-	-
	Value of Assets as at the end of the period:	**533.42**	**405.69**

	C. Expenses recognized in Other comprehensive Income		
	Actuarial gain/(loss) in inter-valuation. Period (Experience): -- Obligation:	97.75	64.00
	Actuarial gain/(loss) in inter-valuation. Period (Change in parameters): -- Obligation:	-	-
	Actuarial (gain)/loss in inter-valuation Period: -- (Demographic) Obligation:	-	-
	Less Excess Return on Plan Assets over expected returns:	-	-
	Actuarial gain/loss in inter-valuation Period recognized in OCI:	**97.75**	**64.00**
	D. Reconciliation of present value of defined benefit obligation and fair value of plan assets to the assets and liability		
	Present value of obligation on the accounting Date	(689.84)	(495.56)
	Fair Value of Plan Assets on the accounting Date:	533.42	405.69
	Effect of Asset Ceiling	-	-
	Net Asset / (liability) recognised in Balance Sheet	**(156.41)**	**(89.87)**
	Particulars	**March 31, 2026**	**March 31, 2025**
	E. Expenses Recognised in statement of profit and loss		
	Net Interest Cost	90.17	25.40
	Current Service Cost	32.33	65.87
	Past Service Cost	-	-
	Curtailment Cost (Credit)	-	-
	Settlement Cost (Credit)	-	-
	Expected Return on Plan Assets	(30.12)	(24.91)
	Expense to be recognized in statement of profit or loss	**92.38**	**66.36**
	F. Actual return on plan assets		
	Expected return on Plan Assets	30.12	24.91
	Actuarial gain (loss) on Plan Assets	-	-
	Actual return on Plan Assets	**30.12**	**24.91**
	G. Actuarial assumption		
	Discount Rate	7.08%	7.21%
	Interest Rate (Rate of Return on Assets)	7.63%	7.28%
	Salary escalation Rate (per annum)	4.00%	3.00%
	Resignations Rate (per annum)	5.00%	5.00%
	Mortality	IALM (2012 - 14)	IALM (2012 - 14)
	H. Expected payment for future years from Gratuity trust fund		
	Within the next 12 months (next annual reporting period)	42.50	
	Between 2 and 4 years	137.84	
	Between 5 and 10 years	201.77	

	Between Year 11 to 15	132.59	
	After 15th year	175.13	
	Total expected payments	**689.84**	

		March 31 2026	
	Sensitivity Level	**+100 BP increase**	**-100 BP in-crease**
	Present Value of Obligation (Base)	**689.84**	
	Impact on defined benefit obligation (increase/(decrease) by) due to changes in		
	- Discount rate	(61.25)	71.84
	- Salary escalation	56.59	(49.44)
	- Resignation rate	16.21	(18.83)

32.3 Leave encashment/Compensated Absences:

The following tables summarise the components of net benefit expense recognised in the statement of profit or loss and amounts recognised in the balance sheet:

A. Reconciliation of opening and closing balance of present value of defined benefit obligation

Particulars	March 31,2026	March 31,2025
Liability as at the beginning of the period	327.21	232.32
Add: Interest Cost	21.92	16.70
Add: Current Service Cost	74.27	53.65
Less: Benefits Paid directly by the Company	(0.09)	(1.26)
Less: Benefits Paid directly from the Assets	-	-
Add: Past Service Cost	-	-
Add: Settlement Cost	-	-
Add: Curtailment Cost	-	-
Actuarial (gain) / loss (Financial Assumptions)	-	-
Actuarial (gain) / loss (Demographic Assumptions)	-	-
Actuarial (gain) / loss (Experience)	24.18	25.79
Liability as at the end of the period	**447.50**	**327.21**
B. Expenses recognized in Other comprehensive Income		
Actuarial gain/(loss) in inter-valuation. Period (Experience): -- Obligation	(24.18)	(25.79)
Actuarial gain/(loss) in inter-valuation. Period (Change in parame-ters): -- Obligation:		-
Actuarial gain/loss in inter-valuation Period recognized in OCI:	**(24.18)**	**(25.79)**

C. The Amounts to be Recognized in the Balance Sheet		
Present value of obligation on the accounting Date	(447.50)	(327.21)
Fair Value of Plan Assets on the accounting Date		-
Net Asset / (liability) recognised in Balance Sheet	**(447.50)**	**(327.21)**
D. Expenses Recognised in statement of profit and loss		
Net Interest Cost	21.92	16.70
Current Service Cost	74.27	53.65
Net actuarial (gain)/loss recognized	**24.18**	**25.79**
Expense to be recognized in statement of profit or loss	**120.38**	**96.15**
E. Reconciliation		
Net Liability as at the beginning of the accounting period:	327.21	232.32
Expenses recognized in P/L a/c	120.38	96.15
Transferred to Other Comprehensive Income	-	-
Less: Adjustments to last valuation Closing Balance:	-	-
Less: Benefits paid directly by the Company	(0.09)	(1.26)
Liability recognized in the Balance Sheet as on the accounting Date	**447.50**	**327.21**
F. Actuarial assumption		
Discount Rate	7.08%	6.70%
Interest Rate (Rate of Return on Assets)	NA	NA
Salary escalation Rate (per annum)	5.00%	5.00%
Mortality	IALM (2012-14)	IALM (2012-14)

33	Related party disclosures		
	(a) Disclosures in terms of Indian Accounting Standard 24 “Related Party Disclosure” (Ind AS 24) are given below: -		
33.1	List of related parties:		
a)	Key Management Personnel		
	Name of Person	Designation	
	1. Shri A.G. Venkatachalam	Managing Director	
	2. Shri P. Senthil Kumar	Chief Financial Officer	
	3. Shri. S. Yoganandhan	Company Secretary	
b)	Persons having significant influence		
	Name of Party	Percentage of Holding as at 31.03.2026	Percentage of Holding as at 31.03.2025
	1. Repco Bank Limited	68.15%	68.15%
	2. Repco Home Finance Limited	31.85%	31.85%

33.3	The Company’s related party balances and transactions are summarized as follows:			
	Remuneration paid to Key Management Personnel:			
	Name of Key Management Personnel		March 31, 2026	March 31, 2025
	1. Shri A.G. Venkatachalam - Whole Time Director & Managing Director *		80.31	60.52
	2. Shri P. Senthil Kumar - Chief Financial Officer *		41.73	38.62
	3. Shri. S. Yoganandhan - Company Secretary		15.57	13.75
	*Includes amount paid directly by Repco bank and reimbursed by the company and the amount disclosed excludes arrear salary and GST.			
	Other Related party transactions:			
	Nature of Transaction	Nature of Relation-ship	March 31, 2026	March 31, 2025
	Rent Reimbursement			
	Repco Bank Limited	Persons having significant influence	26.08	29.81
	Dividend Paid			
	Repco Bank Limited	Persons having significant influence	811.20	811.20
	Repco Home Finance Limited	Persons having significant influence	379.20	379.20
	Reimbursement of Management & Deputed Officers’ Remuneration.			
	Repco Bank Limited	Persons having significant influence	170.69	149.46
	Interest paid on SODL			

	Repco Bank Limited	Persons having significant influence	1,176.01	597.68
	Interest paid on Term Loans			
	Repco Bank Limited	Persons having significant influence	1,093.22	970.50
	Related party outstanding balance			
	Nature of Transaction	**Nature of Relation-ship**	**March 31, 2026**	**March 31, 2025**
	Equity Shares			
	Repco Bank Limited	Persons having significant influence	6,760.00	6,760.00
	Repco Home Finance Limited	Persons having significant influence	3,160.00	3,160.00
	Balance in SODL/Cash Credit account maintained with the promoter			
	Repco Bank Limited	Persons having significant influence	5,170.21	9,550.66
	Term loans availed from the promoter /Balance outstanding			
	Repco Bank Limited	Persons having significant influence	6,498.80	8,188.04

34	**Transfer of financial assets**		
34.1	**Transferred financial assets that are not derecognised in their entirety**		
	The Company has not transferred any assets that are derecognised in their entirety where the Company continues to have continuing involvement		
35	**Contingent liabilities, commitments, and leasing arrangements**		
	Particulars	**March 31, 2026**	**March 31, 2025**
	(i) Contingent Liability		
	(a) Disputed Income Tax	963.76	117.10
	(b) GST Demand related to financial years 2018-19 & 2020-21. Demand is on made by the department on Exempt Interest Income.	-	1,452.13
Disputed Income Tax for the current year includes Demand of Rs. 846.66 lakh received during the year for AY 2024-25 (FY 2023-24). The company has preferred appeal in respect of Disputed Income Tax and is confident of getting favorable decision.			

36	Leases – Ind AS 116
36.1	**Effective April 1 2021, the company has applied the standard to all lease contracts existing on April 1 2021 using the Modified Retrospective method with the following options:**
	1. Applied a single discount rate to a portfolio of leases of similar assets in similar economic environment with a similar end date. 2. Applied the exemption not to recognize right-of-use assets and liabilities for leases with less than 12 months of lease term on the date of initial application. 3. Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application.
36.2	**The company's leased assets mainly comprise office building. Leases contain a wide range of different terms and conditions. The term of property leases ranges from 1-5 years. The company has used an incremental borrowing rate of 10% to determine the lease liability and right to use of asset for leases.**

36.3	Total lease liabilities are analysed as at	March 31, 2026	March 31, 2025
	a) Denominated in the following currencies:		
	Rupees in Lakhs	2,924.70	2,165.92
	Foreign currency	-	-
	Total	**2,924.70**	**2,165.92**
	b) Maturity of lease liability		
	Current	260.13	415.98
	Non-Current	2,664.57	1,749.94
	Total	**2,924.70**	**2,165.92**

36.4	The following amounts were recognised as expense in the year:		
	Particulars	**March 31, 2026**	**March 31, 2025**
	Depreciation of right of use assets	496.27	393.36
	Expense relating to variable lease payments	-	-
	Expense relating to short-term leases, low-value assets and GST paid on rental expenditure not eligible for input credit	122.23	97.18
	Interest on lease liabilities	259.29	189.77
	Total recognised in the Statement of profit and loss	**877.79**	**680.30**

36.5	The following are the undiscounted contractual cash flows of lease liabilities. The payment profile has been based on management's forecasts and could in reality be different from expectations:		
	Maturity analysis	**March 31, 2026**	**March 31, 2025**
	Less than 1 year	683.81	528.58
	Between 1 and 2 years	647.67	491.16
	Between 2 and 5 years	1,628.49	1,148.23
	More than 5 years	849.87	764.26
	Total	**3,809.85**	**2,932.22**

36.6	The following is the movement in lease liabilities during the year ended March 31, 2026 and March 31, 2025		
	Particulars	**March 31, 2026**	**March 31, 2025**
	Balance as at 1st April	2,165.92	1,723.51
	Additions	1,162.97	793.83
	Finance cost accrued during the period	259.29	189.77
	Deletion	(34.94)	(52.68)
	Payment of lease liabilities	(628.56)	(488.51)
	Balance as of 31st Mar	**2,924.70**	**2,165.92**

37	RBI Disclosure		
37.1	Capital to risk assets ratio ('CRAR'):	March 31, 2026	March 31, 2025
	Particulars		
	CRAR (%)	32.17%	32.76%
	CRAR-Tier I Capital (%)	31.09%	30.97%
	CRAR-Tier II Capital (%)	1.09%	1.79%
	Notes: Impairment allowance on Stage 1 loans has been considered as 'contingent provision for standard asset' for the purpose of determining Tier II capital;		

37.2	Investments
	The Company has not made any investments during the current and previous year. Further there are no investments outstanding as on 31-03-2026 & 31-03-2025.

