

Real Touch Finance Limited

September 09, 2026

Rating Action

Total Bank Loan Facilities Rated	Rs. 75.00 Crore (Reduced from Rs 100.00 Crore)	Regulator[^]
Long Term Rating	IVR BBB/Stable (Rating Reaffirmed)	RBI
^Kindly note that for activities or instruments falling under the purview of FSRs other than SEBI, the grievance/dispute redressal mechanisms and investor protection mechanisms provided by SEBI shall not be available.		

Refer Annexures for details of facilities/instruments, facility wise lender details, and detailed explanation of covenants.

Note: None of the Directors on Infomerics Board are members of rating committee and thus do not participate in discussion or assignment of any ratings. The Board of Directors also does not discuss any ratings at its meetings.

Rationale

Infomerics has reaffirmed its 'IVR BBB/Stable' ratings to the Rs. 75.00 crore bank loan facilities of Real Touch Finance Limited (RTFL).

Ratings continue to derive strength from healthy asset quality, comfortable capitalisation levels, and experienced promoters. The ratings are, however, partially constrained by declining AUM levels coupled with a geographically concentrated operating presence, unseasoned LAP portfolio and competitive nature of industry.

Outlook: Stable

Infomerics expects the outlook to remain stable, supported by supported by the extensive experience of the promoters and management team, comfortable capitalisation levels, while healthy asset quality.

Analytical Approach

Approach	Comments
Consolidation/ Standalone	Standalone
Parent/ Group Support	Not applicable

Key Rating Drivers with Detailed Description

Strengths

- **Healthy asset quality**

RTFL's asset quality remained healthy, with GNPA and NNPA improving to 0.36% and 0.15% respectively in FY26 (FY25: 1.06% and 0.74%), with PCR of 57.93% in FY26 (FY25: PCR: 30.02%). However, this improvement is primarily attributable to write-offs of Rs. 5.68 crore during the year, and fresh slippages of Rs. 4.05 crore were concentrated in Financial Institution lending exposures. Additionally, RTFL's weighted average collection efficiency for the 12 months ending March 2026 stood at around 98%, while its on-time portfolio was 97.97% as of March 2026. Going forward, RTFL's ability to maintain its asset quality will remain a key rating monitorable considering the strategic shift in its portfolio towards secured lending book.

- **Comfortable Capitalisation levels**

RTFL's capitalization profile remains comfortable, with a capital adequacy ratio of 23.37% as on FY26, compared to 20.66% as on FY25 which is well above the minimum regulatory requirement with the tangible net worth of Rs. 102.08 crore as on FY26. Overall gearing stood at 2.02x as on FY26 compared to FY25: 1.18x, reflecting a moderate increase in leverage on account of borrowings undertaken to fund the company's Rs. 125 crore investment in Security Receipts, which management has indicated is a one-off exposure. Going forward, RTFL's ability to maintain a comfortable capitalization profile while supporting sustained growth in its AUM will remain a key monitorable.

- **Experienced Promoters**

RTFL is supported by the Khivraj Group, with Ultraplus Housing Estate Private Limited (UHEPL) holding 54.12% of its equity. The company is led by its Whole-time Director, Mr. G. Sridharan, who has over 21 years of experience in financial services, supported by an experienced senior management team with expertise in finance, accounting, taxation, compliance, and commercial operations, providing strength to the company's governance and execution capabilities.

Weaknesses

- **Declining AUM levels coupled with a geographically concentrated operating presence**

RTFL's total AUM declined to Rs. 192.48 crore in FY26 from Rs. 227.54 crore in FY25, despite disbursements of Rs. 238.27 crore during the year, reflecting the deliberate wind-down of the FI Lending book. Geographical concentration has also increased, with Tamil Nadu's share rising to 71.47% of AUM in FY26 (FY25: 42.56%), as the company's focused LAP strategy remains centred on Chennai, Coimbatore and Trichy. Going forward, RTFL's ability to diversify regionally and scale AUM while maintaining asset quality will remain a key monitorable.

- **Unseasoned LAP Portfolio**

RTFL's portfolio has rapidly shifted towards LAP financing to real estate developers, which accounted for 50.00% of AUM in FY26 (FY25: 13.59%), while FI Lending declined to 24.57% (FY25: 49.95%). Although asset-backed lending offers better recoverability than the earlier unsecured FI Lending book, the LAP portfolio remains exposed to real estate cyclicalities, project execution risks and developer-level credit events, with limited demonstrated performance through a full credit cycle. Early GNPA of Rs. 0.25 crore as of FY26. Going forward, asset quality, portfolio seasoning, developer concentration and rising ticket sizes in the LAP segment will remain key monitorable.

