

RAR FINCARE LIMITED

Regd. Office :

New No.33, Old No.8, Venkatesan Street,
T.Nagar, Chennai - 600 017. Tamil Nadu, India.
Phone : 044 - 2435 6505



BOARD'S REPORT

Dear Members,

RAR FINCARE LIMITED

Chennai - 600017

Your Directors have pleasure in presenting the 4th (Fourth) Annual Report together with the Audited Accounts of the Company for the financial year ended 31st March, 2023.

1. FINANCIAL SUMMARY/ HIGHLIGHTS

(Rule 8 (5) (i) of the Companies (Accounts) Rules, 2014)

(Rs. in Lakhs)

PARTICULARS	For the Year ended 31.03.2023	For the Year ended 31.03.2022
Revenue from Operations	577.06	16.92
Other income	15.90	8.13
Total Revenue	592.96	25.05
Less: Total Expenses (including depreciation)	281.63	86.46
Profit / (Loss) Before Exceptional items and Tax	311.33	(61.41)
Exceptional items	-	-
Profit / (Loss) Before Tax	311.33	(61.41)
Tax Expenses:		
Current Tax	83.44	-
Deferred Tax	1.80	(14.98)
Profit / (Loss) after tax	226.10	(46.44)
Dividend (including Interim if any and final)	-	-
Balance in P&L Account as at year beginning	(113.03)	(66.59)
Balance in P&L Account as at year closing	67.85	(113.03)
Earnings per share (Basic & Diluted)	0.53	(0.87)

2. A) REVIEW OF BUSINESS OPERATIONS AND FUTURE PROSPECTUS

(Rule 8(5) (i) of the Companies (Accounts) Rules, 2014)

The Company is registered with Reserve Bank of India as a Non-Deposit taking, Non-Systemically Important, Non-Banking Financial Company (NBFC-ND-NSI), headquartered in Chennai, Tamil Nadu. The Company has pioneered innovative lending models that finance requirements, through the following products:

- I. Onward lending Loans
- II. Business Loans (Secured/Unsecured)
- III. Personal Loans(Secured/Unsecured)

The Company has been operational since February 2021. During last financial year, the Company has successfully scaled up its business operations.

3. STATE OF AFFAIRS OF THE COMPANY - (Sec 134 (3)(i) of the Companies Act, 2013)

During the year under review, the Company has registered an operating profit of Rs. 311.33 lakhs, as against the operating loss of Rs. 61.41 Lakhs during the previous year. During the year, the Company continues in line with the business plan approved by the Board of Directors.

CORPORATE DEVELOPMENTS

- **Share Capital:** During the year, the Company has increased its authorized capital of the Company and the Authorized Capital as at 31st March, 2023 stands at Rs. 135.00 Crores divided into 13,50,00,000 Equity Shares of Rs. 10/- each.
- **Debt:** During the year, the Company remains debt free as at the close of the financial year under review.
- **Asset Quality:** Risk assessment of customers is made at the time of initial appraisal for pricing and granting loans. The Company also makes a portfolio risk analysis at frequent intervals with its stringent review mechanism. The business had also undertaken a conservative underwriting approach to preserve asset quality during the past year.

- **Transfer to Reserves:** As per Section 45-IC of the Reserve Bank of India Act, 1934, every non-banking financial Company shall create a reserve fund and transfer therein a sum not less than twenty per cent of its net profit every year as disclosed in the Statement of Profit and Loss and before any dividend is declared. Accordingly, the Company has transferred an amount of Rs. 45.23 Lakhs in accordance with Section 45-IC of Reserve Bank of India Act, 1934.
- **Dividend:** Your Directors have not recommended any dividend for the year under review with a view to conserve resources.
- **Extract of Annual Return:** As per the Notification No. 1066(E) issued by the Ministry of Corporate Affairs effective on 5th March, 2021 empowering the provisions of the Companies (Amendment) Act, 2017, the requirement of extract of Annual Return pursuant to provisions of Section 92 read with Rule 12 of the Companies (Management and Administration) Rules, 2014 is not being attached. A copy of the Annual Return in Form MGT-7 for FY 2022 - 2023 is made available in the official website of the Company under the below link: www.rarfincare.in after conclusion of the 4th Annual General Meeting.

4. CHANGE(S) IN THE NATURE OF BUSINESS, IF ANY - (Rule 8(5) (ii) of the Companies (Accounts) Rules, 2014)

There were no changes in the nature of business of the Company during the financial year 2022 – 2023.

5. CHANGES IN DIRECTORS AND KEY MANAGERIAL PERSONNEL (Rule 8(5)(iii) of the Companies (Accounts) Rules, 2014)

During the year in purview, the Board of Directors was duly constituted.

As on report date, the Directors and Key managerial Personnel on the Board were as follows:

Sl. No.	Name of Director	DIN/PAN	Designation	Date of Appointment
1.	Mr. Rajendran Govindarajulu	02063138	Director	09/07/2019
2.	Mr. Ananthapadmanabhan Rajendran Govindarajulu	01485010	Director	09/07/2019
3.	Mr. Radhakrishnan Rajendran Govindarajulu	01711654	Director	09/07/2019
4.	Mr. K Parthasarathy	08741210	Independent Director	15/05/2020
5.	Mr. R Parthasarathy	02354224	Independent Director	09/05/2022
6.	Mr. Meenakshisundaram Ramanathan	07902382	Independent Director	07/10/2022
7.	Mr. Venkatasubramanian Ramanathan	AABPV9781C	CEO	27/08/2021
8.	Mrs. J Anuradha (*)	AGOPJ9610M	CFO	22/04/2022
9.	Mr. Rajanikanta Senapati	EFXPS3887H	CS	25/04/2022

There have been changes in the constitution of the Board during the period under review as mentioned in the Table above.

(*) Mrs J Anuradha resigned on 07/06/2023 and ceased to be CFO of the Company.

Reappointment of Retiring Director

As per Article 58 of the Articles of Association of the Company, Mr Govindarajulu Rajendran, Director (DIN: 02063138) is liable to retire by rotation and being eligible offers himself for reappointment at the ensuing AGM under Item no. 2 of the notice calling such meeting. The Directors of the Company have confirmed that they are not disqualified under Section 164(2) of the Companies Act, 2013, as per the declaration given by the Directors of the Company for the financial years 2022 - 2023 and 2023 - 2024.