37.3	Derivatives
	The Company has no transactions / exposure in derivatives in the current and previous year.
	The Company has no unhedged foreign currency exposure as on March 31, 2026 (March 31, 2025: Nil).

37.4 Asset liability management											
Maturity pattern of assets and liabilities as on March 31, 2026											
Particulars	**1 day to 7 days**	**8 days to 14 days**	**15 days to 30/31 days**	**1 to 2 months**	**2 to 3 months**	**3 to 6 months**	**6 months to 1 years**	**1 to 3 years**	**3 to 5 years**	**Over 5 years**	**Total**
Borrowings	682.72	1,545.67	2,755.34	4,759.30	4,699.12	13,991.31	29,711.50	36,358.65	-	-	**94,503.61**
Advances	1,935.13	3,874.94	3,736.08	7,616.84	7,576.08	22,449.22	37,921.46	57,092.64	2,515.39		**1,44,717.78**
(Net of ECL)	-	-	-	-	-	-	-	-	-	-	**-**
Investments	-	-	-	-	-	-	-	-	-	-	**-**
Foreign currency assets	-	-	-	-	-	-	-	-	-	-	**-**
Foreign currency liabilities	-	-	-	-	-	-	-	-	-	-	**-**
Maturity pattern of assets and liabilities as on March 31, 2025											
Particulars	**1 day to 7 days**	**8 days to 14 days**	**15 days to 30/31 days**	**1 to 2 months**	**2 to 3 months**	**to 6 months**	**6 months to 1 years**	**1 to 3 years**	**3 to 5 years**	**Over 5 years**	**Total**
Borrowings	521.96	1,067.46	2,309.62	3,766.97	3,684.56	10,839.58	35,339.89	27,780.60	-	-	**85,310.64**
Advances	539.88	3,204.86	3,130.56	6,284.36	6,077.30	18,068.42	31,866.23	57,694.30	2,125.40	-	**1,28,991.31**
(Net of ECL)	-	-	-	-	-	-	-	-	-	-	**-**
Investments	-	-	-	-	-	-	-	-	-	-	**-**
Foreign currency assets	-	-	-	-	-	-	-	-	-	-	**-**
Foreign currency liabilities	-	-	-	-	-	-	-	-	-	-	**-**

* Borrowings Outstanding of Secured Overdraft Limit and Working Capital Limit is placed in the bucket ‘ 6 months to 1 year as per Norms. Both are renewable on maturity and NOT actual Outflow.

37.5 Exposure to Capital Market & Real - estate sector

The Company does not have any exposure to Capital Market and Real estate sector

37.6 Details of financing of parent company products

The Company has not financed any parent company products

37.7 Details of Single Borrower Limit (SGL) / Group Borrower Limit (GBL) exceeded by applicable NBFC

The Company has not exceeded the prudential exposure limits during the year with respect to Single Borrower Limit / Group Borrower Limit

37.8 Unsecured advances: Refer Note 6

37.9 Registration obtained from other financial regulators

The Company is not registered with any other financial sector regulators / self-regulatory organisations (SRO) other than as below.

a) Ministry of Corporate Affairs	CIN:U74900TN2007PLCO64126
b) Reserve Bank of India	N-07-00780
c) Sa-dhan (SRO)	Membership No: 0286

37.10 Disclosure of penalties imposed by RBI and other regulators:

No penalties were imposed by RBI and other regulators during current and previous year

37.11 Ratings assigned by credit rating agencies and migration of ratings

Particulars	Name of rating agency	Date of rating	Rating / (Previous year rating)	Borrowing limit (Rs.in lakh)
Long Term Bank Facilities	ICRA	27-Apr-26	ICRA A- ; Stable (ICRA BBB+; Stable)	80000

37.12 Provisions and contingencies

Particulars	March 31, 2026	March 31, 2025
Impairment of financial instruments	310.51	(327.32)
Provision for income tax	2,789.00	2,650.00
Provision for Employee retirement benefits	179.04	96.15
Total	**3,278.54**	**2,418.83**

The above represents amounts debited to the Statement of Profit and Loss.

37.13 Drawdown from reserves

There has been no draw down from reserves during the current year as well as in the previous year.

37.14 Concentration of advances, exposures and NPAs

Particulars	March 31, 2026	March 31, 2025
Concentration of advances		
Total advances to twenty largest borrowers	27.48	34.48
(%) of advances to twenty largest borrowers to Total advances	0.02%	0.03%
Concentration of exposures		
Total exposure to twenty largest borrowers / customers	27.48	34.48
(%) of exposures to twenty largest borrowers / customers to Total exposure	0.02%	0.03%
Concentration of NPAs		
Total Exposure to top four NPA accounts	5.77	5.12

37.15 Movement of NPAs

Particulars	March 31, 2026	March 31, 2025
(i) Net NPAs to Net Advances (%)		
(ii) Movement of NPAs (Gross)		
Opening Balance	2,128.66	3,624.89
Additions during the year	1,999.15	1,276.69
Reductions during the year (including loans written off)	(824.90)	(2,772.93)
Closing balance	3,302.92	2,128.66
(ii) Movement of NPAs (Net)		
Opening Balance	0.00	-
Additions during the year	-	0.00
Reductions during the year (Including loans written off)	0.00	(0.00)
Closing balance	0.00	0.00
(iv) Movement of provisions for NPAs		
Opening Balance	2,128.66	3,624.89
Provisions made during the year	1,999.15	1,276.69
Write off /write back of excess provision	(824.90)	(2,772.93)
Closing balance	3,302.92	2,128.66

37.15.1 GNPA% (Excluding Interest Accrued)

GNPA% (Excluding Interest Accrued)	2.20%	1.59%
NNPA % (Excluding Interest Accrued)	Nil	Nil

37.16 Information on instances of fraud

There are no Instances of fraud identified or reported during the Current year

37.17 The Net Interest Margin (NIM)

Particulars	March 31, 2026	March 31, 2025
Average interest	22.01%	22.42%
Average effective cost of borrowing	10.66%	10.63%
Net Interest Margin (NIM)	**11.35%**	**11.79%**

37.18 Sectoral exposure						
Sectors	31-03-2026			31-03-2025		
	Total Exposure (includes on balance sheet and off-balance sheet exposure)	Gross NPAs	Percentage of Gross NPAs to Total exposure in that sector	Total Exposure (includes on balance sheet and off-balance sheet exposure)	Gross NPAs	Percentage of Gross NPAs to Total exposure in that sector
1. Agriculture and Allied Activities	44,503.87	841.27	1.89%	38,394.24	403.06	1.05%
2. Industry (Retail)	1,04,200.67	2,362.74	2.27%	94,488.86	1,674.49	1.77%
3. Services	-	-	0.00%	-	-	0.00%
4. Personal Loans	-	-	0.00%	-	-	0.00%
5. Others, if any (Service and related activities)	1,216.22	98.91	8.13%	1,000.57	51.10	5.11%
Note - Exposure to a specific sub-sector/industry of more than 10 per cent of Tier I Capital of the company is shown separately, exposures less than 10 per cent are clubbed under others.						

1) Summary information on complaints received by the NBFCs from customers and from the Offices of Ombudsman				
Sr. No		Particulars	Current Year	Previous Year
Complaints received by the NBFC from its customers				
1		Number of complaints pending at beginning of the year	3	3
2		Number of complaints received during the year	12	5
3		Number of complaints disposed during the year	9	4
	3.1	Of which, number of complaints rejected by the NBFC	Nil	Nil
4		Number of complaints pending at the end of the year	6**	4
Maintainable complaints received by the NBFC from Office of Ombudsman				
5		Number of maintainable complaints received by the NBFC from Office of Ombudsman	Nil	Nil
		Of 5, number of complaints resolved in favour of the NBFC by Office of Ombudsman	Nil	Nil
		Of 5, number of complaints resolved through conciliation/ mediation/advisories issued by Office of Ombudsman	Nil	Nil
		Of 5, number of complaints resolved after passing of Awards by Office of Ombudsman against the NBFC	Nil	Nil
6		Number of Awards unimplemented within the stipulated time (other than those appealed)	Nil	Nil
** Out of 6 pending complaints 3 complaints are relating to frauds already reported to RBI.				

2) Top five grounds of complaints received by the NBFCs from customers

Grounds of complaints, (i.e. complaints relating to)	Number of complaints pending at the beginning of the year	Number of complaints received during the year	% increase/ decrease in the number of complaints received over the previous year	Number of complaints pending at the end of the year	Of 5, number of complaints pending beyond 30 days
1	2	3	4	5	6
Current Year					
Loans and advances	0	10	100%	3	3
Levy of charges without prior notice/ excessive charges/ foreclosure charges	0	0	0	0	Nil
Non-observance of fair practices code	0	0	0	0	Nil
Staff behaviour	0	2	0%	0	Nil
Facilities for customers visiting the office/ adherence to prescribed working hours, etc.	0	0	0%	0	Nil
Others	0	0	0%	0	Nil
Previous Year					
Loans and advances	0	5	25%	Nil	Nil
Levy of charges without prior notice/ excessive charges/ foreclosure charges	Nil	0	Nil	Nil	Nil
Non-observance of fair practices code	Nil	0	Nil	Nil	Nil
Staff behaviour	Nil	0	Nil	Nil	Nil
Facilities for customers visiting the office/ adherence to prescribed working hours, etc.	Nil	0	Nil	Nil	Nil
Others	Nil	0	Nil	Nil	Nil

37.19	Disclosure pursuant to RBI Notification RBI/2019-20/170 DOR (NBFC). CC.PD.No.109/22.10.106/2019-20 dated March 13,2020						
	As at 31.03.2026						
	Asset classification as per RBI Norms	Asset Classification as per IndAS109	Gross carrying amount as per IndAS	Loss Allowances (provisions) required under IndAS 109	Net carrying Amount	Provisions as per IRACP norms	Difference between IndAs 109 provisions and IRACP Norms
	Performing Assets						
	Standard	Stage 1	1,46,314.24	1,743.40	1,44,570.85	585.26	1,158.14
		Stage 2	303.47	156.55	146.93	1.21	155.33
	Total		**1,46,617.72**	**1,899.95**	**1,44,717.77**	**586.47**	**1,313.47**
	Non-Performing Assets (NPA)						
	Substandard		2,008.81	2,008.81	-	502.20	1,506.61
	Doubtful up to 1 year		1,078.44	1,078.44	-	1,078.44	-
	1 - 3 years		209.37	209.37	-	209.37	-
	More than 3 years		6.30	6.30	-	6.30	-
	Doubtful assets Total		1,294.11	1,294.11	-	1,294.11	-
	Loss Asset						
	NPA Total		**3,302.92**	**3,302.92**	**-**	**1,796.32**	**1,506.61**
	Total	Stage 1	1,46,314.24	1,743.40	1,44,570.85	585.26	1,158.14
		Stage 2	303.47	156.55	146.93	1.21	155.33
		Stage 3	3,302.92	3,302.92	-	1,796.32	1,506.61