- **Competitive nature of industry**

RTFL is exposed to intense competition within the financial services sector, often contending with traditional banks as well as emerging fintech companies vying for market share and customer loyalty. Additionally, NBFCs in India are highly susceptible to changes in the regulatory environment. Government policies, regulatory reforms, and compliance requirements can directly impact their operations, liquidity management, and profitability. Therefore, navigating these competitive pressures and regulatory dynamics is crucial for RTFL's to sustain growth and maintain stability.

Liquidity –Adequate

Considering its scale of operations, RTFL's total CRAR remains adequate at total CRAR of 23.37% as on March 31, 2026 which is well above the minimum regulatory requirement. Also, as on March

31, 2026 company's ALM has no negative cumulative mismatch across all buckets. Moreover, cash and cash equivalents stood at a healthy Rs. 3.36 crore as on March 31, 2026.

Rating Sensitivities

Upward Factors

- Substantial & sustained scaling up of its operations while maintaining healthy asset quality, profitability, capitalisation, and liquidity of the company.

Downward Factors

- Substantial degrowth in the scale of operations and/or deterioration in asset quality and profitability of the company from the current levels.
- Significant decline in capitalization levels

About the Company

Real Touch Finance Limited (RTFL) is a Non-Banking Financial Company (NBFC) with over 20 years of experience in providing financial solutions. RTFL is supported by Khivraj Group— a business conglomerate primarily involved in automobile dealerships and real estate. RTFL, a publicly listed NBFC established in 1997, has its registered office in Howrah, West Bengal, and corporate headquarters in Chennai. Provides financial solutions, the company operates nine branches in Tamil Nadu.

Key Financial Indicators (Standalone):

For the year ended* / As on	31-03-2025	31-03-2026
	Audited	Audited
Total Operating Income	28.87	40.45
PAT	4.61	5.19
Tangible Net worth	97.05	102.08
Total Asset	229.63	320.84
Ratios		
NIM (%)	7.00	9.22
ROTA (%)	2.33	1.96
Total CAR (%)	20.66%	23.37%
Gross NPA [Stage III] (%)	1.06%	0.36%
Net NPA [Stage III] (%)	0.74%	0.15%

*Classification as per Infomerics' standards; Amount in Rs. Crore; Source: Company

Applicable Criteria

[Rating Methodology for Financial Institutions/NBFCs](#)

[Financial Ratios & Interpretation \(Financial Sector\)](#)

[Criteria for assigning Rating outlook.](#)

[Policy on Default Recognition](#)

[Complexity Level of Rated Instruments/Facilities](#)

[Policy on Withdrawal of Ratings](#)

Status of non-cooperation with previous CRA: None

Any other information: Not Applicable

Rating History for last three years

Sr. No.	Instruments/Facilities	Current Ratings (Year 2026-27)			Rating History for the past 3 years		
		Type (Long Term/Short Term)	Amount outstanding (Rs. Crore)	Rating	Date(s) & Rating(s) assigned in 2025-26	Date(s) & Rating(s) assigned in 2024-25	Date(s) & Rating(s) assigned in 2023-24
					July 16, 2025	--	--
1.	Fund based facilities	LT	75.00	IVR BBB/Stable	IVR BBB/Stable	--	--

Annexure 1: Instrument/Facility Details

Name of Facility / Security	ISIN	Date of Issuance	Coupon Rate/IRR	Maturity Date	Size of Facility (Rs. Crore)	Rating Assigned/Outlook	Listing Status	Regulator [^]	Complexity Indicator
Term Loan	NA	NA	NA	--	0.00* (Reduced from 3.62)	Withdrawn	NA	RBI	Simple
Term Loan	NA	NA	NA	26-Jun-27	2.37	IVR BBB/Stable	NA	RBI	Simple
Term Loan	NA	NA	NA	31-Aug-27	1.80	IVR BBB/Stable	NA	RBI	Simple
Term Loan	NA	NA	NA	14-Mar-29	5.61	IVR BBB/Stable	NA	RBI	Simple
Term Loan	NA	NA	NA	31-Mar-30	11.32	IVR BBB/Stable	NA	RBI	Simple



Name of Facility / Security	ISIN	Date of Issuance	Coupon Rate/ IRR	Maturity Date	Size of Facility (Rs. Crore)	Rating Assigned/ Outlook	Listing Status	Regulator [^]	<u>Complexity Indicator</u>
Term Loan	NA	NA	NA	24-Oct-27	9.83	IVR BBB/Stable	NA	RBI	Simple
Term Loan	NA	NA	NA	31-Mar-29	13.16	IVR BBB/Stable	NA	RBI	Simple
Term Loan	NA	NA	NA	31-Aug-29	10.00	IVR BBB/Stable	NA	RBI	Simple
Term Loan	NA	NA	NA	--	20.91	IVR BBB/Stable	NA	RBI	Simple

[^]Kindly note that for activities or instruments falling under the purview of FSRs other than SEBI, the grievance/dispute redressal mechanisms and investor protection mechanisms provided by SEBI shall not be available.