6. A) NUMBER OF BOARD MEETINGS CONDUCTED DURING THE YEAR UNDER REVIEW (Section 134 (3)(b) of the Companies Act, 2013)

The Board of Directors of the Company duly met 5 times in the manner as tabulated below and the Directors who were present for the meeting are as under:

Sl. No	Name of the Directors	Attendance at Board Meetings during FY 2022 - 23		Dates of the Meeting				
				22.04.22	25.05.22	24.09.22	14.11.22	02.03.23
		No.of Meetings	%					
1.	Mr. Rajendran Govindarajulu	5	100	Yes	Yes	Yes	Yes	Yes
2.	Mr. Ananthapadman abhan Rajendran Govindarajulu	5	100	Yes	Yes	Yes	Yes	Yes
3.	Mr. Radhakrishnan Rajendran Govindarajulu	5	100	Yes	Yes	Yes	Yes	Yes
4.	Mr. K Parthasarathy	3	60	No	No	Yes	Yes	Yes
5.	Mr. R Parthasarathy (*)	4	80	NA	Yes	Yes	Yes	Yes
6.	Mr. Meenakshisundaram Ramanathan (**)	2	40	NA	NA	NA	Yes	Yes

(*) Mr R Parthasarathy, appointed as an Independent Director of the Company from 09.05.22.

(**) Mr Meenakshisundaram appointed as an Independent Director of the Company from 07.10.22

B) AGM / EGM

During the year the Annual General Meeting (AGM) of the Company held on 05.08.2022 and Extraordinary General Meeting (EGM) were held on 09.05.2022, 07.10.2022 and 27.03.2023.

All Members of the Company were present to the above meetings.

7. DEPOSITS – (Rule 8(5) (v) of the Companies (Accounts) Rules, 2014)

The Company is registered with Reserve Bank of India as a Non-Deposit Accepting Non-Banking Financial Company. During the period under review, the Company has not accepted any deposits from the public.

8. EXPLANATION OR COMMENTS ON QUALIFICATIONS, RESERVATIONS OR ADVERSE REMARKS OR DISCLAIMERS MADE BY THE AUDITORS AND THE PRACTICING COMPANY SECRETARY IN THEIR REPORTS – (Section 134 (3)(f) of the Companies Act, 2013)

The Statutory Auditors, M/s. M Srinivasan & Associates, Chartered Accountant, Chennai, (Firm Registration No.004050S) have not made any qualification, reservation, adverse remark or disclaimer in their report for the Financial Year ended 31st March 2023.

The Secretarial Auditor Mrs Anisha Suhena, Practicing Company Secretary (Membership No.17321), Chennai have made the following Qualification, in the Secretarial Auditor report for the Financial Year ended 31st March 2023.

As on 31st March, 2023, the Company has not duly updated the details of its customers on the CKYC portal.

Directors' Comments:

This is majorly because of the technical difficulties that the Company has been facing during the login process on the official website of the CKYC updation. Due to this technical error, we are unable to login to the portal. Effective steps are being taken from the management for rectifying this technical issue along with the support and technical guidance of the CKYC technical team. The Board is confident that the Company will overcome this technical issue at the earliest and update the CKYC of the customers on the CKYC portal at the earliest.

9. STATUTORY AUDITORS

M/s. M Srinivasan & Associates, Chartered Accountant, Chennai, (Firm Registration No.004050S) were appointed as the Statutory Auditors of the Company at the AGM held on 5th August, 2022 for a period of five years, until the conclusion of the AGM to be held in the year 2026.

10. SHARE CAPITAL, DEBENTURES AND CHANGES DURING THE FINANCIAL YEAR

As on 31st March 2023, the Authorised Share Capital of the Company stood at Rs. 135.00 Crores divided into 13,50,00,000 Equity Shares of Rs.10/- each and the Issued, Subscribed and Paid-up Share Capital of the Company stood at Rs.74,75,00,000 divided into 7,47,50,000 Equity Shares of Rs.10/- each.

- The Company has not issued any equity shares with differential rights as to dividend, voting or otherwise during the year under review. However, during the year under review, the following changes in Equity by way of allotment of shares has taken place:

S. No	Nature of changes in Equity	Date of Changes	Details of Allotment	Paid up Capital after allotment (Amt in Rs.)
1	Rights Issue	22.04.2022	Rs. 8,00,00,000 divided into 80,00,000 Equity Shares of Rs. 10/- each	21,75,00,000
2	Rights Issue	25/05/2022	Rs. 3,00,00,000 divided into 30,00,000 Equity Shares of Rs. 10/- each	24,75,00,000
3	Rights Issue	21/07/2022	Rs. 10,00,00,000 divided into 1,00,00,000 Equity Shares of Rs. 10/- each	34,75,00,000
4	Rights Issue	17/09/2022	Rs. 10,00,00,000 divided into 1,00,00,000 Equity Shares of Rs. 10/- each	44,75,00,000
5	Rights Issue	15/11/2022	Rs. 10,00,00,000 divided into 1,00,00,000 Equity Shares of Rs. 10/- each	54,75,00,000
6	Rights Issue	06/01/2023	Rs. 10,00,00,000 divided into 1,00,00,000 Equity Shares of Rs. 10/- each	64,75,00,000
7	Rights Issue	20/03/2023	Rs. 10,00,00,000 divided into 1,00,00,000 Equity Shares of Rs. 10/- each	74,75,00,000

- The Company has not bought back any of its securities during the year under review.
- The Company has not issued any Sweat Equity Shares during the year under review.
- No Bonus Shares were issued during the year under review.
- The Company has not provided any Stock Option Scheme to the employees.
- There were no Shares having voting rights not exercised directly by the employees and for the purchase of which or subscription to which loan was given by the Company.

- Your Company has not issued any securities that are convertible into equity shares at a future date and nor any such shares are outstanding previously.
- As on 31st March 2023, none of the Directors of the Company held instruments convertible into equity shares of the Company.
- The Company has dematerialized all its shares and holds its Equity securities in Demat Form only.

11. NAMES OF COMPANIES WHICH HAS CEASED TO BE SUBSIDIARIES/ ASSOCIATES/ JOINT VENTURES – (Rule 5(iv) of the Companies (Accounts) Rules, 2014).

During the period under review, the Company is a neither a Holding Company nor a Subsidiary Company / Associate of any other Company.

12. RISK MANAGEMENT POLICY

The Company has a well-established internal financial control and risk management framework to ensure the highest standards of integrity and transparency in its operations and a strong corporate governance structure.

The Company has a comprehensive Risk Management Policy in place and has laid down a well-defined risk management framework to identify, assess and monitor risks and strengthen controls to mitigate risks. The Company has established procedures to periodically place before the Risk Management Committee and the Board of Directors, the risk assessment and minimisation procedures being followed by the Company and steps taken by it to mitigate these risks.

The Risk Management Policy, inter alia, includes identification therein of elements of risk, including Cyber Security and related risks as well as those risks which in the opinion of the Board may threaten the existence of the Company. The Risk management process has been established across the Company and is designed to identify, assess and frame a response to threats that affect the achievement of its objectives.