As at 31.03.2025						
Asset classification as per RBI Norms	**Asset Classification as per IndAS109**	**Gross carrying amount as per IndAS**	**Loss Allowances (provisions) required under IndAS 109**	**Net carrying Amount**	**Provisions as per IRACP norms**	**Difference between IndAs 109 provisions and IRACP Norms**
Performing Assets						
Standard	Stage 1	1,31,301.48	2,529.67	1,28,771.81	525.21	2,004.46
	Stage 2	453.53	234.04	219.48	1.81	232.23
Standard assets Total		**1,31,755.01**	**2,763.71**	**1,28,991.30**	**527.02**	**2,236.69**
Non-Performing Assets (NPA)						
Substandard		**1,274.08**	**1,274.08**	**-**	**318.52**	**955.56**
Doubtful up to 1 year		639.82	639.82	-	639.82	-
1 - 3 years		163.94	163.94	-	163.94	-
More than 3 years		50.83	50.83	-	50.83	-
Doubtful assets Total		854.59	854.59	-	854.59	-
Loss Asset						
NPA Total		**2,128.66**	**2,128.66**	**-**	**1,173.11**	**955.56**
Total						
	Stage 1	1,31,301.48	2,529.67	1,28,771.81	525.21	2,004.46
	Stage 2	453.53	234.04	219.48	1.81	232.23
	Stage 3	2,128.66	2,128.66	-	1,173.11	955.56

In terms of the requirement as per RBI notification no. RBI/2019-20/170 DOR (NBFC).CC.PD.No.109/22.10.106/2019-20 dated March 13, 2020 on Implementation of Indian Accounting Standards, Non-Banking Financial 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 Company exceeds the Total provision required under IRACP (including standard asset provisioning), as at March 31, 2026, March 31, 2025 and accordingly, no amount is required to be transferred to impairment reserve.

ECL provision as on March 31, 2026 includes additional provision on standard advances aggregating to Rs. 738.40 lakhs (PY Rs.1326.69 lakhs) as management overlay taking into consideration the prevailing market uncertainties in the industry and is intended to mitigate potential risk, if any, in future and ensure prudent financial management. The Company's management is continuously monitoring the situation and the economic factors affecting the industry/operations of the company.

38	**Fair value measurement**	
	This note describes the fair value measurement of both financial and non-financial instruments and is structured as follows:	
	38.1	**Valuation principles**
	38.2	**Valuation governance**
	38.3	**Valuation methodologies of financial instruments not measured at fair value**
	38.4	**Fair value of financial instruments not measured at fair value**
38.1	**Valuation principles**	
	Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e., an exit price), regardless of whether that price is directly observable or estimated using a valuation technique.	
	In order to show how fair values have been derived, financial instruments are classified based on a hierarchy of valuation techniques.	
38.2	**Valuation governance**	
	The Company's fair value methodology and the governance over its models includes a number of controls and other procedures to ensure appropriate safeguards are in place to ensure its quality and adequacy. All new product initiatives (including their valuation methodologies) are subject to approvals by various functions of the Company including the risk and finance functions. The responsibility of ongoing measurement resides with the business units	
	Once submitted, fair value estimates are also reviewed and challenged by the Risk and Finance functions.	
38.3	**Valuation methodologies of financial instruments not measured at fair value**	
	Below are the methodologies and assumptions used to determine fair values for the above financial instruments which are not recorded and measured at fair value in the company's financial statements. These fair values were calculated for disclosure purposes only. The below methodologies and assumptions relate only to the instruments in the below tables	
	Loans and advances to customers	
	The fair values of loans and receivables are estimated by discounted cash flow models that incorporate assumptions for credit risks, probability of default and loss given default estimates. Where such information is not available, the company uses historical experience and other information used in its collective impairment models. Fair values of lending portfolios are calculated using a portfolio-based approach. The company then calculates and extrapolates the fair value to the entire portfolio, using discounted cash flow models that incorporate interest rate estimates considering all significant characteristics of the loans. The credit risk is applied as a top-side adjustment based on the collective impairment model incorporating probability of defaults and loss given defaults.	

38.4	Fair value of financial instruments not measured at fair value					
	Set out below is a comparison, by class, of the carrying amounts and fair values of the Company's financial instruments that are initially measured at fair value and subsequently carried at amortized cost in the financial statements.					
	March 31, 2026	**Carrying value**	**Fair Value measurement using**			
			Level 1	**Level 2**	**Level 3**	**Total**
	Financial assets					
	Cash and cash equivalents	598.00	598.00		-	598.00
	Bank balance other than cash and cash equivalents	25.13	25.13		-	25.13
	Loans	1,44,717.78	-	1,44,717.78	-	1,44,717.78
	Total	**1,45,340.92**	**623.13**	**1,44,717.78**	**-**	**1,45,340.92**
	Financial liabilities					
	Borrowings (other than debt securities)	94,503.61	-	94,503.61	-	94,503.61
	Total	**94,503.61**	**-**	**94,503.61**	**-**	**94,503.61**
	March 31, 2025	**Carrying value**	**Fair Value measurement using**			
			Level 1	**Level 2**	**Level 3**	**Total**
	Financial assets					
	Cash and cash equivalents	193.36	193.36	-	-	193.36
	Bank balance other than cash and cash equivalents	25.55	25.55	-	-	25.55
	Loans	1,28,991.31	-	1,28,991.31	-	1,28,991.31
	Total	**1,29,210.22**	**218.91**	**1,28,991.31**	**-**	**1,29,210.22**
	Financial liabilities					
	Borrowings (other than debt securities)	85,310.64	-	85,310.64	-	85,310.64
	Total	**85,310.64**	**-**	**85,310.64**	**-**	**85,310.64**

39	**Risk management**
39.1	**Introduction and risk profile**
	Repco Micro Finance Limited ("Company") is a leading NBFC – Micro Finance Institution (MFI) in India focused on providing financial support to women from low-income households engaged in economic activity with limited access to financial services. The Company predominantly offers collateral free loans to women members of Self-help groups. The wide range of lending products address the critical needs of customers throughout their lifecycle towards income generation.
39.1.1	**Risk management structure**
	The Company has in place a Risk Management Policy duly approved by the Board covering various aspects of the risk management. Board of Directors are responsible for effective risk management. It oversees and reviews the overall functioning of the risk management and provide necessary directions in this regard.
	The Risk Management Committee of the Board (RMC) is Board level committee entrusted with overseeing implementation of the Risk Management Policy / strategy approved by the Board. The committee reviews the functioning of the risk management framework at periodical intervals. It reviews the reports and directs for taking mitigating steps. The committee reports the status of the risk management of the company to the Board at periodical intervals through minutes of the meeting of the committee. The minutes of the committee are placed before the Board.
	Assets and Liabilities Management Committee (ALCO) addresses the market, Interest and liquidity risks.
39.1.2	**Risk Identification**
	The Company has identified risk issues in various functions such as branches, departments in Corporate Office. Each risk is categorised as 'Operational Risk", "Credit Risk", "Market Risk", "Compliance Risk or 'Competition Risk".
39.1.3	**Risk measurement**
	Based on the velocity of impact, each risk in branch/division is categorised and prioritised. This is done to decide the quantum of focus required in respect of each risk issue. Higher Weightage is given for the risk that requires utmost priority.
39.1.4	**Risk Monitoring**
	The frequency for monitoring each risk issue is sequentially reviewed.
39.1.5	**Risk Assessment methodology**
	The risk is assessed based on self-assessment by the owners of risk at the prescribed intervals. Each risk issue has to be assessed by the owners of the risk and provide a report. The report is subject to verification by Internal Inspection Department and by Internal Auditors. Accordingly, each branch assesses the level of compliance in respect of each risk issue and submits a compliance report.
39.1.6	**Measurement of Risk**
	Based on the Self -assessment reports from various risks owners, the quantum of risk that are reported by the owners are calculated for various categories of risks such as credit risk, operational risk, compliance risk, etc., . Risk is also measured in terms of high, medium and low. This would help us to arrive at the direction of risk.

39.1.7	**Credit risk**
	Credit risk is the risk of loss that may occur from defaults by borrowers under loan agreements. In order to address credit risk, the Company has stringent credit assessment policies for client selection. Measures such as verifying client details, online documentation and the usage of credit bureau data to get information on past credit behaviour also supplement the efforts for containing credit risk. The company predominantly operate in rural and semi urban areas, where we are of the view that the impact of credit risk is limited. Most of our borrowers are into Agriculture, Dairy, Animal Husbandry, textiles, cottage and small trading businesses, where they operate in a 25 km radius. As on date these businesses are running as usual with minimum or no impact.
39.1.7.1	**The company's internal grading**
	The company's Credit Department operates its internal rating models. The company is concentrating on a product designed to support households having limited access to financial services, accordingly all the customers categorised under low grade. The models incorporate both qualitative and quantitative information and, in addition to information specific to the borrower, utilise supplemental external information that could affect the borrower's behaviour.
39.1.7.2	**Impairment - Expected Credit Loss (ECL)**
	The application of Ind AS 109 has necessitated fundamental changes to the accounting for expected default risk (risk provisioning). Specifically, the incurred loss model has been replaced by the Expected Credit Loss model (ECL). Consequent to this change, the Expected Credit losses on financial instruments are classified under three stages.
	Stage 1: Every financial asset is classified as stage 1, upon initial recognition. In addition, stage 1 contains all transactions with limited default risk.
	Stage 2: Financial assets whose default risk has risen significantly since initial recognition and which are not classified as cases with limited default risk.
	Stage 3: Financial assets that display objective evidence of impairment at the reporting date.
	The accounting standard, Ind AS 109 does not specifically prescribe any methodology for computing ECL. However, entities are required to adopt sound and market acceptable methodologies which are in line with the size, complexity and risk-profile of the financial entity for computing the ECL. The Company uses three main components to measure ECL. These are, Exposure at default (EAD), Probability of Default (PD) and Loss Given Default (LGD Exposure at default (EAD) is defined as the sum of Principal outstanding and interest accrued at the reporting date.
	PD is defined as the probability of borrowers defaulting on their obligations.
	LGD represents the economic loss. Company uses historical loss data for identified homogenous pools for the purpose of calculating LGD. For individual cases where there has been a significant deterioration in recovery, the LGD is considered to be 100%.
	Accordingly, loan assets are categorised under three different stages, as under:
	Stage 1: Where instalments are Current and 0-30 days overdue
	Stage 2: Where instalments are 31 days – 90 days overdue and
	Stage 3: Where instalments are overdue beyond 90 days
	The company is required to provide 12-month Expected Credit Loss (12-month ECL) for stage 1 assets and the Life Time Expected Credit Loss (LECL) for stage 2 & stage 3 assets
	12-month ECL is the expected credit loss that results from default events that are possible within 12 months after the reporting date. LECL represents the expected credit loss from default events over the expected life of a financial asset.
	As prescribed under para 5.5 in Ind AS 109, 12-months PD is required to be computed for financial instruments which are in stage 1, and life time PD for those in stage 2 & 3. 12-months PD is the likelihood of the borrower defaulting in the 12 months following the reporting date while life time PD is the likelihood of the borrower defaulting during the residual tenor.

