



INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF RAR FINCARE LIMITED

Report on the Audit of the Standalone Financial Statements

**Opinion**

We have audited the accompanying standalone financial statements of **RAR FINCARE LIMITED** ("The Company"), which comprise the Balance Sheet as at March 31, 2025 the Statement of Profit and Loss, Statement of Changes in Equity and Cash Flow Statement for the year then ended and a Summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanation given to us, the aforesaid standalone 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 Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules, 2015 as amended and other accounting principles generally accepted in India, of the state of affairs of the company as at March 31, 2025 and Profit and total comprehensive income, changes in equity and its Cash Flows for the year ended on that date.

**Basis for opinion**

We conducted our audit in accordance with the Standards of Auditing (SAs) specified under Section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's responsibilities for the Audit of the standalone 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 (ICAI) of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and 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 standalone financial statements.



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**Key Audit matters:**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

S.No	Key Audit Matter	How they key audit matter was addressed in our Audit
1	<p><b>Impairment of Loans including Expected Credit Loss ("ECL")</b></p> <p>Refer Note 2.5 for material accounting policies and Note 4.4 for credit risk disclosures</p> <p>The Company has reported gross loan assets of INR 168,05,48,638 against which an impairment loss of INR 2,63,61,712 has been recorded. The Company recognised impairment provision for loan assets based on the Expected Credit Loss approach laid down under 'Ind AS 109- Financial Instruments'.</p> <p>The calculation of impairment losses on loans is complex and is based on the application of significant management judgement and the use of difference modelling techniques and assumptions which are uncertain and could have a material impact on reported profits. The Company has applied a three-stage approach based on changed in credit quality to measure expected credit loss on loans which is as follows:</p>	<p>Assessed the appropriateness of management's judgement and estimates used in the impairment analysis through procedures that included, but were not limited, to the following:</p> <ul style="list-style-type: none"><li>• Obtained an understanding of the modelling techniques adopted by the Company including the key inputs and assumptions. Since modelling assumptions and parameters are based on historical data, we assessed whether historical experience was representative of current circumstances and was relevant in view of the recent impairment losses incurred within the portfolios.</li><li>• Considered the Company's accounting policies for estimation of expected credit loss on loans and assessed the compliance with the policies in terms of Ind AS 109.</li></ul>
	<ul style="list-style-type: none"><li>• If the loan is not credit-impaired on initial recognition, then it is classified in 'Stage 1' and its credit risk is continuously</li></ul>	<ul style="list-style-type: none"><li>• Tested the design and operating effectiveness of key financial controls over the completeness and accuracy of the key inputs and assumptions considered for</li></ul>





	<p>monitored by the Company i.e the default in repayment is within the range of 0-30 days.</p> <ul style="list-style-type: none"> <li>• If a significant increase in credit risk since initial recognition is identified, it is moved to 'Stage 2' but is not yet deemed to be credit-impaired i.e the default in repayment is within the range of 31- 90 days</li> <li>• If the loan is credit-impaired, it is then moved to 'Stage 3' i.e the default in repayment is more than 90 days.</li> </ul> <p>The expected credit loss is measured at 12-month ECL for Stage 1 loan assets and at lifetime ECL for Stage 2 and Stage 3 loan assets. Significant management judgement and assumptions involved in measuring ECL is required with respect to:</p> <ul style="list-style-type: none"> <li>• Determining the criteria for a significant increase in credit risk</li> <li>• Factoring in future economic assumptions</li> <li>• Techniques used to determine probability of default, loss given default and exposure at default</li> </ul> <p>These parameters are derived from the Company's internally developed statistical models and other historical data.</p> <p>In view of the above, the measurement of impairment loss on loans was determined to be a Key Audit Matter in our audit of the financial statements.</p>	<p>calculation, recording and monitoring of the impairment loss recognized. Also evaluated the controls over the modelling process, validation of data and related approvals.</p> <ul style="list-style-type: none"> <li>• Understood and challenged the aforesaid assumptions through our understanding of the risk profile of the customers of the Company.</li> <li>• Reconciled the total financial assets considered for ECL estimation with the books of account to ensure the completeness.</li> <li>• Verified, on test check basis, whether appropriate staging of assets have been performed basis their past days past due. Further, performed an overall assessment of the ECL provision levels at each stage.</li> <li>• Verified assets in stage 1, 2 and 3 on sample basis and tested that they were allocated to the appropriate stage. For samples of exposure, verified the appropriateness of determining Exposure at Default (EAD) Probability of Default (PD) and Loss Given Default (LGD)</li> <li>• Assessed the adequacy and appropriateness of disclosures in compliance with the Ind AS 107 in relation to ECL especially in relation to judgements used in estimation of ECL provision.</li> </ul>
2	<p><b>Information Technology ("IT") Systems and Controls</b></p> <p>The Company has moved on to IT System after due evaluation which</p>	<p>Our audit procedures with respect to this matter include, but were not limited to the following:</p>