The Risk Management Committee (RMC) was formed in the Board Meeting held on 22.04.22. The Composition of the Risk Management Committee is as follows:

Name of the Members of the Risk Management Committee
1. Mr G R Ananthapadmanabhan, Director
2. Mr G R Radhakrishnan, Director
3. Mr K Parthasarathy, Independent Director
4. Mr R Parthasarathy, Director

13. CAPITAL ADEQUACY:

Your Company is adequately capitalized and has a capital adequacy ratio which is well above the limit prescribed by RBI

14. PARTICULARS OF CONTRACTS OR ARRANGEMENTS MADE WITH RELATED PARTIES (Section 188(2) & Section 134 (3) (h) of the Companies Act, 2013)

All related party transactions that were entered into during the Financial Year were on an arm's length basis and were in the ordinary course of business. There no were materially significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel, or other designated persons and subsidiaries which may have a potential conflict with the interest of the Company at large. Suitable disclosure as required by the Indian Accounting Standards (IND AS-24) has been made in the notes to the Financial Statements.

The particulars of contracts or arrangements with related parties referred to in Sub-Section (1) of Section 188 is prepared in Form No. AOC-2 pursuant to clause (h) of sub-section (3) of Section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014 and the same is enclosed as **Annexure - 1** to this Report.

15. STATEMENT ON DECLARATION GIVEN BY INDEPENDENT DIRECTORS (Section 134 (3)(d) of the Companies Act, 2013)

The declaration from all the Independent Director of the Company has been received and duly taken note of in accordance with the provisions of Section 149(6 & 7) of the Companies Act, 2013.

16. COMPANY'S POLICY RELATING TO DIRECTORS APPOINTMENT, PAYMENT OF REMUNERATION AND DISCHARGE OF THEIR DUTIES – (Section 134 (3) (e) of the Companies Act,2013)

As your Company has crossed the threshold limit of Rs. 10 Crores paid up capital, the Company is required to satisfy the criteria specified under Rule 4 of Companies (Appointment and Qualification of Directors) Rules, 2014, the provisions of Section 178(1) relating to constitution of Nomination & Remuneration Committee.

In this regard, the Nomination and Remuneration Committee (NRC) was formed in the Board Meeting held on 22.04.22. The Composition of the Nomination and Remuneration Committee and attendance of the members at Committee meetings are as follows:

Name of the Member	Position held in NRC	No. of NRC Meetings attended	NRC meeting date
Mr R Parthasarathy, Independent Director	Chairman of NRC	1	02.03.2023
Mr K Parthasarathy, Independent Director	Member of NRC	1	
Mr G R Ananthapadmanabhan, Director	Member of NRC	1	

The Policy on Appointment and Remuneration of Directors and Key Managerial Personnel can be found on the Link www.rarfincare.in . During the period under review, there were no changes in the policy.

17. DISCLOSURE OF COMPOSITION OF AUDIT COMMITTEE AND PROVIDING VIGIL MECHANISM – Sec 177

As your Company has crossed the threshold limit of Rs. 10 Crores paid up capital, the Company is required to satisfy the criteria specified under the provisions of Section 177 of the Companies Act, 2013 read with Rule 6 and 7 of the Companies (*Meetings of Board and its Powers*) Rules, 2014.

In this regard, the In this regard, the Audit Committee was formed in the Board Meeting held on 22.04.22. The Composition of the Audit Committee and attendance of the members at Committee meetings are as follows:

Name of the Member	Position held in Audit Committee	No. of Audit Committee Meetings attended	Audit Committee meeting dates
Mr K Parthasarathy, Independent Director	Chairman of Audit Committee	2	25.05.22 14.10.22
Mr G R Ananthapadmanabhan, Director	Member of Audit Committee	2	
Mr R Parthasarathy, Independent Director	Member of Audit Committee	2	

18. CREDIT COMMITTEE

The Credit Committee was formed in the Board Meeting held on 22.04.22. The Composition of the Credit Committee and attendance of the members at Committee meetings are as follows:

Name of the Members of the Credit Committee	
1.	Mr G Rajendran , Director
2.	Mr G R Radhakrishnan, Director
3.	Mr K Parthasarathy, Independent Director
4.	Mr R Parthasarathy, Director

19. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO – (Section 134 (3) (m) of the Companies Act, 2013)

The information on Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo stipulated under Section 134(3) of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014 are under:

a. Conservation of energy:

(i)	the steps taken or impact on conservation of energy	Energy consumptions are minimal and optimized. Despite being in a Service Sector, where energy consumption is minimum the Company is making all possible efforts to keep the energy consumption at optimum levels.
(ii)	the steps taken by the company for utilizing alternate sources of energy.	
(iii)	the capital investment on energy conservation equipment's	

Technology absorption:

(i)	the effort made towards technology absorption	Since the Company is primarily in the Service Sector, there is absence of technology absorption involved.
(ii)	the benefits derived like product improvement cost reduction product development or import substitution	
(iii)	in case of imported technology (<i>imported during the last three years reckoned from the beginning of the financial year</i>)	N/A
	(a) the details of technology imported	
	(b) the year of import;	
	(c) whether the technology been fully absorbed	

	(d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof	
(iv)	the expenditure incurred on Research and Development	N/A

b. Foreign exchange earnings and outgo:

(Amount in Rs. Lakhs)

Particulars	Financial Year ended 31/MAR/2023	Financial Year ended 31/MAR/2022
Foreign Exchange Earnings	-	-
Foreign Exchange Outgo	-	-

20. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS – (Rule 8(5)(vii) of the Companies (Accounts) Rules, 2014)

There were no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and Company's operations in future.

21. ADEQUACY OF INTERNAL FINANCIAL CONTROL SYSTEM WITH REFERENCE TO FINANCIAL STATEMENTS – (Rule 8(5)(viii) of the Companies (Accounts) Rules, 2014)

The Management is responsible for establishing & maintaining internal controls for financial reporting. The Statutory Auditors have evaluated the system of internal controls of the Company and also reviewed their effectiveness and have reported that the same are adequate & commensurate with the size of the Company and the nature of its business. They have also reviewed the internal controls pertaining to financial reporting of the Company to ensure Financial Statements of the Company present a true and fair view of the state of affairs of the Company.

In addition, your Auditors in their report have also opined that your Company has in all material respects adequate internal financial control systems over financial reporting and such internal financial controls over the financial reporting were operating effectively as at 31st March, 2023.