	The PD model has been developed for all the major asset classes using a statistical and iterative approach. The design and construction of the model involves identification of various credit parameters and variables that have a strong and direct correlation to propensity of default. The PD model reflects to the probability of default, taking into consideration the inherent credit quality of the borrower and the residual tenor of each contract. The PD for stage 3 contracts is considered at 100%.
	LGD represents the economic loss, adjusted for cure rate, as a percentage of exposure at the time of default. Economic loss is the estimated shortfall in realisation of dues, in the event of default. Contracts that have turned delinquent do not necessarily involve ultimate losses, since many of them are resolved through corrective actions. The cure rate is the probability of a 'non- performing' (i.e. defaulted) contract reverting to a 'performing' (i.e. non-default) status in a year.
39.1.8	**Operational Risk**
	Operational risks arise from inadequate or failed internal processes, people or systems, or from external events. The Company's controls its operational risk by maintaining a comprehensive system of internal controls supported by an on-the-ground internal audit team which conducts check at the client and branch levels concurrently with checks and balances instituted at the corporate level. In addition, the company has leveraged technology to enhance data integrity and swifter reporting to help in providing actionable intelligence to contain fraud by taking measures such as verifying client details and documentation online and using credit bureau data to get information on potential frauds.
39.1.9	**Compliance Risk**
	Based on the guidelines received from regulatory and statutory authorities and also based on the policy requirements, the compliance risks issues are identified, assessed and monitored for compliance.
39.1.10	**Market Risk**
	The Company is exposed to various types of market risks during the normal course of business such as credit risk, operational risk, cash management risk, Market Exposure risk, Liquidity risk and Interest rate risk.
39.1.11	**Interest Rate Risk**
	Interest rate risk is the risk where changes in market interest rates might adversely affect Company's financial condition and the changes in interest rates affect the company significantly. The immediate impact of changes in interest rates is on earnings (i.e. reported profits) by changing its Net Interest Margin (NIM). The risk from the earnings perspective can be measured as changes in Net Interest Margin (NIM).
	In case of the company, it may be noted that portfolio loans are not rate sensitive as re-pricing of existing loans are not carried out. Only liabilities in the form of borrowings are rate sensitive and considering the size of company's business the quantum of impact of change of interest rate of borrowings on liquidity is not significant and can be managed with appropriate action.
	Sensitivity analysis on Net Interest
	The following table demonstrates the sensitivity to a reasonably possible charge in interest rates (all other variables being constant) of the Company's profit and loss statement.

		As at March 2026		As at March 2025	
	Particulars	Increase by 25bps	Decrease by 25bps	Increase by 25bps	Decrease by 25bps
	Impact on profit before tax- Gain/ (Loss)	212.24	(212.24)	(213.54)	213.54

39.1.12	Cash Management Risk
	The Company's branches collect and deposit a large amount of cash through a high volume of transactions taking place in company's branch network. To address the cash management risks, the Company has developed advanced cash management checks that it employs at multiple levels to track and tally accounts. The Company ensures that cash collected up to a certain time is deposited at local bank branches on the same day.
39.1.13	**Market Exposure risk**
	Market risk is that the fair value or future cash flows of financial instruments will fluctuate due to changes in market variables such as interest rates, foreign exchange rates and equity prices. The Company classifies exposures to market risk into either trading or non–trading portfolios and manages each of those portfolios separately.

39.1.13	Total market risk exposure				
	As at 31.03.2026				
	Assets	**Carrying amount**	**Traded risk**	**Non-traded risk**	**Primary risk sensitivity**
	Cash and cash equivalent and other bank balances	598.00	-	598.00	No market risk
	Fixed deposits	25.13	-	25.13	No interest risk as fixed interest rate
	Total	**623.13**	**-**	**623.13**	
	Liabilities				
	Borrowings (other than Debt Securities)	94,503.61	-	94,503.61	Interest rate risk on floating rate interest
	Total	**94,503.61**	**-**	**94,503.61**	
	As at 31.03.2025				
	Assets	**Carrying amount**	**Traded risk**	**Non-traded risk**	**Primary risk sensitivity**
	Cash and cash equivalent and other bank balances	193.36	-	193.36	No market risk
	Fixed deposits	25.55	-	25.55	No interest risk as fixed interest rate
	Total	**218.91**	**-**	**218.91**	
	Liabilities	-			
	Borrowings (other than Debt Securities)	85,310.64	-	85,310.64	Interest rate risk on floating rate interest
	Total	**85,310.64**	**-**	**85,310.64**	

39.1.14 Liquidity assessment as on 31.03.2026											
	Particulars	**1 day to 7 days**	**8 days to 14 days**	**15 days to 30/31 days**	**1 to 2 months**	**2 to 3 months**	**3 to 6 months**	**6 months to 1 year**	**1 to 3 years**	**3 to 5 years**	**Over 5 years**	**Total**
	Borrowings	682.72	1,545.67	2,755.34	4,759.30	4,699.12	13,991.31	29,711.50	36,358.65	-	-	94,503.61
Liquidity assessment as on 31.03.2025												
	Particulars	**1 day to 7 days**	**8 days to 14 days**	**15 days to 30/31 days**	**1 to 2 months**	**2 to 3 months**	**3 to 6 months**	**6 months to 1 year**	**1 to 3 years**	**3 to 5 years**	**Over 5 years**	**Total**
	Borrowings	521.96	1,067.46	2,309.62	3,766.97	3,684.56	10,839.58	35,339.89	27,780.60	-	-	85,310.64
*Outstanding of Secured Overdraft Limit and Working Capital Limit is placed in the bucket ‘ 6 months to 1 year as per Norms. Both are renewable on maturity and NOT actual Outflow.												

40. Analysis of risk concentration					
Industry analysis					
March 31, 2026	**Financial services**	**Government**	**Agricultural & Retail**	**Services & Others**	**Total**
Financial assets					
Cash and cash equivalents	598.00	-	-	-	598.00
Bank balance other than cash and cash equivalents	25.13	-	-	-	25.13
Loans	-	-	1,43,621.18	1096.60	1,44,717.79
Total Financial asset	**623.13**	**-**	**1,43,621.18**	**1096.60**	**1,45,340.92**
Financial liabilities					
Borrowings (other than debt securities)	94,503.61	-	-	-	94,503.61
Total Financial liabilities	**94,503.61**	**-**	**-**	**-**	**94,503.61**
March 31, 2025	**Financial services**	**Government**	**Agricultural & Retail**	**Services & Others**	**Total**
Financial assets					
Cash and cash equivalents	193.36	-	-	-	193.36
Bank balance other than cash and cash equivalents	25.55	-	-	-	25.55
Loans	-	-	1,27,909.35	1,081.96	1,28,991.31
Total Financial asset	**218.91**	**-**	**1,27,909.35**	**1,081.96**	**1,29,210.22**
Financial liabilities					
Borrowings (other than debt securities)	85,310.64	-	-	-	85,310.64
Total Financial liabilities	**85,310.64**	**-**	**-**	**-**	**85,310.64**

41. Following are the contractual maturities of financial liability/financial assets at the reporting date. Loans, debt securities and borrowings include estimated interest receipts / payments.

As on March 31, 2026	1 day to 7 days	8 days to 14 days	15 days to 30/31 days	Over one month to 2 months	Over 2 months to 3 months	Over 3 to 6 months	Over 6 months to 1 year	Over 1 year to 3 years	Over 3 to 5 years	Over 5 to 7 years	Over 7 to 10 years	Over 10 years	Total
Financial Assets													
Cash and cash equivalents	598.00	-	-	-	-	-	-	-	-	-	-	-	598.00
Bank Balance other than Cash and cash equivalents	-	-	-	-	-	25.13	-	-	-	-	-	-	25.13
Loans	1,935.13	3,874.94	3,736.08	7,616.84	7,576.08	22,449.22	37,921.46	57,092.64	2,515.39	-	-	-	1,44,717.78
Financial Liabilities													
Borrowings	682.72	1,545.67	2,755.34	4,759.30	4,699.12	13,991.31	29,711.50	36,358.65	-	-	-	-	94,503.61

As on March 31, 2025	1 day to 7 days	8 days to 14 days	15 days to 30/31 days	Over one month to 2 months	Over 2 months to 3 months	Over 3 to 6 months	Over 6 months to 1 year	Over 1 year to 3 years	Over 3 to 5 years	Over 5 to 7 years	Over 7 to 10 years	Over 10 years	Total
Financial Assets													
Cash and cash equivalents	193.36	-	-	-	-	-	-	-	-	-	-	-	193.36
Bank Balance other than Cash and cash equivalents	-	-	-	-	-	25.55	-	-	-	-	-	-	25.55
Loans	539.88	3,204.86	3,130.56	6,284.36	6,077.30	18,068.42	31,866.23	57,694.30	2,125.40	-	-	-	1,28,991.31
Financial Liabilities													
Borrowings	521.96	1,067.46	2,309.62	3,766.97	3,684.56	10,839.58	35,339.89	27,780.60	-	-	-	-	85,310.64

42. The table below shows the contractual expiry by maturity of the company's contingent liabilities and commitments. Each undrawn loan commitment is included in the time band containing the earliest date it can be drawn down. For issued financial guarantee contracts, the maximum amount of the guarantee is allocated to the earliest period in which the guarantee could be called.