supports entire Loan Management System (LMS) though not integrated to main accounting system maintained in tally. The new LMS is operational from 1<sup>st</sup> September 2024 only for the loans disbursed from the said date. In view of adaptation issues with regard to earlier loans runs on previous software, current LMS also supports the logic developed in previous system which will continue for the earlier issued loan.

In particular, the IT system is used for recording all disbursements and collections, identification and tagging of pledged loans to customers and calculating interest income and overdue days.

The Company's accounting and financial reporting processes are dependent on automated controls enabled by IT systems which impacts key financial accounting and reporting items such as loans, interest income, impairment on loans amongst others. The reliability and security of IT systems play a key role in the business operation. The controls implemented by the Company in its IT environment determine the integrity, accuracy, completeness and validity of data that is processed by the applications and is ultimately used for financial reporting.

Accordingly, we have identified 'IT Systems and controls' as key audit matter because of the high level automation, significant number of systems being used by the management and the complexity of the IT architecture and its impact on the financial reporting system.

- Involved IT specialists as part of the audit for the purpose of testing the IT general controls and application controls (automated and semi automated controls) to determine the accuracy of the information produced by the Company's IT systems.
- Obtained a comprehensive understanding of IT applications landscape implemented at the Company. It was followed by process understanding, mapping of applications to the same and understanding financial risks posed by people-process and technology.
- Key IT audit procedures includes testing design and operating effectiveness of key controls operating over user access management ( which includes user access provisioning, de-provisioning, access review, password configuration review, segregation of duties and privilege access), change management( which include change release in production environment are compliant to the defined procedures and segregation of environment is ensured), program development, computer operations ( which includes testing of key controls pertaining to, backup, Batch processing (including interface testing), incident management and data centre security), System interface controls. This included testing that requests for access to systems were appropriately logged, reviewed, and authorized Also, entity level controls pertaining to





		<p>policy and procedure and business continuity plan assessment was also part of our audit procedure.</p> <ul style="list-style-type: none"><li>• In addition to the above, the design and operating effectiveness of certain automated controls, that were considered as key internal system controls over financial reporting were tested. Using various techniques such as inquiry, review of documentation/record/reports, observation and re-performance.</li><li>• Verification of adaptation of previous logics in earlier system with the new system logic was carried out and found that there is no outstanding portfolio differences.</li><li>• Tested compensating controls and performed alternate procedures, where necessary. In addition, understood where relevant, changes made to the IT landscape during the audit period.</li></ul>
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**Information other than the Financial Statements and Auditor's Report thereon**

The Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report (Financial Highlights, Board's Report, Management Discussion and Analysis and Report on Corporate Governance), but does not include the standalone financial statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of this Auditors' Report.

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

In connection with our audit of the standalone financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take appropriate action as applicable under the relevant laws and regulations.

**Responsibilities of the Management and those charged with Governance for the Standalone Financial Statements**

The Company's Management and Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these standalone 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 accounting principles generally accepted in India specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015. 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 judgements 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 standalone financial statements that give a true and fair view and are free from material misstatements, whether due to fraud or error.