22. DETAILS IN RESPECT OF FRAUDS REPORTED BY THE AUDITORS – (Section 134 (3) (ca) of the Companies Act, 2013)

There is no fraud in the Company during the financial year ended 31st March, 2023. This is also being supported by the report of the Statutory Auditors of your Company as no fraud has been reported in their audit report for the financial year ended 31st March, 2023 which are neither reportable to the Central Government nor otherwise.

23. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS MADE UNDER SECTION 186 OF THE COMPANIES ACT, 2013 – (Section 134 (3) (g) of the Companies Act, 2013)

As on the date of this report, the Company is a Non-Banking Financial Company and the requirements under Section 186 of the Companies Act, 2013 relating to Loans, Guarantees or Investments are not applicable to the Company.

24. PARTICULARS OF EMPLOYEES:

There was no employee drawing remuneration in excess of limits prescribed under the Companies Act, 2013 read along with the applicable Rules and provisions made thereunder.

25. DIRECTORS RESPONSIBILITY STATEMENT – (Section 134 (3) (c) of the Companies Act, 2013)

Your Directors' confirm:

- a) that in the preparation of the Annual Accounts, the applicable Accounting Standards has been followed along with proper explanation in relation to material departures.
- b) that 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 the profit of the Company for that year.
- c) that the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- d) that the Directors have prepared the Annual Accounts on a Going Concern Basis.
- e) 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.

26. DETAILS OF POLICY DEVELOPED AND IMPLEMENTED BY THE COMPANY ON ITS CORPORATE SOCIAL RESPONSIBILITY INITIATIVES – (Section 134 (3)(o) of the Companies Act, 2013)

The Company is not required to undertake any Corporate Social Responsibilities under the provisions of the Companies Act, 2013. Since the company does not comes under the threshold limit as specified under the provisions of the Companies Act, 2013.

27. CONSTITUTION OF INTERNAL COMPLAINTS COMMITTEE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE – (Rule 8(5)(x) of the Companies (Accounts) Rules, 2014)

The Company is committed to provide and promote a safe and healthy work environment for all its employees. The Company has zero tolerance towards sexual harassment at the workplace.

The Board in its Meeting held on 24.09.2022 approved the Policy on Sexual Harassment of Women at Workplace in line with the requirement of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013.

28. ACKNOWLEDGEMENT:

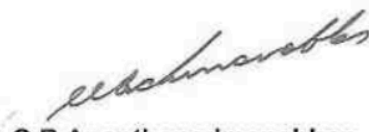
Your Directors take this opportunity in placing on record the valuable contribution and continued support received from the Customers, Investors, Bankers, Lenders, Business Associates and the Shareholders. The Directors also whole-heartedly recognize, acknowledge and commend the dedication and commitment of the Team. The Directors are also grateful to the Company's stakeholders and partners including its lawyers, valuers, professional consultants and all the vendors/ suppliers, for their consistent and constant support. The Chairman would also like to thank all his colleagues in the Board for their support and encouragement.

Place: Chennai

Date: 21.08.2023

By order of the Board
For M/s. RAR Fincare Limited


G Rajendran
Director
DIN: 02063138


G R Ananthapadmanabhan
Director
DIN: 01485010


G R Radhakrishnan
Director
DIN: 01711654

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF
RAR Fincare Ltd.

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of RAR Fincare Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2023, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and notes to financial statements including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, and its profits, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the 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 financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Reporting of key audit matters as per SA 701, Key Audit Matters are not applicable to the Company as it is an unlisted company.



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

The Company's Board of Directors is responsible for the preparation of 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 Report, Corporate Governance and Shareholder's Information, but does not include the financial statements and our auditor's report thereon.

Our opinion on the 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 financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the 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.

Management's Responsibility for the 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 financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are responsible for overseeing the Company's financial reporting process.



Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by 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 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.



Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the 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 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 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 the Companies (Auditors' Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in "Annexure A", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
- 2) As required by Section 143(3) of the Act, we report that
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flows and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.



M. Srinivasan & Associates Chartered Accountants

- d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act read with relevant rules issued thereunder;
- e) On the basis of written representations received from the directors as on 31st March, 2023, and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2023 from being appointed as a director in terms of Section 164 (2) of the Act;
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, we give our separate Report in "Annexure B".
- g) In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid/ provided by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company does not have any pending litigations which would impact its financial position.
 - ii. The Company has made provision, as required under the applicable law or Ind AS, for material foreseeable losses, if any, on long-term contracts
 - iii. There has been no delay in transferring amounts, 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 belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

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



M. Srinivasan & Associates Chartered Accountants

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) Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 requires maintaining books Of account using accounting software which has a feature of recording audit trail (edit log) Facility is applicable to the Company with effect from April 1, 2023, and accordingly, Reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not Applicable for the financial year ended March 31, 2023.

Date: 27/05/2023
Place: Chennai
UDIN: 23022959BGPWYL6152



For M. SRINIVASAN & ASSOCIATES
Chartered Accountants
FRN 004050S

A handwritten signature in black ink, appearing to be "M. Srinivasan".

M. SRINIVASAN
Partner
M.No. 022959

ANNEXURE A

Referred to in paragraph 1 under 'Report on other Legal and Regulatory Requirements' of our report of even date

- 1) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets;
 - (b) Property, Plant and Equipment have been physically verified by the management at reasonable intervals during the year and no material discrepancies were identified on such verification.
 - (c) According to the information and explanations given to us, there are no immovable properties, and accordingly, the requirements under paragraph 3(i)(c) of the Order are not applicable to the Company.
 - (d) The Company has not done any revaluation to its PPE or intangibles during the current year.
 - (e) No proceedings have been initiated during the year or are pending against the company as at 31st March 2023 for holding any benami property under Benami Transactions (Prohibition) Act, 1988 and rules thereon
- 2) (a) The Company is in the business of providing loans and does not have any physical inventories. Accordingly, the provision of clause 3(ii)(a) of the Order is not applicable to it.
 - (b) The company has not been sanctioned working capital limits. Accordingly, the requirements under paragraph 3(ii)(b) of the Order is not applicable to the Company
- 3) (a) Since the Company's principal business is to give loans. Accordingly, 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 investments made and the terms and conditions of the grant of all loans and advances in the nature of loans, provided during the year are, prima facie, not prejudicial to the Company's interest
 - (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 there are no cases where repayment of principal and payment of interest is not received as stipulated during the period.

(d) The Company, being a 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. However, there are no cases where repayment of principal and payment of interest is not received as stipulated during the period.

(e) Since the Company's principal business is to give loans. Accordingly, 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.