March 31, 2026			On demand	Less than 3 months	3 to 12 months	1 to 5 years	Over 5 years	Total
Other undrawn commitments to lend			-	-	-	-	-	-

March 31, 2025			On demand	Less than 3 months	3 to 12 months	1 to 5 years	Over 5 years	Total
Other undrawn commitments to lend			-	-	-	-	-	-

43. Liquidity Risk

Public Disclosure on Liquidity Risk for the period ended March 31, 2026 pursuant to RBI circular dated 4 November 2019 on Liquidity Risk Management Framework for Non-Banking Financial Companies and Core Investment Companies

(i) Funding Concentration based on significant counterparty (both deposits and borrowings)

Sr. No.	Number of Significant Counterparties	Amount (Rs. in Lakhs) *	% of Total deposits	% of Total liabilities
1	3	45,402.19	Not Applicable	29.93%

(ii) Top 20 large deposits (amount in Rs.in lakhs and % of Total deposits)

---- Not Applicable ----

(iii) Top 10 borrowings (amount in Rs. in Lakhs and % of Total borrowings)

Particulars	As at March 31, 2026
Total amount of top 10 borrowings	84,932.07
Percentage of amount of top 10 borrowings to Total borrowings	89.87%

(iv) Funding Concentration based on significant instrument/product

Sr. No.	Name of the instrument/product	Amount (Rs. in Lakhs)	% of Total liabilities
1	Term loans	85,300.88	56.24%
2	Secured Overdraft Facility	4,032.52	2.66%
3	Working Capital Facility	5,170.21	3.41%

(v) Stock Ratios:

	Particulars	as a % of Total public funds	as a % of Total liabilities	as a % of Total assets
(a)	Commercial papers	-	-	-
(b)	Non-convertible debentures (original maturity of less than one year)	-	-	-
(c)	Other short-term liabilities*	61.53%	38.34%	38.34%

*Includes cash credit, working capital demand loans and other short-term loans with original maturity of less than one year

Institutional set-up for liquidity risk management

Asset Liability Committee (ALCO) constituted with members of Board of Directors reviews the Asset Liability Management (ALM) position on periodical basis. ALM Sub-committee constituted with Division heads and other officers' reviews the ALM position, including liquidity risk on constant basis. Company prepares and submits to RBI every month the 'Statement of Structural Liquidity' in specified format and ensures Net cumulative mismatch is within the permitted limit.

*Notes:

1) 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-NDSI's, NBFC-Ds Total liabilities as defined in RBI Circular RBI/2019-20/88 DOR.NBFC (PD) CC.No.102/03.10.001/2019-20 dated November 4, 2019 on Liquidity Risk Management Framework for Non-Banking Financial Companies and Core Investment Companies.

2) 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-NDSI's, NBFC-Ds Total liabilities, as defined in RBI Circular RBI/2019-20/88 DOR.NBFC (PD) CC.No.102/03.10.001/2019-20 dated November 4, 2019 on Liquidity Risk Management Framework for Non-Banking Financial Companies and Core Investment Companies.

44	Ratios required under Schedule III of Companies Act 2013						
	Ratio	**Numerator**	**Denominator**	**Current Period**	**Previous Period**	**% Variance**	**Reason for Variance (If Above 25%)**
	Capital to risk-weighted assets ratio (CRAR)	51,323.80	1,59,544.48	32.17%	27.68%	16%	N/A
	Tier I CRAR	49,579.84	1,59,544.48	31.09%	26.53%	17%	
	Tier II CRAR	1,743.96	1,59,544.48	1.09%	1.15%	-5%	N/A
	Liquidity Coverage Ratio.	N/A					
45	No Benami Property is held by the Company and or there are no proceedings have been initiated or pending against the company for holding any benami property as defined under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.						
46	The Company has reviewed transactions to identify if there are any transactions with struck off companies. To the extent information is available on struck off companies, there are no transactions with struck off companies.						
47	There is no charges or satisfaction in relation to any debt / borrowings yet to be registered with ROC beyond the statutory period.						
48	The Company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017.						
49	Utilisation of Borrowed funds and share premium						
	A) 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 – (a) 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 (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries; B) 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 (a) 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 (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.						
50	The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year						
51	There are no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.						
52	Previous year figures Figures have been regrouped/ reclassified wherever applicable.						

Accounting Policies and Notes forming part of Financial Statements for the year ended 31st March 2026:

1.Corporate Information:

Repco Micro Finance Limited (herein after referred to as "RMFL" / "the Company") was incorporated on 27th June 2007. (CIN No. U74900TN2007PLC064126)

RMFL is predominantly engaged in the business of providing financial and other related support service to Individual members of Self-Help Group (SHG) with a view to enhance their income generation capabilities, registered with Reserve Bank of India (RBI) as a Non-Banking Finance Company - Micro Finance Institution (NBFC-MFI).

The company provides collateral free loans to Individual women and members of self-help groups and the repayment of the loans are by way of equated monthly instalments. The company also provides collateral free non microfinance loans to individuals.

The company continues to undertake the business of NBFC-MFI requiring the holding of Certificate of Registration (COR) under section 45-IA of the RBI act, 1934 dated 23rd January 2014 and the company also fulfilled all conditions stipulated to be classified as NBFC-MFI.

The Registered Office of the Company is at Repco tower, 33, North Usman Road, T.Nagar, Chennai-600017 and the Corporate office functions at Karumuttu Centre, 634, Anna Salai, Nandanam, Chennai - 600035

2A. Basis of Preparation of Financial Statements

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and notified under Section 133 of the Companies Act, 2013 ("the Act"). The rules specify the Indian Accounting Standards (Ind AS) applicable to certain class of companies and sets out dates of applicability. RMFL, being a Non-Banking Financial Company, for which IND AS is applicable from Phase III as defined in the said notification, is required to apply the standards as specified in Companies (Indian Accounting Standards) Rules, 2015. Hence, the Company has adopted Indian Accounting Standards (referred to as "Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 with transition date of 1 April 2021.The financial statements have been prepared on a going concern basis.

The financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015 (as amended till date)] and other relevant provisions of the Act.

In respect of significant accounting matters, the Company has analysed the provisions contained in Ind AS and the relevant guidance as per RBI Guidelines and has adopted appropriate accounting treatment while ensuring compliance with RBI Guidelines. The Company follows the prudential norms for income recognition, asset classification and provisioning as prescribed by the Reserve Bank of India for NBFC-MFI's and follows the provisioning norms as per Reserve Bank of India or Ind AS whichever is more stringent.

2B. Presentation of financial statements

The Company presents its balance sheet in order of liquidity.

The Company generally reports financial assets and financial liabilities on a gross basis in the balance sheet. They are only offset and reported net when INDAS specifically permits the same or it has an unconditional legally enforceable right to offset the recognised amounts without being contingent on a future event.

Similarly, the Company offsets incomes and expenses on a net basis only when it is specifically permitted to do so by INDAS.

2C. Recent accounting pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. For the year ended March 31, 2026, MCA has not notified any new standards or amendments to the existing standards applicable to the Company

2D. Summary of Material Accounting Policy information

This note provides a list of the significant accounting policies adopted in the preparation of these financial statements. These policies have been consistently applied to all the years presented.

i. Financial Instruments:

a) Date of recognition

Financial assets and liabilities, with the exception of loans, debt securities and borrowings are initially recognized on the transaction date, i.e., the date that the Company becomes a party to the contractual provisions of the instrument. Loans are recognized on the date when funds are disbursed to the customer. The Company recognizes debt securities and borrowings when funds are received by the Company.

b) Initial measurement of financial instruments

The classification of financial instruments at initial recognition depends on their contractual terms and the business model for managing the instruments. Financial instruments are initially measured at their fair value, except in the case of financial assets and financial liabilities recorded at FVTPL, transaction costs are added to, or subtracted from, this amount.

c) Measurement categories of financial assets and liabilities

The Company classifies all of its financial assets based on the business model for managing the assets and the asset's contractual terms, measured at either Amortized Cost, FVOCI or FVTPL.

Financial liabilities and other than loan commitments are measured at amortized cost or FVTPL when fair value designation is applied.

d) Bank balances, Loans, Trade receivables and financial investments at amortised cost

The Company measures Bank balances, Loans, Trade receivables and other financial investments at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows
- 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.

e) The SPPI (Sole payment of Principal and Interest) test

As a second step of its classification process the Company assesses the contractual terms of financial asset to identify whether they meet the SPPI test.

'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 (for example, if there are repayments of principal or amortisation of the premium/discount).

The most significant elements of interest within a lending arrangement are typically the consideration for the time value of money and credit risk. To make the SPPI assessment, the Company applies judgement and considers relevant factors such as the currency in which the financial asset is denominated, and the period for which the interest rate is set.

f) Financial assets or financial liabilities held for trading

The Company classifies financial assets as held for trading when they have been purchased or issued primarily for short-term profit making through trading activities or form part of a portfolio of financial instruments that are managed together, for which there is evidence of a recent pattern of short-term profit taking. Held-for-trading assets and liabilities are recorded and measured in the balance sheet at fair value. Changes in fair value are recognised in net gain on fair value changes. Interest and dividend income or expense is recorded in net gain on fair value changes according to the terms of the contract, or when the right to payment has been established.

Included in this classification are debt securities, equities, and customer loans that have been acquired principally for the purpose of selling or repurchasing in the near term.

g) Debt securities and other borrowed funds

After initial measurement, debt issued and other borrowed funds are subsequently measured at amortised cost. Amortised cost is calculated by taking into account any discount or premium on issue funds, and costs that are an integral part of the Effective Interest Rate ('EIR').

h) Financial assets and financial liabilities at fair value through profit or loss

Financial Liabilities and Financial assets in this category are those that are not held for trading and have been either designated by management upon initial recognition or are mandatorily required to be measured at fair value under Ind AS 109.Financial assets and financial liabilities at FVTPL are recorded in the balance sheet at fair value. Changes in fair value are recorded in profit and loss with the exception of movements in fair value of liabilities designated at FVTPL due to changes in the Company's own credit risk. Such changes in fair value are recorded in the Own credit reserve through OCI and do not get recycled to the profit or loss. Interest earned or incurred on instruments designated at FVTPL is accrued in interest income or finance cost, respectively, using the EIR, taking into account any discount/ premium and qualifying transaction costs being an integral part of instrument. Interest earned on assets mandatorily required to be measured at FVTPL is recorded using contractual interest rate.

i) Reclassification of financial assets and liabilities

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.

j) Derecognition of financial assets and liabilities

A financial asset is derecognised when the rights to receive cash flows from the financial asset have expired. The Company also derecognises the financial asset if it has both transferred the financial asset and the transfer qualifies for derecognition. A transfer only qualifies for derecognition if either the Company has transferred substantially all the risks and rewards of the asset or has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset

The Company considers control to be transferred if and only if, the transferee has the practical ability to sell the asset in its entirety to an unrelated third party and is able to exercise that ability unilaterally and without imposing additional restrictions on the transfer.

When the Company has neither transferred nor retained substantially all the risks and rewards and has retained control of the asset, the asset continues to be recognised only to the extent of the Company's continuing involvement, in which case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration the Company could be required to pay.

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability. The difference between the carrying value of the original financial liability and the consideration paid is recognised in profit or loss

k) Impairment and Write-offs of financial assets

Overview of the ECL principles

The Company records allowance for expected credit losses for all loans, other debt financial assets not held at FVTPL, together with financial guarantee contracts, in this section all referred to as 'financial instruments'. Equity instruments are not subject to impairment under Ind AS 109.

The ECL allowance is based on the credit losses expected to arise over the life of the 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

Both Lifetime ECLs and 12-month ECLs are calculated on individual basis, depending on the nature of the underlying portfolio of financial instruments.