In preparing the standalone financial statements, the Management and Board of Directors are responsible for assessing the Company's ability to continue as 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 alternatives 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 Standalone Financial Statements**

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatements, 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

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

1. Identify and assess the risk of material misstatement of the standalone 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.
2. Obtain an understanding of internal 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 standalone financial statements in place and the operating effectiveness of such controls.
3. Evaluate the appropriateness of the accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.





4. 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 standalone 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 auditors' report. However, future events or conditions may cause the company to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transaction and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decision of reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in

- i. Planning the scope of Audit work and in evaluating the results of our work and
- ii. To evaluate the effect of any identified misstatements in the standalone 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 we have compiled 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 standalone financial statements of the current period and are therefore the key audit matters. We describe these matter in our auditors' 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 benefits of such communication.





Report on other legal and regulatory requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the "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, based on our audit we report that
  - a. We have sought and obtained all the information and explanation which to the best of our knowledge and belief were necessary for the purpose of our audit.
  - b. In our opinion, proper books of accounts 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 amortized income, Statement of Change in Equity and the Cash Flow Statement dealt with in this Report are in agreement with the books of account.
  - d. In our opinion, the aforesaid standalone financial statements comply with Accounting Standards specified under including the Accounting Standards specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015.
  - e. On the basis of the written representation received from the directors as on 31<sup>st</sup> March 2025 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March 2025 from being appointed as director in terms of Section 164(2) of the Act.
  - f. With respect to adequacy of internal financial controls with reference to standalone financial statements of the company and the operating effectiveness of such controls, refer to our separate report in Annexure B. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Companies Internal Financial Controls with reference to standalone financials statements.
  - g. The Managerial Remuneration has been paid in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.





- n. With respect to the other matters to be included in the Auditors' 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 explanation given to us:
- i. The company has no pending litigations, hence the reporting on disclosing the impact of pending litigations on its financial position in the standalone financial statements doesn't arise.
  - 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 belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person(s) or entity(ies), including foreign entities (Intermediaries), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
    - b. The management has represented that, to the best of its knowledge and belief, no funds have been received by the company from any person(s) or entity(ies), including foreign entities (Funding Parties), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
    - c. Based on such audit procedures that were 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 (a) and (b) contain any material misstatement.
  - v. The company has not declared or paid any dividend during the year.





# R.S.Hariharan & Associates

Chartered Accountants

vi. Based on our examination, which included test checks, the Company has used accounting software for maintaining its books of account for the financial year ended March 31, 2025 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 software except that audit trail feature was not enabled at the database level to log any direct data changes.

Further, during the course of our audit, we did not come across any instance of audit trail feature being tampered with, in respect of accounting software for the period for which the audit trail feature was enabled and operating.

With respect to other matters to be included in the Audit Reports in accordance with the requirements of Sec 197(16) of the Companies Act as amended till date, we report that

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For R S Hariharan & Associates

FRN: 015460S

Chartered Accountants

*R. S. Hariharan*

R.S.Hariharan

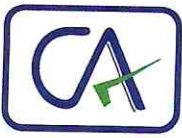
Chartered Accountant

FCA: 014696



Place: Chennai

Date: 07-06-2025



## Annexure to the Auditor's Report

With reference to the Annexure A referred to in paragraph 1 under the heading "Report on other Legal and Regulatory Requirements" of the Independent Auditor's report to the members of RAR Fincare Limited on the Financial Statements for the year ended 31 March 2025, we report that:

- (i) **In respect of Property, Plant & Equipment, right of use assets and intangible assets**
- a. The Company has maintained proper records showing full particulars, including quantitative details and situation of its property, plant and equipment and intangible assets.
  - b. The fixed assets of the company have been physically verified by the management during the year at reasonable intervals, which in our opinion is reasonable having regard to the size of the company and nature of its assets. No material discrepancies were noticed on such physical verification.
  - c. According to the information and explanation given to us and on the basis of examination of the records of the company, there are no immovable properties held/owned by the company.
  - d. According to the information and explanation given to us and on the basis of examination of the records of the company, the company has not revalued its Property, Plant and Equipment (including Rights to use Assets) or both during the year.
  - e. According to the information and explanations given to us and on the basis of our examination of the records of the Company, no proceedings have been initiated or are pending against the Company as at March 31, 2025, for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.
- (ii) **In respect of Inventory and Working capital limits**
- a. The Company is a Non-Banking Finance Company and its business does not require maintenance of inventories. Accordingly, the provision of clause 3(ii)(a) of the Order is not applicable to the Company