- 4) According to the information and explanations given to us, the Company has not directly or indirectly advanced loan to the persons covered under section 185 and 186 of the Act or given guarantees or securities in connection with the loan taken by such persons
- 5) In our opinion and according to the information and explanations given to us, the Company being a non-banking financial company registered with the Reserve Bank of India, the provisions of sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposits) Rules, 2014, as amended, with regard to the deposits accepted are not applicable to the Company. We are informed by the Management that no order has been passed by the Company Law Board, National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal on the Company in respect of the aforesaid deposits.
- 6) The Central Government has not prescribed the maintenance of cost records under sub-section (1) section 148 of the Act for the business activities carried out by the Company. Accordingly, the provision of clause 3(vi) of the Order is not applicable to the Company.
- 7) According to information and explanations given to us and on the basis of our examination of the books of account, and records,



M. Srinivasan & Associates Chartered Accountants

- a) the Company has been generally regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income-Tax, Sales Tax, Service Tax, Goods and Service Tax, Duty of Customs, Duty of Excise, Value added Tax, Cess and any other statutory dues with the appropriate authorities.

According to the information and explanations given to us, no undisputed amounts payable in respect of the above were in arrears as at March 31, 2023 for a period of more than six months from the date on when they become payable.

- b) According to the information and explanation given to us, there are no dues of Custom duty, Service Tax, Value added Tax, Sales Tax and Goods and Service Tax which have not been deposited with the relevant authorities.
- 8) According to the information and explanations given to us and based on our examination of books, no transactions which have not been recorded in books of accounts have been surrendered or disclosed as income during the year in the tax assessments under income tax act 1961.
- 9) The Company does not have any loans or borrowings and repayment to lenders during the year. Accordingly, the provision stated in paragraph 3(ix) (a) to (d) and sub clause (e) and (f) of the Order is not applicable to the Company.
- 10) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under clause 3 (ix) of the Order is not applicable to the Company.
- 11) (a) During the course of our examination of the books and records of the company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instances of fraud by the Company or any fraud on the company by its officers or employees, noticed or reported during the year, nor have we been informed of any such instance by the management.
- (b) We have not come across of any instance of fraud by the Company or on the Company during the course of audit of the financial statement for the year ended March 31, 2023, accordingly the provisions stated in paragraph (xi)(b) of the Order is not applicable to the Company.
- (c) As represented to us by the management, there are no whistle-blower complaints received by the Company during the year. Accordingly, the provisions stated in paragraph (xi)(c) of the Order is not applicable to company.
- 12) In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 3 (xii) of the Order are not applicable to the Company.



M. Srinivasan & Associates Chartered Accountants

- 13) In our opinion, all transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 and the details have been disclosed in the Financial Statements as required by the applicable accounting standards.
- 14) a) In our opinion and based on our examination, the Company does not require to comply with provision of section 138 of the Act. Hence, the provisions stated in paragraph 3(xiv) (a) to (b) of the Order are not applicable to the Company.
b) The company has adequate internal audit system for the period under audit commensurate with the size of the company.
- 15) Based upon the audit procedures performed and the information and explanations given by the management, the company has not entered into any non-cash transactions with directors or persons connected with them. Accordingly, the provisions of clause 3 (xv) of the Order are not applicable to the Company and hence not commented upon.
- 16) (a) The Company is required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934 and the Company has obtained the required registration.
(b) According to the information and explanations given to us, the Company has not conducted any Non-Banking Financial or Housing Finance activities without obtaining a valid CoR from the Reserve Bank of India as per the Reserve Bank of India Act, 1934.
(c) In our opinion, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause 3(xvi) (c) & (d) of the Order is not applicable.
- 17) Based on the overall review of the financial statements, the Company has incurred cash profit in the current financial year and losses in the immediately preceding financial year. The details of the same are as follows:

Particulars	March 31, 2023	March 31, 2022
Profit Before Tax	3,11,33,448	(61,44,844)
Add : Depreciation	3,75,484	5,446
Cash Profit	3,15,08,932	(61,36,398)

- 18) There has been no resignation of the statutory auditors of the Company during the year.
- 19) On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any



M. Srinivasan & Associates Chartered Accountants

material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date.

We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and 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.

- 20) According to the information and explanations given to us, the provisions of section 135 of the Act are not applicable to the Company and hence not commented upon.
- 21) The preparation of consolidated financial statements is not applicable to the company and therefore reporting under this clause is not applicable.

Date: 27/05/2023

Place: Chennai

UDIN: 23022959BGPWYL6152



For M. SRINIVASAN & ASSOCIATES
Chartered Accountants
FRN 004050S

M. SRINIVASAN
Partner
M.No. 022959

ANNEXURE B

Referred to in paragraph 2(f) under "Report on other Legal and Regulatory Requirements" of our report of even date

Report on the Internal Financial Controls over financial Reporting under clause (i) of sub-section 3 of Section 143 of the Companies Act, 2013

We have audited the internal financial controls over financial reporting of "RAR Fincare Ltd." as of 31st March, 2023 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Control over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing deemed to be prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.



M. Srinivasan & Associates Chartered Accountants

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness.

Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risk 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 basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over financial Reporting

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purpose in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting 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 expenditure of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial controls Over Financial Reporting

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



Opinion

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 system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2023, 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 control Over Financial Reporting issued by The Institute of Chartered Accountants of India.

Date: 27/05/2023

Place: Chennai

UDIN: 23022959BGPWYL6152



For M. SRINIVASAN & ASSOCIATES
Chartered Accountants
FRN 004050S

M. SRINIVASAN
Partner
M.No. 022959

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RAR FINCARE LIMITED
VENKATESAN STREET, T. NAGAR, CHENNAI-600 017
CIN No.: U65993TN2019PLC130390

Balance Sheet as at March 31, 2023

(in Rupees)

Particulars	Note No	As at March 31, 2023	As at March 31, 2022
ASSETS			
Financial assets:			
Cash and cash equivalents	2	56,897,563	21,591,616
Loans	3	702,480,696	98,188,429
Other Financial Asset	4	1,310,228	388,237
Non- financial assets:			
Current tax assets (net)	5	-	235,807
Deferred tax assets (net)	6	3,396,400	3,576,524
Property, Plant and Equipment	7	1,827,563	358,241
Intangibles	8	145,863	-
Intangible assets under development	9	2,038,300	2,038,300
Other non-financial assets	10	153,400	229,542
Total Assets		768,250,012	126,606,696
LIABILITIES AND EQUITY			
LIABILITIES			
Financial liabilities:			
Trade Payables	11	-	-
- total outstanding due of Micro Enterprises and small enterprises		-	-
- total outstanding due of creditor other than Micro Enterprises and small enterprises		72,412	3,429
Other financial liabilities	12	7,757,988	92,500
Non- financial liabilities:			
Other non- financial liabilities	13	967,257	312,088
Current tax Liability	14	643,859	-
Equity			
Equity share capital	15	747,500,000	137,500,000
Other equity	16	11,308,497	(11,301,321)
Total Liabilities and Equity		768,250,012	126,606,696