The Company has established a policy to perform an assessment, at the end of each reporting period, of whether a financial instrument's credit risk has increased significantly since initial recognition, by considering the change in the risk of default occurring over the remaining life of the financial instrument. The Company does the assessment of significant increase in credit risk at a borrower level. If a borrower has various facilities having different past due status, then the highest days past due (DPD) is considered to be applicable for all the facilities of that borrower.

Based on the above, the Company categorises its loans into Stage 1, Stage 2 and Stage 3 as described below:

Stage 1

All exposures 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 advances and advances up to 30 days default under this category.

Stage 2

All exposures where there has been a significant increase in credit risk since initial recognition but are not credit impaired are classified under this stage. Above 30 Days Past Due is considered as significant increase in credit risk.

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 in this stage. For exposures that have become credit impaired, a lifetime ECL is recognised and interest revenue is calculated by applying the effective interest rate to the amortised cost (net of provision) rather than the gross carrying amount. 90 Days Past Due is considered as default for classifying a financial

instrument as credit impaired. If an event (for eg. Any natural calamity) warrants a provision higher than as mandated under ECL methodology, the Company may classify the financial asset in Stage 3 accordingly.

As required by RBI Circular reference no. RBI/2019-20/170 DOR (NBFC).CC.PD.No.109/22.10.106/2019-20 dated March 13, 2020; where impairment allowance under Ind AS 109 is lower than the provisioning required as per extant prudential norms on Income Recognition, Asset Classification and Provisioning (IRACP) including borrower/beneficiary wise classification, provisioning for standard as well as restructured assets, NPA ageing, etc., the Company shall appropriate the difference from their net profit or loss after tax to a separate 'Impairment Reserve'.

The mechanics of ECL

The Company calculates ECLs based on probability weighted scenarios to measure the expected cash shortfalls, discounted at an approximation to the EIR. A cash shortfall is the difference between the cash flows that are due to the Company in accordance with the contract and the cash flows that the Company expects to receive.

The mechanics of the ECL calculations are outlined below and the key elements are, as follows:

Probability of Default (PD) - The Probability of Default is an estimate of the likelihood of default over a given time horizon. A default may only happen at a certain time over the assessed period, if the facility has not been previously derecognised and is still in the portfolio. The concept of PD is further explained in Note 39.

Exposure at Default (EAD) - The Exposure at Default is an estimate of the exposure at a future default date. The concept of PD is further explained in Note 39.

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. The concept of LGD is further explained in Note 39.

Forward looking information

While estimating the expected credit losses, the Company reviews macro-economic developments occurring in the economy and market it operates in. On a periodic basis, the Company analyses if there is any relationship between key economic trends like GDP, unemployment rates, benchmark rates set by the Reserve Bank of India, inflation etc. with the estimate of PD, LGD determined by the Company based on its internal data. While the internal estimates of PD, LGD rates by the Company may not be always reflective of such relationships, temporary overlays, if any, are embedded in the methodology to reflect such macroeconomic trends reasonably.

The above calculated PDs, EAD and LGDs are reviewed annually and changes in the forward-looking estimates are analysed.

Write-offs

The Company reduces the gross carrying amount of a financial asset when the Company has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. This is generally the case when the company determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subjected to write-offs. Any subsequent recoveries against such loans are credited to the statement of profit and loss.

ii. Leases

The Company's lease asset classes primarily consist of leases for buildings. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

(i) the contract involves the use of an identified asset

(ii) the Company has obtained substantially all the economic benefits from use of the asset through the period of the lease and

(iii) The Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognises a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease. Certain lease arrangements include the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The right-of-use assets are initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses. Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

The lease liability is initially measured at amortised cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates. After the commencement date, the lease liability is adjusted by increasing the carrying amount to reflect interest on the lease liability; reducing the carrying amount to reflect the lease payments made; and remeasuring the carrying amount to reflect any reassessment or lease modifications. The lease liability is also remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero. The interest on the lease liability is recognised in the statement of Profit & Loss except to the extent that it can be allocated to any Property, Plant & Equipment. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment if whether it will exercise an extension or a termination option.

iii. Revenue Recognition

Interest Income

Effective interest Rate (EIR)

The Company computes Interest income by applying the Effective interest rate (EIR) to the gross carrying amount of a financial asset except for

- Purchased or originated credit-impaired financial assets, where the company applies the credit adjusted EIR to the amortised cost of the financial asset from initial recognition, and
- Financial assets that are not purchased or originated credit impaired financial assets but subsequently have become credit-impaired financial assets, where the company applies EIR to the amortised cost of the financial asset in subsequent reporting periods.

The EIR is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial asset to the gross carrying amount of a financial asset. When calculating the EIR, the Company includes all fees and charges paid or received to and from the borrowers that are an integral part of the effective interest rate, transaction costs, and all other premiums or discounts, but not future credit losses.

Interest income on all financial assets required to be measured at FVTPL is recognised using the contractual interest rate.

Dividend income is recognised when the right to receive payment is established.

The Company recognises gains on fair value change of financial assets measured at FVTPL and realised gains on derecognition of financial asset measured at FVTPL on net basis.

Income from assignment transactions i.e. present value of excess interest spread is recognised when the related loan assets are de-recognised.

Interest income on deposits is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.

iv. Finance cost

Finance costs represent Interest expense recognised by applying the Effective Interest Rate (EIR) to the amortised cost of the financial liabilities other than financial liabilities classified as FVTPL.

The EIR in case of a financial liability is computed

a. As the rate that exactly discounts estimated future cash payments through the expected life of the financial liability to the gross carrying amount of the amortised cost of a financial liability.
b. By considering all the contractual terms of the financial instrument in estimating the cash flows
c. Including all fees paid between parties to the contract that are an integral part of the effective interest rate, transaction costs, and all other premiums or discounts.

Any subsequent changes in the estimation of the future cash flows is recognised in Finance Cost with the corresponding adjustment to the carrying amount of the Liabilities.

Interest expense includes issue costs that are initially recognized as part of the carrying value of the financial liability and amortized over the expected life using the effective interest method. These include fees and commissions payable to advisers and other expenses such as external legal costs, Rating Fee etc, provided these are incremental costs that are directly related to the issue of a financial liability.

v. Property, plant and equipment ('PPE')

Property, plant and equipment (PPE) are measured at historical cost less accumulated depreciation and accumulated impairment, (if any). The Total cost of assets comprises its purchase price, freight, duties, taxes (other than those subsequently recoverable from the tax authorities) and any other incidental expenses 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. Changes in the expected useful life are accounted for by changing the amortisation period or methodology, as appropriate, and treated as changes in accounting estimates.

Subsequent expenditure 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 and cost can be measured reliably. Other repairs and maintenance costs are expensed off as and when incurred.

vi. Intangible assets

An intangible asset is recognised only when its cost can be measured reliably and it is probable that the expected future economic benefits that are attributable to it will flow to the Company.

Intangible assets acquired separately are measured on initial recognition at cost. The cost of an intangible asset comprises its purchase price and any directly attributable expenditure on making the asset ready for its intended use and net of any trade discounts and rebates. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses.

The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are amortised over the useful economic life. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each financial year-end. Changes in the expected useful life, or the expected pattern of consumption of future economic benefits embodied in the asset, are accounted for by changing the amortisation period or methodology, as appropriate, which are then treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is presented as a separate line item in the statement of profit and loss. Amortisation on assets acquired/sold during the year is recognised on a pro-rata basis to the Statement of Profit and Loss from / up to the date of acquisition/sale.

Gains or losses from derecognition of intangible assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset are recognised in the Statement of Profit and Loss when the asset is derecognised.

Transition To Ind AS

For transition to Ind AS, the Company has elected to continue with the carrying value of all assets, recognised as of 1 April 2021 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

vii. Depreciation and Amortization

Depreciation

Depreciation on PPE (other than freehold land and properties under construction) is recognised and measured on the depreciable amount (being cost less residual value) using the straight-line method as per the useful life given in Schedule II except the following cases where it is depreciated as per the useful lives estimated by management. Assets costing less than Rs. 5000/- are fully depreciated in the year of purchase. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, and the effect of any changes in estimate accounted for on a prospective basis.

Amortisation

Amortisation of intangible assets is recognised on a straight-line basis over the estimated useful life of the asset. The estimated useful life and amortisation method are reviewed at the end of each reporting period, for the effect of any changes in estimate being accounted for on prospective basis. Management has estimated the useful life of Software to be the license period or 3 years, whichever is lower.

viii. Provisions

Provisions are recognized only when there is a present obligation, as a result of past events, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount of obligation can be made at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates. Provisions are discounted to their present values, where the time value of money is material.

ix. Contingent Liabilities And Assets

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

Contingent liabilities are reviewed at each Balance Sheet date.

A contingent asset is a possible asset that arises from past events and whose existence 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. Contingent assets are disclosed where an inflow of economic benefits is probable.

Contingent assets are reviewed at each Balance Sheet date.

x. Taxes

Income tax expenses represent the sum of Current Tax and Deferred Tax

Current Income Tax

Current income tax assets and liabilities, including any adjustments of current tax for prior periods, are measured at the amount expected to be recovered from or paid to the taxation authorities in accordance with the Income Tax Act, 1961, using tax rates that have been enacted or substantively enacted by the end of reporting period.

Current income tax relating to items recognised outside the statement profit or loss is recognised outside the statement profit or loss (either in other comprehensive income or in equity).

Current tax assets and current tax liabilities are offset if a legally enforceable right exists to set off the recognized amounts and the company intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Deferred Tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Goods and services tax /value added taxes paid on acquisition of assets or on incurring expenses

Expenses and assets are recognised net of the goods and services tax/value added taxes paid, except:

- When the tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the tax paid is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable
- When receivables and payables are stated with the amount of tax included

The net amount of tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

xi. Retirement And Other Employee Benefits

Defined Contribution Plan

Retirement benefits in the form of provident fund is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the respective fund. The Company recognises contribution payable to the respective fund as an expenditure, when an employee renders the related service.

Defined benefit plan

The Company makes an annual contribution to Gratuity Fund administered by Trustees and managed by LIC. The Company accounts for its liability based on actuarial valuation, as at balance Sheet Date

Leave salary

The Company treats accumulated leave expected to be carried forward beyond twelve months as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided based on the actuarial valuation using the projected unit credit method at the end of each financial year.

xii. Earnings Per Share Basic

Ind AS 33 states that, earnings per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

xiii. Statement of Cash Flows

The Statement of Cash flows are reported, in accordance with Ind AS7, using the indirect method, 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 item 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.

xiv. Accounting policies, Changes in Accounting Estimates & Errors

The preparation of financial statements in conformity with Ind AS 8 requires that the management of the Company makes estimates and assumptions that affect the reported amounts of income and expenses of the period, the reported balances of assets and liabilities and the disclosures relating to contingent liabilities as of the date of the financial statements. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates include useful lives of property, plant and equipment & intangible assets, expected credit loss on loan books, future obligations in respect of retirement benefit plans, fair value measurement etc. Difference, if any, between the actual results and estimates is recognised in the period in which the results are known.

xv. Related party disclosures

All transactions entered by the Company with related parties were in the ordinary course of business and at arm's length pricing basis.