**The rating assigned to term loan availed from state bank of India has been withdrawn at the request of company as the term loans are being fully repaid and the company have shared the 'No Due Certificate' issued from the bank. The withdrawal of the rating is in line with Infomerics' policy of Withdrawal of the rating'*

Annexure 2: Facility wise lender details:

https://infomericsstorage.blob.core.windows.net/uploads/Len Real Touch Finan09 Sep26_ab0dcb8250.pdf

Annexure 3: Detailed explanation of covenants of the rated Security/facilities: None

Annexure 4: List of companies considered for Consolidated: Not applicable

Annexure 5: List of activities / instruments and names of regulators

Sr. No.	Instrument / activity Name	Regulator of the instruments
1	Listed/Proposed to be listed bonds/debentures/preference share (all securities)	SEBI
2	Unlisted/Proposed to be unlisted Bonds/Debentures/ Preference share (all securities)	MCA
3	Listed PTCs / Securitisation Notes (originated by entities regulated by RBI)* \$	RBI
4	Listed PTCs / Securitisation Notes (originated by entities not regulated by RBI)*	SEBI
5	Unlisted PTCs / Securitisation Notes (originated by entities regulated by RBI)*	RBI
6	Listed Commercial Paper and NCDs with original maturity less than 1 year	RBI
7	Unlisted Commercial Paper and NCDs with original maturity less than 1 year	RBI
8	Loan Facilities (Fund/Non-Fund Based) from Bank/NBFCs/NHB/FIs [^]	RBI
9	External Commercial Borrowings and other similar borrowings	RBI
10	Certificates of Deposit	RBI

Sr. No.	Instrument / activity Name	Regulator of the instruments
11a	Fixed Deposits raised by NBFCs, HFCs, FIs	RBI
11b	Fixed Deposits raised by Banks	+
12	Fixed Deposits raised by corporates other than NBFCs, Banks, HFCs, FIs	MCA
13	Inter Corporate Deposits/Loans extended by Corporates	MCA
14	Borrowing programme ~	-
15	Issuer Ratings #	-
16	Credit Ratings for Capital Protection Oriented Schemes (by Mutual Funds and AIFs)	SEBI
17	Credit quality ratings (CQRs) for Mutual Fund Schemes and Schemes of AIFs	SEBI
18	Listed Security Receipts \$	RBI
19	Unlisted Security Receipts	RBI
20	Independent Credit Evaluation (ICE)	RBI
21	Expected Loss Ratings (for Loan Facilities (Fund/Non-Fund Based) from Bank/NBFCs/NHB/Fis)	+
22	Expected Loss Ratings (Listed/Proposed to be listed bonds/debentures/preference share (all securities))	SEBI
23	Expected Loss Ratings (Unlisted/Proposed to be unlisted Bonds/Debentures/Preference share (all securities))	MCA
24	Unlisted PTCs / Securitisation Notes (originated by entities not regulated by RBI) *	Investor-side regulator such as IRDAI, PFRDA @

Footnotes:

* Includes securitisation transactions involving assignee payout, acquirer's payout.

~ The rated instrument may involve issuance of different instruments such as debt securities (listed or otherwise), bank loans, commercial paper (listed or otherwise), etc. The regulator of the instrument may accordingly be SEBI, RBI or MCA and can only be determined upon issuance. In PRs subsequent to issuance(s), Infomerics Valuation and Rating Limited shall separately capture the rated quantum details along with names of respective regulators.

^ Includes bank facilities such as liquidity facility, second loss facility that are part of securitisation transactions.

There is no instrument being rated and hence, Regulator of the Instrument is not applicable. The rating scale and definitions are being followed as stipulated in SEBI Master Circular for CRAs.

@ These ratings were assigned during regulatory regime prior to introduction of SEBI CRA Circular dated Feb 10, 2026 and the investor side regulators have accordingly been included.

\$ By virtue of the instrument being listed, SEBI acts as the regulator for listing and related issues.

+ To be finalized following a discussion with the regulatory authorities.

Note: For activities or instruments falling under the purview of FSRs other than SEBI, the grievance/dispute redressal mechanisms and investor protection mechanisms provided by SEBI shall not be available

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For more information and definitions of ratings, please visit www.infomerics.com.

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