Significant Accounting Policies

1

As per our Report *Approved*
For M Srinivasan & Associates

Chartered Accountants
FRN: 0040505

M. Srinivasan
Partner
Membership No: 022959

Place: Chennai
Date: 27/05/2023



For RAR Fincare Limited

G Rajendran
G Rajendran
Director
DIN: 02063138

G R Radhakrishnan
G R Radhakrishnan
Director
DIN: 01711654

Anuradha J
CFO

G R Ananthapadmanabhan
G R Ananthapadmanabhan
Director
DIN: 01485010

R Venkatasubramanian
R Venkatasubramanian
CEO

Rajanikanta Senapati
Rajanikanta Senapati
Company Secretary
A31693



RAR FINCARE LIMITED

VENKATESAN STREET, T. NAGAR, CHENNAI-600 017

CIN No.: U65993TN2019PLC130390

Statement of Profit or Loss for the year ended March 31, 2023

(in Rupees)

Particulars	Note No	For Year Ended March 31, 2023	For Year Ended March 31, 2022
I Revenue from operations	17	57,706,379	1,692,495
II Other income	18	1,590,360	812,611
III Total Income (I+II)		59,296,739	2,505,106
IV Expenses			
Impairment on Financial Instruments	19	4,791,901	492,569
Employee benefits expenses	20	14,569,130	4,857,276
Depreciation and Amortisation	21	375,484	5,446
Other Expenses	22	8,426,776	3,291,659
Total expenses (IV)		28,163,291	8,646,950
V Profit/(loss) before exceptional items and tax		31,133,448	(6,141,844)
VI Exceptional items			
VII Profit/(loss) before tax		31,133,448	(6,141,844)
VIII Tax expense			
- Current Tax		8,343,506	-
- Deferred Tax	6	180,124	(1,497,893)
IX Profit/(loss) for the period		22,609,818	(4,643,951)
X Other Comprehensive Income			
Items that will not be reclassified to profit or loss			
Remeasurements of defined benefit plan actuarial gains/ (losses)		-	-
Income tax expense on above		-	-
XI Total Comprehensive Income for the period (Comprising profit and other comprehensive income for the period)		22,609,818	(4,643,951)
XII Earnings per equity share			
(1) Basic		0.53	(0.87)
(2) Diluted		0.53	(0.87)

Significant Accounting Policies

1

As per our Report *M.A. Sreed*

For M Srinivasan & Associates

Chartered Accountants

FRN: 0040505

M. Srinivasan
M. Srinivasan
Partner
Membership No: 022959



Place: Chennai

Date: 27/05/2023

For RAR Fincare Limited

G. Rajendran
G. Rajendran
Director
DIN: 02063138

G. R. Radhakrishnan
G. R. Radhakrishnan
Director
DIN: 01711654

Anuradha J
Anuradha J
CFO

G. R. Ananthapadmanabhan
G. R. Ananthapadmanabhan
Director
DIN: 01485010

R. Venkatasubramanian
R. Venkatasubramanian
CEO

Rajanikanta Senapati
Rajanikanta Senapati
Company Secretary
A31693



Cash Flow Statement

Particulars	For Year Ended March 31, 2023	For Year Ended March 31, 2022
Cash flows from operating activities		
Total Income for the Period(PBT)	31,133,448	(6,141,844)
Adjustments:		
Interest Income	(221,389)	(679,419)
Profit on redemption	(1,155,763)	(133,192)
Inflow of Processing fees	7,723,900	974,000
Impairment of Loan	4,791,901	492,569
Amortisation	(2,895,935)	(186,129)
Interest accrued but not due on Loans	(4,268,265)	(565,892)
Depreciation and amortization	375,484	5,446
Operating cash flow before working capital changes	35,483,381	(6,234,461)
Changes in		
Decrease/(Increase) In Other non-financial assets	76,143	(225,222)
Decrease/(Increase) In Current tax assets	-	(158,467)
Decrease/(Increase) In Loans	(609,643,868)	(98,902,977)
Decrease/(Increase) In Other Financial Assets	(921,991)	(388,237)
(Decrease)/Increase In Other non-financial liabilities	655,169	312,088
(Decrease)/Increase In Other financial liabilities	7,665,488	(9,553,615)
(Decrease)/Increase In Trade Payable	68,983	3,429
Taxes Paid	(7,463,841)	-
Cash generated from / (used in) operations	(574,080,536)	(115,147,461)
Cash flows from investing activities		
Purchase of PPE	(1,787,989)	(363,687)
Intangible asset	(202,680)	(2,038,300)
Profit on redemption	1,155,763	133,191
Interest received	221,389	679,419
Net cash generated from/(used in) investing activities [B]	(613,517)	(1,589,377)
Cash flows from financing activities		
Issue of Equity Shares	610,000,000	90,000,000
Proceeds from long term loans	-	-
Repayment of long term loans	-	-
Net cash used in financing activities	610,000,000	90,000,000
Increase in cash and cash equivalents	35,305,947	(26,736,838)
Cash and cash equivalents at the beginning of the year	21,591,616	48,328,454
Cash and cash equivalents at the end of the year	56,897,563	21,591,616
Components of cash and cash equivalents (refer note - 2)		
Cash on hand	3,900	1,796
Balances with banks	51,895,245	16,589,820
Term Deposit with Original Maturity of less than 3 months - not under lien	4,998,418	5,000,000
Total cash and cash equivalents	56,897,563	21,591,616

As per our Report - *Annexed*
For M Srinivasan & Associates
Chartered Accountants
FRN: 0040505

M. Srinivasan
M. Srinivasan
Partner
Membership No: 022959

Place: Chennai
Date: 27/05/2023



For RAR Fincare Limited

G. Rajendran
G. Rajendran
Director
DIN: 02063138

G. Radhakrishnan
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Anuradha J
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G. R. Ananthapadmanabhan
Director
DIN: 01485010

R. Venkatasubramanian
R. Venkatasubramanian
CEO

Rajanikanta Senapati
Rajanikanta Senapati
Company Secretary
A31693



RAR FINCARE LIMITED

VENKATESAN STREET, T. NAGAR, CHENNAI-600 017

CIN No.: U65993TN2019PLC130390

Statement of Changes In Equity for the year ended March 31, 2023

A. Equity Share Capital :

(in Rupees)

Balance as at April 1, 2022	Changes in equity share capital due to prior period error	Restated balance as at April 1, 2022	Changes in equity share capital during the year*	Balance as at March 31, 2023
137,500,000	-	137,500,000	610,000,000	747,500,000