The policy on related party transactions as approved by the Board is provided in the Company's website under the tab Company policies. Transactions with the related parties are disclosed under the head "Related Party Disclosure" as set out in Note 33 to the Financial Statements forming part of Annual report.

xvi. Determination of fair value

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. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

In order to show how fair values have been derived, financial instruments are classified based on a hierarchy of valuation techniques, as summarised below:

- **Level 1 financial instruments** – 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 regards 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 financial instruments** – 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 financial instruments** – Those that include one or more unobservable input that is significant to the measurement as whole.

2E. Key accounting judgements, estimates and assumptions

The preparation of financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions, that affect the application of accounting policies and the reported amounts of assets, liabilities, and the accompanying disclosures, as well as the disclosure of contingent liabilities at the date of these financial statements and the reported amounts of revenues and expenses for the years presented.

Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed at each balance sheet date. Revisions to accounting estimates are recognised in the period in which the estimate is revised and future periods affected.

The application of accounting policies that require critical accounting estimates involving complex and subjective judgments and the use of assumptions in these financial statements are as below:

a. Measurement of Expected Credit Loss
b. Measurement of useful life of Property, Plant & Equipment
c. Estimation of Taxes on Income
d. Estimation of Employee Benefit Expense
e. Effective Interest Rate
f. Provisions and other contingent liabilities

Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Judgements

In the process of applying the Company's accounting policies, management has made the various judgements, which have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

For **P Chandrasekar LLP**
Chartered Accountants
Firm Regn No: 000580S

Sd/-
A. G. Venkatachalam
Managing Director
DIN No: 05289154

Sd/-
C. Thangaraju
Director
DIN No. 00223383

Sd/-
Partner: R Balagurumurthy
Membership No: 024999
UDIN: 26024999JPHYLQ7404
Place: Chennai
Date:07.05.2026

Sd/-
P. Senthil Kumar
Chief Financial Officer

Sd/-
S. Yoganandhan
Company Secretary

NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given that the 19th Annual General Meeting of Repco Micro Finance Limited will be held on Monday, 03rd, August, 2026 at 13.00 Hrs. at the Corporate Office at No. 634, 2nd Floor, Karumuttu Centre, Anna Salai, Nandanam, Chennai-600035 to transact the following business: -

ORDINARY BUSINESS

1. **To receive, consider and adopt the Audited Financial Statement of the company for the Financial Year ended 31st March, 2026, the Reports of Directors' and Auditor's thereon.**
2. **To declare dividend on the equity shares of the Company for the financial year ended 31st March, 2026.**
3. **To appoint a Director in place of Shri. S Rathinasundaram (DIN: 10150583), who retires by rotation and being eligible, offers himself for re-appointment.**
4. **To appoint a Director in place of Shri. C. Thangaraju (DIN: 00223383), who retires by rotation and being eligible, offers himself for re-appointment.**
5. **To fix the Statutory Auditors remuneration for the FY 2026-2027.**

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

RESOLVED THAT pursuant to Section 142 of the Companies Act, 2013, the Rules made thereunder and as recommended by the Audit Committee, the remuneration to M/s. P Chandrasekhar LLP, Chartered Accountants, (Firm Registration No. 000580S), Statutory Auditors of the Company for the year 2026-2027 is Rs. 13,00,000 (Rupees Thirteen Lakh Only) towards statutory audit and Rs. 1,00,000/- (Rupees One lakh Only) towards quarterly review for the quarter ending June' Sep' and December-2026 plus reimbursement of out-of-pocket expenses and applicable taxes and other related services.

RESOLVED FURTHER THAT any of the Directors of the Company be and are hereby severally authorized to sign, execute all such documents and do all such acts, deeds and things which may be necessary to bring into effect the above resolution."

RESOLVED FURTHER THAT Shri. A.G. Venkatachalam, Managing Director (DIN. No. 05289154) of the Company or Company Secretary or Chief Financial Officer of the Company be and is hereby severally authorized to make all filings under the Companies Act, 2013 and all regulatory authorities including certified true copy of the resolution to be given as and when required.

SPECIAL BUSINESS

6. **Appointment of Shri. K Venkatachalam as Independent Director of the Company.**

To consider and if thought fit, to pass with or without modification(s), the following Resolution as an Ordinary Resolution

"**RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, consent of the members be and is hereby given to the appointment of Shri. K Venkatachalam (DIN: 09805830), appointed as Additional Director and subsequently he was appointed as an Independent Director of the Company with effect from 30-07-2025 and who holds office up to the ensuing Annual General Meeting in terms of Section 161 of the Companies Act, 2013 and being qualified for appointment as Independent Director and in respect of whom the Company has received a notice in writing from a member proposing the candidature for the office of Independent Director to hold office for 5 consecutive years for a term from 30-07-2025 to 29-07-2030"

"RESOLVED FURTHER THAT the Board of Directors and/or the Company Secretary of the Company, be and is /are hereby authorized, singly and/or jointly to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient for giving effect to this resolution."

7. Revision in the remuneration ceiling of Shri. A G Venkatachalam, Managing Director & Chief Executive Officer of the Company.

To consider and, if thought fit, to pass with or without modification/s, the following Resolution as an Ordinary Resolution.

RESOLVED THAT pursuant to the provisions of Sections 196, 197, 203 Schedule V and other applicable provisions, if any, of the Companies Act, 2013, and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 ('the Act') and based on the recommendations of Nomination and Remuneration Committee and the Board, approval of the members be and is hereby accorded for the revision in the remuneration ceiling of Shri A.G. Venkatachalam (DIN: 05289154), Managing Director & Chief Executive Officer is given below:

a. Total annual remuneration ceiling is fixed as Rs. 90,00,000 (Rupees Ninety lakh only) (excluding applicable GST).

b. The annual remuneration ceiling is exclusive of applicable tax components for Sodexo meals, the Quarterly Allowance and the Monthly Special Allowance, etc., borne by the company.

c. The contribution to the provident fund, gratuity payable and encashment of leave at the end of the tenure shall not be included in the computation of the ceiling for the aforesaid minimum remuneration.

d. The aforesaid revised remuneration is the ceiling fixed by the company.

e. All other terms and conditions of appointment shall remain the same.

f. The remuneration (towards Pay and allowances) paid by Repco Bank shall be reimbursed by the company and Ex-gratia, Performance Incentives and other benefits shall be paid by the company directly or reimbursed to Repco Bank as per the letter of arrangements issued by the Repco Bank from time to time.

RESOLVED FURTHER THAT a copy of this Resolution duly certified by any of the Directors or Company Secretary of the Company be furnished to anyone concerned or interested in the matter.

By order of the Board,
For **Repco Micro Finance Limited,**

Date: 29-06-2026
Place: Chennai.

A.G. Venkatachalam
MD & CEO
(DIN No. 05289154)

NOTES:-

a) An Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013, relating to Special Business to be transacted at the Meeting are annexed hereto.

b) A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself/herself and the proxy need not be a member. The proxies form should, however, be deposited at the registered office of the company not later than 48 hours before the commencement of the meeting.

c) The dividend, after the declaration, will be paid to those members of the Company, whose names appear on the register of members as at the AGM date.

d) Shareholders desiring any information as regards the accounts are required to write to the company at least seven days in advance of the meeting so that the information, to the extent practicable, can be made available at the meeting.

e) All documents referred to in accompanying Notice and Explanatory statement are open for inspection at the registered/corporate office of the Company during the office hours on all working days except Saturdays/Sundays and holidays between 11.00 A.M. and 1.00 P.M till the date of meeting.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 (1) OF THE COMPANIES ACT, 2013.

Item No. 6.

The Board of Directors of the Company had appointed Shri. K Venkatachalam (DIN: 09805830), as an Additional Director and Independent Director of the Company with effect from 30-07-2025 to 29-07-2030.

In accordance with the provisions of Section 161 of the Companies Act, 2013. Shri. K Venkatachalam (DIN: 09805830) shall hold office up to the date of the forthcoming annual general meeting and is eligible to be appointed as a Director. The Company has received Form DIR-8 from Shri. K Venkatachalam, that he is not disqualified from being appointed as Director, in terms of Section 164 of the Act, he meets the criteria of independence as prescribed under Section 149 (6) of the Companies Act, 2013 and he has met the fit and proper person criteria to be appointed as a Director of the Company as prescribed by the Reserve Bank of India ("RBI").

Brief Profile of the Director Seeking Appointment

A retired General Manager of UCO Bank- Public Sector Bank, having 35+ years of experience with core expertise in Agricultural & Rural Lending, Credit to MSME Sector, Retail Banking, Corporate Credit and also served as a member of various top level management committees and contributed for Bank level policy decisions.

While serving as GM, Audit & Inspection Dept, and as Board Secretary of UCO Bank, he was instrumental in introducing the concept of "Know Your Employee (KYE)" through Offsite Surveillance. He was nominated by the Bank as a Board of Director of Paschim Banga Gramin Bank, having operations in the State of West Bengal.

Post retirement, he served as a Senior Vice President in M/s Sanmar Group for two years.

Presently, he is a Board Member of M/s. Thenpandiyan LPG Import Terminal Pvt. Ltd.

Pecuniary relationship, directly or indirectly, with the Company / relationship with managerial personnel:

Shri. K Venkatachalam has no pecuniary relationship directly or indirectly, with the Company or relationship with any of the managerial personnel of the Company.

Justification for appointment of Shri. K Venkatachalam

The Nomination & Remuneration Committee after taking into account the knowledge, acumen, expertise and experience in the field of Banking and Financial Institution, has recommended to the Board as an Independent Director of the Company.

Accordingly, it is proposed to appoint Shri. K Venkatachalam as an Independent Director of the Company, not liable to retire by rotation and to hold office for a period of 5 (Five) consecutive years.

Requisite Notice from a member under Section 160 of the Companies Act, 2013 ('the Act') proposing the appointment of Shri. K Venkatachalam has been received by the Company.

The letter of appointment of Shri. K Venkatachalam, setting out the terms and conditions of appointment, is being made available for inspection by the members at the registered office of the Company during business hours.

He is not holding any shares in the Company.

Disclosure of Interest:

None of the Directors, Key Managerial Personnel or their relatives are in any way concerned or interested, financially or otherwise, in this resolution other than Shri. K Venkatachalam, as a Director.

The Directors recommend the aforesaid resolution for the approval of the members by way of an Ordinary Resolution.

Item. No.7

Revision in the remuneration ceiling of Shri. A G Venkatachalam, Managing Director and Chief Executive Officer of the Company.

Shri. A G Venkatachalam was appointed as Managing Director of the company for three (3) years from 03-06-2024 by the Nomination and Remuneration Committee and the Board to manage the day-to-day business operations. His appointment was placed in the 17th Annual General Meeting held on 18-09-2024 and approved by the shareholders along with a remuneration ceiling.