- b. The Company has not availed working capital from bank/Financial institutions though they have obtained sanction, and the company did not file any periodical return as they have not availed/ utilized the loan. Accordingly the provisions of clause 3(ii)(b) of the Companies (Auditor's Report) order 2020 is not applicable to the Company
- (iii)
- (a) The principal business of the Company is to give loans, hence the requirement to report on clause 3(iii) (a) of the Order is not applicable to the Company
- (b) During the year the investments made, guarantee provided, security given and the terms and conditions of the grant of all loans and advances in the nature of loans and guarantees are, in our opinion, not prejudicial to the Company's interest.
- (c) In respect of loans and advances in the nature of loans granted by the Company, the schedule of repayment of principal and payment of interest has been stipulated. Being a Non-Banking (Non- Deposit Taking Systematically Important) Finance Company, there are instances where the repayment of principal and interest are not as per the stipulated terms.
- (d) In respect of loans and advances granted by the Company, Refer notes 6(1) to the Standalone Financial Statements for the total amount overdue for more than ninety days under the title 'Stage 3' loans. In our opinion and according to the information and explanations given to us, reasonable steps have been taken by the Company for recovery of the principal and interest.
- (e) The principal business of the Company is to give loans, hence the requirement to report on clause 3(iii) (e) of the Order is not applicable to the company.
- (f) 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. Hence the requirement to report loans granted to promoters, related parties as defined in clause 76 of section 2 of the Act or to any other parties hence clause 3(iii) (f) of the Order is not applicable.





(iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of sections 185 and 186 of the Act in respect of loans granted, investments made and guarantees given, where applicable. The Company has not provided any security for which the provisions of sections 185 and 186 of the Act are applicable.

(v) The Company has not accepted any deposits from the public or amounts which are deemed to be deposits during the year which attract the directives issued by the Reserve Bank of India. Being a Non-Banking Finance Company registered with Reserve Bank of India, the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Rules framed there under regarding acceptance of deposits are not applicable. Accordingly, paragraph 3(v) of the Order is not applicable to the Company.

**(vi) In respect of Cost Records**

In our opinion and according to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Act for the Company.

**(vii) In Respect of Statutory Liability**

a) In our opinion and according to the information and explanations given to us, the Company has generally been regular in depositing any undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues to the appropriate authorities.

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income tax, goods and services tax, sales tax, service tax, duty of customs, cess and other material statutory dues were in arrears as at March 31, 2025, 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 undisputed amounts payable in respect of statutory dues like Provident Fund, Employee State Insurance, Income Tax, and Goods & Service Tax at the yearend for a period more than six months from the date they become payable.





(viii) According to the information and explanations given to us, and on the basis of our examination of the records of the company, there are no such instances noticed where transactions are not recorded in the books of account which have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961. There is no previously unrecorded income which has been required to be properly recorded in the books of accounts during the year.