Balance as at April 1, 2021	Changes in equity share capital due to prior period error	Restated balance as at April 1, 2021	Changes in equity share capital during the year*	Balance as at March 31, 2022
47,500,000	-	47,500,000	90,000,000	137,500,000

B. Other Equity

(in Rupees)

Particulars	Statutory Reserve	General Reserve	Retained Earnings	OCI	Total
Balance as of 1st April 2021	1,724	-	(6,659,094)	-	(6,657,370)
Profit for the year	-	-	(4,643,951)	-	(4,643,951)
Other Comprehensive Income for the Year	-	-	-	-	-
Total Comprehensive Income for the Year	-	-	(4,643,951)	-	(4,643,951)
Transfer to and from Reserves	-	-	-	-	-
Balance as of 31st March 2022	1,724	-	(11,303,045)	-	(11,301,321)

Particulars	Statutory Reserve	General Reserve	Retained Earnings	OCI	Total
Balance as of 1st April 2022	1,724	-	(11,303,045)	-	(11,301,321)
Profit for the year	-	-	22,609,818	-	22,609,818
Other Comprehensive Income for the Year	-	-	-	-	-
Total Comprehensive Income for the Year	-	-	22,609,818	-	22,609,818
Transfer to and from Reserves	4,521,964	-	(4,521,964)	-	-
Balance as of 31st March 2023	4,523,688	-	6,784,809	-	11,308,497

As per our Report: *Annexed*

For M. Srinivasan & Associates

Chartered Accountants

FRN: 004050S

M. Srinivasan

Partner

Membership No: 022959

Place: Chennai

Date: 27/05/2023



For RAR Fincare Limited

G Rajendran
Director
DIN: 02063138

G B. Radhakrishnan
Director
DIN: 01711654

Anuradha J
CFO

uashinorabhs

G R Ananthapadmanabhan
Director
DIN: 01485010

R Venkatasubramanian
CEO

Rejanikanta Senapati
Company Secretary
A31693



2 - Cash and cash equivalents:

(in Rupees)

Particulars	As at March 31, 2023	As at March 31, 2022
i) Balances with banks		
- In Current Account	42,308,833	16,551,503
- In Collection A/c	9,586,413	38,317
ii) Cash on hand	3,900	1,796
iii) Term Deposit with Original Maturity of less than 3 months - not under lien	4,998,418	5,000,000
Total	56,897,563	21,591,616

3. Loans

(in Rupees)

Particulars	As at March 31, 2023	As at March 31, 2022
A. Loans (At Amortised cost)		
i) Term Loan	641,789,005	77,064,336
ii) Others - Unsecured loan	65,976,161	21,616,663
Gross Total	707,765,166	98,680,998
Less - Impairment Loss Allowance (Refer Note 23)	(5,284,470)	(492,569)
Net Total	702,480,696	98,188,429
B.		
i) Secured by Tangible assets	641,789,005	72,072,676
ii) Secured by FLDG	-	4,991,660
iii) Unsecured	65,976,162	21,616,663
Gross Total	707,765,166	98,680,998
Less - Impairment Loss Allowance (Refer Note 23)	(5,284,470)	(492,569)
Net Total	702,480,696	98,188,429
C.		
i) Public Sector	-	-
ii) Others:		
a. Corporate	571,287,822	80,034,587
b. Retail	136,477,344	18,646,412
Gross Total	707,765,166	98,680,998
Less - Impairment Loss Allowance (Refer Note 23)	(5,284,470)	(492,569)
Net Total	702,480,696	98,188,429

4. Other Financial Assets

(in Rupees)

Particulars	As at March 31, 2023	As at March 31, 2022
Security Deposits	44,922	28,000
Lease Advances	1,260,000	357,840
Others	5,306	2,397
Total	1,310,228	388,237

5. Current tax assets (net)

(in Rupees)

Particulars	As at March 31, 2023	As at March 31, 2022
Opening Balance	235,807	77,340
(+) TDS receivable	43,528	158,467
(-) Refund Received	(279,335)	-
Total	-	235,807



6. Deferred Tax

(In Rupees)

Particulars	As at March 31, 2023	As at March 31, 2022
Opening	3,576,524	2,078,631
For the year	180,124	1,497,893
Closing	3,396,400	3,576,524

9. Intangible assets under development

(In Rupees)

Particulars	As at March 31, 2023	As at March 31, 2022
Intangible assets under development	2,038,300	2,038,300
Total	2,038,300	2,038,300

Ageing for Intangible under Development as at 31st March 2023 is as follows

Particulars	Amount in capital work-in-progress for a period of	
	Less than 1 year	More than 1 Year
Projects In Progress	-	2,038,300
	-	2,038,300

10. Other non-financial assets

(In Rupees)

Particulars	As at March 31, 2023	As at March 31, 2022
Goods & Service Tax - Input receivable	4,460	229,542
Prepaid Expenses	148,940	-
Total	153,400	229,542

11. Trade Payables

(In Rupees)

Particulars	As at March 31, 2023	As at March 31, 2022
-total outstanding due of Micro Enterprises and small enterprises	-	-
- total outstanding due of creditor other than Micro Enterprises and small enterprises	72,412	3,429
	72,412	3,429

Ageing of Trade Payable as of 31st March 2023 are as follows

Particulars	Not Due	More than 1 Year
MSME	-	-
Others	72,412	-
Disputed dues - MSME	-	-
Disputed dues - Others	-	-
	72,412	-

The disclosure pursuant to the Micro, Small and Medium Enterprises Development Act, 2006, (MSMED Act) is given in Note 24

12. Other financial liabilities

(In Rupees)

Particulars	As at March 31, 2023	As at March 31, 2022
Payable to related parties	-	-
Provision for Expenses	85,058	-
Security margin	6,563,256	-
Provision for Statutory Audit Fee	240,000	92,500
Provision for leave encashment	808,674	-
Provision for Bonus	60,000	-
Total	7,757,988	92,500



13. Other non- financial liabilities

(in Rupees)

Particulars	As at March 31, 2023	As at March 31, 2022
GST Payable	301,841	110,070
EPF Employee contribution	21,129	5,400
TDS payable	553,794	178,495
Provision for PF ESI Employer contribution	23,418	
Insurance Recovery	67,075	18,123
Total	967,257	312,088

14. Current tax liability (net)

(in Rupees)

Particulars	As at March 31, 2023	As at March 31, 2022
Opening Balance	-	-
(+)Taxes Payable	8,343,506	-
(-)Taxes Paid (Self Assessment Tax paid)	(3,750,000)	-
(-)TDS receivable	(3,949,647)	-
(-) Refund Received	-	-
Total	643,859	-