The Nomination and Remuneration Committee, in its 24th Meeting held on 07-05-2026, resolved that Shri. A G Venkatachalam has been redesignated as Managing Director and Chief Executive Officer of the Company and the remuneration ceiling of Rs. 80,00,000 (Rupees eighty lakh only) per annum (excluding applicable GST) already approved by the shareholders in the 18th Annual General Meeting requires enhancement. The Nomination and Remuneration Committee recommended enhancing Shri. A G Venkatachalam's remuneration ceiling from Rs. 80,00,000 (Rupees eighty lakh only) per annum (excluding applicable GST) to Rs. 90,00,000 (Rupees Ninety lakh only) per annum (excluding applicable GST) was approved by the Board and recommended to the shareholders for approval.

Except for the revision in the Remuneration ceiling set out in the resolution, all other terms and conditions of remuneration, as approved earlier by the Members at the 17th AGM, remain unchanged and continue to be effective.

Brief Profile of Shri. A.G. Venkatachalam:

Shri. A.G. Venkatachalam aged 58, is the Chief General Manager of Repco Bank and was deputed as Whole Time Director of Repco Micro Finance Limited w.e.f. 01st April, 2021 and also an associate director in Repco Foundation for Micro Credit. He started his career with Repco Bank in the year 1991. He has more than 3 decades of rich experience in banking under various capacities. By qualification, he holds Bachelor Degree in science and law, MBA and also Master's degree in Arts. He has completed Diploma in AML, KYC and Micro Finance and also holds professional Degree of CAIIB.

He has good knowledge in Banking and has worked in different branches.

He had previously served on the Board of our Company for almost 5 years between 2013 and 2017 and under his management, Company had progressed well and micro finance business had grown remarkably. He is also on the Board of Repco Foundation for Micro Credit as director and headed as associate director for the period 2012 to 2017.

Disclosure of Interest:

None of the Directors, Key Managerial Personnel or their relatives are in any way concerned or interested, financially or otherwise in this resolution other than Shri. A.G. Venkatachalam as Managing Director.

The Directors recommend the aforesaid resolution for the approval of the members by way of an Ordinary Resolution.

By order of the Board,
For **Repco Micro Finance Limited,**

Date: 29-06-2026
Place: Chennai.

A.G. Venkatachalam
MD & CEO
(DIN No. 05289154)

ATTENDANCE SLIP

REPCO MICRO FINANCE LIMITED

CIN - U74900TN2007PLCO64126

Registered Office: Repco Tower,
No. 33, North Usman Road,
T. Nagar, Chennai 600 017.

Corporate Office: Karumuttu Centre,
No. 634, 2nd Floor, Anna Salai,
Nandanam, Chennai 600 035.
Ph: (044) - 24310212 .
E-mail: cs@repcomicrofin.co.in,
Website: www.repcomicrofin.co.in

19th ANNUAL GENERAL MEETING

I/We hereby record my/our presence at the 19th Annual General Meeting of the Company held on Monday, the 3rd August, 2026 at 13.00 Hrs., at Corporate Office: No 634, 2nd Floor, Karumuttu Centre, Anna Salai, Chennai- 600 017.

Name of the Shareholder: ————————————————————

Name of the Proxy or Company Representative: ————————————————————

Signature of Shareholder(s) ————————————————————

Proxy or Company's Representative ————————————————————

Notes:

1. A Proxy attending on behalf of Shareholder(s) should write the name of the Shareholder(s) from whom he holds Proxy.
2. Members are requested to bring their copy of the Annual Report to the Meeting as additional Copies of the same will not be made available at the Meeting.

Reg. Folio No.....

No. of shares held.....

PROXY FORM

[Pursuant to Section 105 (6) of the Companies Act, 2013 read with Rule 19 (3) of the Companies (Management and Administration) Rules, 2014]

CIN - U74900TN2007PLCO64126

Registered Office:
Repco Tower,
No. 33, North Usman Road,
T. Nagar, Chennai 600 017.

Corporate Office: Karumuttu Centre,
No. 634, 2nd Floor, Anna Salai,
Nandanam, Chennai 600 035.
Ph: (044) - 24310212 .
E-mail: cs@repcomicrofin.co.in,
Website: www.repcomicrofin.co.in

NINETEENTH ANNUAL GENERAL MEETING

Name of the member(s) : _____

Registered Address : _____

Email id : _____

Folio No. : _____

I/We, being the member(s) of _____ shares of the above named Company, hereby appoint

1. Name: _____
   Address: _____
   Email Id: _____
   Signature: _____, or failing him/her
2. Name: _____
   Address: _____
   Email Id: _____
   Signature: _____, or failing him/her

As my / our proxy to attend and vote (on a poll) for me / us and on my/ our behalf at the Nineteenth Annual General Meeting of the Company, to be held on Monday, 03-08-2026 at 13.00 Hrs at No. 634,2nd Floor Karumuttu Centre, Anna Salai, Chennai and any adjournment thereof in respect of such resolutions as are indicated below:

Sl. No.	Description of Resolution		
	Ordinary Business	**For**	**Against**
1.	To adopt the Audited Financial Statement of the company for the Financial Year ended 31st March, 2026.		
2.	To declare dividend		
3.	To appoint a Director in place of Shri. S Rathinasundaram (DIN: 10150583), who retires by rotation and being eligible, offers himself for re-appointment.		
4.	To appoint a Director in place of Shri. C. Thangaraju (DIN: 00223383), who retires by rotation and being eligible, offers himself for re-appointment.		
5.	To fix the Statutory Auditors remuneration for the FY 2026-2027.		
	Special Business		
6.	Appointment of Shri. K Venkatachalam as Independent Director of the Company.		
7.	Revision in the remuneration ceiling of Shri. A G Venkatachalam, Managing Director & Chief Executive Officer of the Company.		

Signed this..... Day of ....., 2026

Signature of Shareholder: _____ Affix Revenue Stamp

_____

Signature of First Proxy holder

_____

Signature of Second Proxy holder

_____

NOTE:

1. THIS FORM OF PROXY, IN ORDER TO BE EFFECTIVE, SHOULD BE DULY COMPLETED AND DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY, NOT LESS THAN FORTY-EIGHT (48) HOURS BEFORE THE COMMENCEMENT OF THE MEETING.

Route Map of the venue of the 19th Annual General Meeting of the Company

AGM Venue:

REPCO MICRO FINANCE LIMITED,
CORPORATE OFFICE,
No. 634, 2nd Floor,
Karumuttu Centre, Anna Salai,
Nandanam, Chennai-600 035



LIST OF BRANCHES AS ON 31-03-2026

S.No	Branch
1	Adayar
2	Alangulam
3	Ambasamudram
4	Ambattur
5	Arakkonam
6	Aranthangi
7	Ariyalur
8	Attur
9	Avadi
10	Bhuvanagiri
11	Chengalpattu
12	Coimbatore
13	Coonoor
14	Cuddalore
15	Devakottai
16	Dharapuram
17	Dharmapuri
18	Dindigul
19	Ennore
20	Erode
21	Gingee
22	Gobichettipalayam
23	Gudalur
24	Gundlupet
25	Hosur
26	Jayankondam
27	Kalaiyar Kovil
28	Kallakkurichi
29	Kancheepuram
30	Karaikudi
31	Karambakkudi
32	Karur
33	Keeranur
34	Korukkupet

S.No	Branch
35	Kotagiri
36	Kovilpatti
37	Koyambedu
38	Krishnagiri
39	Kudavasal
40	Kulithalai
41	Kumbakonam
42	Madhukur
43	Madurai South
44	Manali
45	Manapparai
46	Mannargudi
47	Marthandam
48	Mayiladuthurai
49	Medavakkam
50	Melur
51	Mettupalayam
52	Musiri
53	Nagapattinam
54	Nagapattinam Town
55	Nagarcoil
56	Namakkal
57	Natham
58	Nellore
59	Ooty
60	Padi
61	Palakkad
62	Palani
63	Palladam
64	Pallavaram
65	Pandalur
66	Paramakudi
67	Pattukottai
68	Peraiyur

S.No	Branch
69	Perambalur
70	Perungudi
71	Pollachi
72	Polur
73	Ponnamaravathi
74	Poonthottam
75	Porur
76	Puducherry
77	Pudukkottai
78	Purasaiwakkam
79	Puzhal
80	Rajapalayam
81	Ramanathapuram
82	Rasipuram
83	Red Hills
84	Royapuram
85	Salem
86	Samayapuram
87	Sankarankovil
88	Sathankulam
89	Sayalgudi
90	Sembanarkoil
91	Sirkali
92	Sivagangai
93	T.Nagar
94	Tambaram
95	Tanjore
96	Tenkasi
97	Thalaivasal
98	Tharamangalam
99	Theni
100	Thirumanur
101	Thiruppur
102	Thiruvallur

S.No	Branch
103	Thiruvannamalai
104	Thiruverumbur
105	Thiruvottiyur
106	Thoothukudi
107	Thudiyalur
108	Thuraiyur
109	Tindivanam
110	Tiruchengode
111	Tirukazhukundram
112	Tirukkovilur

S.No	Branch
113	Tirunelveli
114	Tirupattur
115	Tirupattur - Sivagangai District
116	Tiruvarur
117	Tondiarpet
118	Trichy
119	Ulundurpet
120	Uthukottai
121	Vadipatti

S.No	Branch
122	Vallioor
123	Valparai
124	Vellore
125	Veppur
126	Vilathikulam
127	Villupuram
128	Virudhachalam
129	Virudhunagar
130	Vyasarpadi

STATE/UT'S	No. of Branches
Tamil Nadu	**127**
Puducherry	**1**
Kerala	**1**
Karnataka	**1**
Total	**130**

Regional Office
Chennai
Coimbatore
Trichy
Madurai

Cluster Office
Tanjore

LIST OF SATELLITE CENTRES AS ON 31-03-2026

S. No	Satellite Centre	District
1	Avinasi	Tiruppur
2	Chetpet	Thiruvannamalai
3	Cheyyar	Thiruvannamalai
4	Chinnalapatti	Dindigul
5	Eral	Thoothukudi
6	Iluppur	Pudukottai
7	Kamuthi	Ramanathapuram
8	Kariyapatti	Virudhunagar
9	Kattupudhur	Trichy
10	Kayathar	Tuticorin

S.No	Satellite Centre	District
11	Panruti	Cuddalore
12	Peravurani	Tanjore
13	R.S.Mangalam	Ramanathapuram
14	Sengipatti	Tanjore
15	Sivakasi	Virudhunagar
16	Thanipadi	Thiruvannamalai
17	Thirumangalam	Madurai
18	Usilampatti	Madurai
19	Vandavasi	Thiruvannamalai
20	Vedasandhur	Dindigul



REPCO MICRO FINANCE LIMITED

(Promoted by Repco Bank-Govt.of India Enterprise)