(ix) **In respect of loans and borrowings**

- a. The Company has not taken any loans or other borrowing from any lender. Hence reporting under clause 3(ix)(a) of the Order is not applicable
- b. According to the information and explanations given to us and on the basis of our audit procedures, we report that the Company has not been declared a wilful defaulter by any bank or financial institution or any other lender.
- c. In our opinion and according to the information and explanations given to us, the Company has not borrowed any term loans during the year and there are no outstanding term loans at the beginning of the year and hence reporting under clause 3(ix) (c ) of the Order is not applicable
- d. According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the financial statements of the Company, we report that no loans were availed and the reporting of funds raised on short-term basis being utilized for long-term purposes by the Company does not arise. Hence reporting under clause 3(ix)(d) of the Order is not applicable.
- e. According to the information and explanations given to us and on an overall examination of the financial statements of the Company, we report that 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. According to the information and explanations given to us and procedures performed by us, we report that 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. The Company has not raised any monies by way of initial public offer or further public offer (including debt instruments), during the year. Accordingly, the reporting under clause 3(x)(a) of the order is not applicable to the company.
  - b. During the year the Company has made rights issue of its equity shares to the present shareholders in compliance with provision of Sec 62 of the Companies Act, 2013 and have utilized the funds raised in accordance with the original purpose for which funds were raised.
- (xi)
- a. According to the information and explanations given to us and based on our examination of the records of the Company, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit
  - b. Audit Report in form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 to be filed by the auditors with Central Government in terms of provisions of sub section 12 of section 143 of the Companies Act, 2013 is not applicable.
  - c. According to the information and explanation given to us and based on our examination of the records of the Company, no whistle blower complaint has been received by the company during the year.
- (xii) According to the records of the Company and the information and explanation provided by the Management and based on our examination of the records of the Company, the company is not a Nidhi Company and therefore clauses 3 (xii) of the order are not applicable to the Company.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, all transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where ever applicable and the details have been disclosed in the standalone 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 though mandatory provision under sec 138 read with rule 13 of companies (accounts) rules 2014 is not applicable to the company.
- b. The reports of the Internal Auditors for the period under audit were considered.

(xv) According to the information and explanations given to us, in our opinion, during the year the Company has not entered into any non-cash transaction with its directors or persons connected with its directors and hence reporting requirement under Clause 3 (xv) of the Order are not applicable to the Company.

(xvi)

- a. According to the information and explanation given to us, the Company is required to be registered under Sec 45IA of the Reserve Bank of India Act, 1934 and accordingly, a valid registration has been held from Reserve Bank of India as NBFC-ICC Company now classified as Base Layer Category.
- b. In our opinion and according to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Act for the Company
- c. The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, the reporting under clause 3(xvi)(c) of the Order is not applicable to the Company.
- d. Based on the information and explanations provided by the management of the Company, the Group has no CICs as part of the Group. Accordingly, the reporting under clause 3(xvi)(d) of the Order is not applicable to the Company.

(xvii) According to the information and explanations given to us, the company has not incurred cash losses in the financial year and in the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors during the year. Accordingly, provisions stated under clause 3 (xviii) of the order are not applicable to the Company.





- (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)
- In respect of other than ongoing projects, as at balance sheet date, the Company does not have any amount remaining unspent under Section 135(5) of the Act. Accordingly, reporting under clause 3(xx)(a) of the Order is not applicable.
  - As at balance sheet date, the Company does not have any amount remaining unspent under Section 135(5) of the Act. Accordingly, reporting under clause 3(xx)(b) of the Order is not applicable
- (xxi) The reporting under clause 3(xxi) of the Order is not applicable to the Company as it does not have any subsidiaries, joint ventures or associate companies and the Company does not prepare Consolidated Financial Statements. Accordingly, no comment in respect of the said clause has been included in this report.

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For R S Hariharan & Associates

FRN: 015460S

Chartered Accountants

*R. S. Hariharan*

**R.S.Hariharan**

Chartered Accountant

FCA: 014696



Place: Chennai

Date: 07-06-2025



Annexure B to the Independent Auditor's Report of even date to the members of RAR FINCARE LTD, on the financial statements for the year ended 31st March 2025

Independents Auditor's Report on the Internal Financial Controls under Clause (i) of Sub-Section 3 of Section 143 of the Companies, Act, 2013 ("the Act")

In conjunction with our audit of the financial statements of RAR FINCARE LIMITED ("the Company") as at and for the year ended 31 March 2025, we have audited the internal financial controls over the financial Reporting (IFCoFR) of the Company as at that date.

#### **Management's Responsibility for Internal Financial Controls**

The company's management is responsible for establishing and maintaining IFCoFR based on the internal controls over financial reporting criteria established by the company considering the essential components of Internal control stated in the guidance note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate Internal Financial Controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, 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 Companies Act, 2013.