7. Property Plant & Equipment

Asset	Gross Block				Accumulated Depreciation			Net Block	
	Opening	Addition	Deletion	Closing	Opening	For the year 03/31/2023	Closing	As of 31/03/2023	As of 31/03/2022
	Property Plant & Equipment	111,632	293,622	-	405,254	3,545	19,510	23,055	382,200
Furniture and Fixtures	252,055	1,494,367	-	1,746,422	1,902	299,157	301,059	1,445,363	250,153
Computers and Data Processing Units - End User	363,687	1,787,989	-	2,151,676	5,446	318,667	324,113	1,827,563	358,241
Total									

8. Intangible Assets

Asset	Gross Block				Accumulated Depreciation			Net Block	
	Opening	Addition	Deletion	Closing	Opening	For the year 03/31/2023	Closing	As of 31/03/2023	As of 31/03/2022
	Web expenses	-	202,680	-	202,680	-	56,817	56,817	145,863
Total									



15. Equity Instruments

Particulars	As at March 31, 2023	As at March 31, 2022
Authorised Capital 15,50,00,000 shares of Rs 10 each (31.03.2022 - 2,50,00,000 shares of Rs 10 each)	1,350,000,000	250,000,000
	1,350,000,000	250,000,000
Issued, Subscribed and Fully paid up 7,47,50,000 shares of Rs 10 each (31.03.2022 - 1,37,50,000 shares of Rs 10 each)	747,500,000	137,500,000
Total	747,500,000	137,500,000

Reconciliation of No of Shares

Particulars	As at March 31, 2023		As at March 31, 2022	
	Nos	Amount	Nos	Amount
Opening	13,750,000	137,500,000	4,750,000	47,500,000
Fresh Allotment during the year	61,000,000	610,000,000	9,000,000	90,000,000
Closing	74,750,000	747,500,000	13,750,000	137,500,000

Details of Share holders holding 5% or more of total shares of the Company :

Name of the Holder	As at March 31, 2023		As at March 31, 2022		Change %
	No. of Shares	% of Shares	No. of Shares	% of Shares	
G Rajendran	17,950,000	24%	2,750,000	20%	4%
G.R Ananthapadmanabhan	25,925,000	35%	4,125,000	30%	5%
G.R Radhakrishnan	25,925,000	35%	4,125,000	30%	5%
R.Vasanthi	1,237,500	2%	687,500	5%	-3%
P.Swaroopa	1,237,500	2%	687,500	5%	-3%
R.Madhavi	1,237,500	2%	687,500	5%	-3%
V.Jayashree	1,237,500	2%	687,500	5%	-3%

Disclosure of Share Holding of Promoters

Name of the Holder	As at March 31, 2023		As at March 31, 2022	
	No. of Shares	% of Shares	No. of Shares	% of Shares
G Rajendran	17,950,000	24%	2,750,000	20%
G.R Ananthapadmanabhan	25,925,000	35%	4,125,000	30%
G.R Radhakrishnan	25,925,000	35%	4,125,000	30%
R.Vasanthi	1,237,500	2%	687,500	5%
P.Swaroopa	1,237,500	2%	687,500	5%
R.Madhavi	1,237,500	2%	687,500	5%
V.Jayashree	1,237,500	2%	687,500	5%

Rights, preferences and restrictions attached to shares

The Company has one class of equity shares having a par value of ₹10 each. Each shareholder is eligible for one vote per share held and carry a right to dividend. The dividend 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, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

Equity shares movement during the Years

During the Current Financial year, the company has made fresh allotment of 6,10,00,000 shares of Rs 10 each to the existing share holders.

16. Other Reserves

Other Reserves consists of:

Particulars	As at March 31, 2023	As at March 31, 2022
Reserves & Surplus:		
a. Statutory Reserve -		
Balance at the beginning of the year	1,724	1,724
(+) Transfer from retained earnings *	4,521,964	-
Closing Balance	4,523,688	1,724
b. Retained Earnings -		
Balance at the beginning of the year	(11,303,045)	(6,659,094)
(+) Net profit for the period	22,609,818	(4,643,951)
(-) Transfer to reserves from retained earnings during the year	(4,521,964)	-
Closing Balance	6,784,809	(11,303,045)
Total	11,308,497	(11,301,321)



17. Revenue From Operations**(in Rupees)**

Particulars	03/31/2023	03/31/2022
Interest on Loans	57,337,515	1,691,612
Penal Interest	261,319	883
Foreclosure Charges	107,546	-
Total	57,706,379	1,692,495

18. Other Income**(in Rupees)**

Particulars	03/31/2023	03/31/2022
Interest on deposits with Banks	221,389	679,419
Profit on redemption of Investments	1,155,763	133,192
Other Income	213,209	-
Total	1,590,360	812,611



19. Impairment on Financial instruments

(in Rupees)

Particulars	03/31/2023	03/31/2022
On Financial instruments measured at amortised cost		
-Loans	4,791,901	492,569
-Others	-	-
Total	4,791,901	492,569

20 - Employee benefits expense and payment to contractors

(In Rupees)

Particulars	03/31/2023	03/31/2022
Salaries, Wages and Bonus etc.	13,321,215	4,852,526.00
Contribution to Provident and Other Funds	221,502	4,750.00
Leave Encashment	808,674	-
Bonus	202,500	-
Staff Welfare	15,239	-
Total	14,569,130	4,857,276

21. Depreciation and Amortisation

(In Rupees)

Particulars	03/31/2023	03/31/2022
Depreciation / Amortisation for the year		
- Property Plant & equipment	318,667	5,446
- Intangible Assets	56,817	-
Total	375,484	5,446

22. Other expenses

(in Rupees)

Particulars	03/31/2023	03/31/2022
Rent	1,435,661	780,091
Connectivity Charges	106,831	31,233
Printing and stationery	207,524	35,508
Membership & Subscription	91,236	66,750
Director's fees, allowances and expenses	256,500	50,000
Legal and Professional charges	1,574,544	605,769
Books & periodical	14,330	9,520
Office maintenance	25,463	7,242
ROC Filing Fees	4,125,000	1,518,750
Security charges	139,158	-
Auditor Remuneration #	250,000	100,000
Rates & Taxes	158,955	65,597
Pooja Expenses	13,882	14,485
Other expenses	27,693	6,714
	8,426,776	3,291,659

Payment made to Auditors

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Payment made to statutory auditors :		
i. As auditors	250,000	100,000
ii. For taxation matters	-	-
iii. For other services	-	-
iv. For reimbursement of expenses	-	-
Total	250,000	100,000