#### **Auditor's Responsibility for Internal Financial Controls**

Our Responsibility is to express an opinion on the Company's IFCoFR based on our audit, We conducted our audit in accordance with Standards on Auditing, issued by the Institute of Chartered Accountants of India (ICAI) and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of IFCoFR, and the Guidance Note on the Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the ICAI. Those Standards and the Guidance Note require that we comply with the ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate IFCoFR 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 IFCoFR and their operating effectiveness. Our audit of IFCoFR included obtaining an understanding on IFCoFR, 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 judgment, 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 IFCoFR with reference to financial reporting.





### Meaning of Internal Financial Controls Over Financial Reporting

A company's IFCoFR 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 IFCoFR 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 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 IFCoFR, 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 IFCoFR to future periods are subject to the risk that the IFCoFR 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 explanation 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, 2025, based on their Internal Control Over Financial reporting criteria established by the Company considering the essential components of the Internal control stated in the guidance note on Audit of Internal financial controls over financial reporting issued by ICAI.

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For R S Hariharan & Associates

Firm No: 015460S

Chartered Accountants

*R. S. Hariharan*

R.S.Hariharan

Chartered Accountant

FCA: 014696



Place: Chennai

Date: 07-06-2025

## RAR FINCARE LIMITED

## TOTAL INCOME STATEMENT

(In ₹ Rupees)

As at 31st March

2025

Status: Company  
 PAN: AAJCR6982L  
 DOI: 09-07-2019  
 Bank Name: HDFC

Asst. Year: 2025-26  
 Year ending: 31.03.2025  
 Bank A/c: 57500000409031  
 IFSC: HDFC0001097

TOTAL INCOME**Business Income**

Income from Operation - as per Statement	191,154,485
Income from Mutual Funds	9,339,647
	200,494,132
Tax Payable (22%)	42,053,987
Tax on Mutual Fund (15%)	1,400,947
	43,454,934
Add: Surcharge (10%)	4,345,493
	47,800,427
Add: Health & Education Cess (4%)	1,912,017
	49,712,444
Less: Advance Tax	31,500,000
	18,212,444
Less: TDS receivable	21,430,855
	(3,218,411)
Balance Refundable	-3,218,411

For and on behalf of the Board of Directors



G R Radhakrishnan  
 Director  
 DIN: 01711654



G R Ananthapadmanabhan  
 Director  
 DIN: 01485010

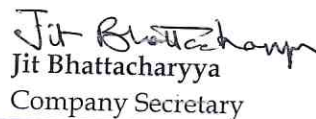


G Rajendran  
 Director  
 DIN: 02063138



R Venkatasubramanian  
 CEO

Place : Chennai  
 Date : 07-06-2025



Jit Bhattacharyya  
 Company Secretary



T K Karthik  
 CFO

RAR FINCARE LIMITED

MEMO OF ADJUSTMENTS

As at 31st March		(In ₹ Rupees) 2025
	To Net Profit	137,876,649
To Depreciation as per IT Act	684,630	Depreciation as per Books
		964,165
.. Income from sale of MF	9,339,647	<u>.. Inadmissible Expenses</u>
.. Deferred Tax Asset	-33,077	.. Provision for Impairment
		11,635,668
		.. Provision for Income Tax
		46,680,334
		.. Provision for Gratuity
		644,936
		.. Provision for Leave Encashment
		1,258,756
		..EIR Adjustment
		2,085,176
.. Adjusted Income	191,154,485	
	<u>201,145,684</u>	<u>201,145,684</u>

For and on behalf of the Board of Directors

*21/6*  
*Radhakrishnan*

G R Radhakrishnan  
Director  
DIN: 01711654

*21/6*  
*Rajendran*

G Rajendran  
Director  
DIN: 02063138

*Jit Bhattacharya*  
Jit Bhattacharyya  
Company Secretary

*Ananthpadmanabhan*  
G R Ananthpadmanabhan  
Director  
DIN: 01485010

*R Venkatasubramanian*  
R Venkatasubramanian  
CEO

*T K Karthik*  
T K Karthik  
CFO

Place : Chennai  
Date : 07-06-2025

BALANCE SHEET

(₹ in Lakhs)

As at, 31st March

	Note	2025	2024
<b>A ASSETS</b>			
<b>1 Financial Assets</b>			
(a) Cash and Cash Equivalents	4	.02	.03
(b) Bank Balance other than a) above		427.30	1152.95
(c) Receivables			
(i) Trade Receivables	5	182.23	168.24
(ii) Other Receivables		-	-
(d) Loans	6	16541.87	12672.10
(e) Investments	7	194.08	-
(f) Other financial assets	8	15.40	16.59
		<u>17360.90</u>	<u>14009.91</u>
<b>2 Non-Financial Assets</b>			
(a) Deferred tax assets (Net)	9	39.37	39.70
(b) Investment Property		-	-
(c) Property, Plant & Equipment	10.1	13.42	14.94
(d) Other Intangible Assets	10.2	3.92	-
(e) Other Non-Financial Assets	11	32.18	-
		<u>88.90</u>	<u>54.64</u>
<b>Total Assets</b>		<u><u>17449.79</u></u>	<u><u>14064.55</u></u>
<b>B EQUITY AND LIABILITIES</b>			
<b>LIABILITIES</b>			
<b>1 Financial Liabilities</b>			
a) Payables			
(i) Trade Payable	12	3.31	-
(ii) Other Payable		-	-
b) Borrowings (other than debt securities)		-	-
c) Subordinated Liabilities		-	-
d) Other financial liabilities	13	88.50	100.58
		<u>91.82</u>	<u>100.58</u>
<b>2 Non-Financial Liabilities</b>			
a) Current tax liabilities (net)	14	-	17.16
b) Provisions	15	65.29	31.37
c) Other non-financial liabilities	16	10.06	11.58
<b>EQUITY</b>			
a) Equity Share capital	17	14975.00	12975.00
b) Other Equity	18	2307.62	928.86
		<u>17357.98</u>	<u>13963.97</u>
<b>Total Equity and Liabilities</b>		<u><u>17449.79</u></u>	<u><u>14064.55</u></u>

Notes on accounts form part of standalone financial statements

As per our report of event date attached

For R S Hariharan & Associates

Chartered Accountants

FRN: 015460S

R S Hariharan

Chartered Accountant

FCA: 014696



Place: Chennai

Date: 07-06-2025

For and on behalf of Board of Directors

G R Radhakrishnan

Director

DIN: 01711654

G Rajendran

Director

DIN: 02063138

Jit Bhattacharyya

Company Secretary

G R Ananthapadmanabhan

Director

DIN: 01485010

R Venkatasubramanian

CEO

T K Karthik

CFO

## STATEMENT OF PROFIT &amp; LOSS

(₹ in Lakhs)

For the year ending 31st March

	Note	2025	2024
<b>Revenue from operations</b>			
(i) Interest income	19	2280.09	1583.47
(ii) Dividend income		-	-
(iii) Net gain on fair value changes		-	-
(iv) Sale of Services		-	-
(v) Service Charges		-	-
<b>I Total Revenue from operations</b>		<b>2280.09</b>	<b>1583.47</b>
<b>II Other Income</b>	20	<b>249.65</b>	<b>52.72</b>
<b>III Total Income (I + II)</b>		<b>2529.73</b>	<b>1636.19</b>
<b>Expenses</b>			
(i) Finance costs	21	14.18	-
(ii) Impairment on financial instruments	22	116.36	94.42
(iii) Employee benefits expenses	23	331.65	218.26
(iv) Depreciation, amortisation and impairment	24	9.64	8.60
(v) Other expenses	25	210.44	166.55
<b>IV Total Expenses</b>		<b>682.27</b>	<b>487.82</b>
<b>V Profit before tax (III - IV)</b>		<b>1847.46</b>	<b>1148.37</b>
<b>VI Tax Expenses</b>			
(i) Current tax		466.80	338.33
(ii) Deferred tax		.33	-5.73
(iii) Taxes relating to previous years		-	-
<b>VII Profit after tax (V - VI)</b>		<b>1380.33</b>	<b>815.77</b>
<b>VIII Other Comprehensive Income</b>			
A) (i) Items that will not be reclassified to profit or loss			
- Remeasurement of defined benefit plans		-1.56	-
<b>Subtotal (A)</b>		<b>-1.56</b>	<b>-</b>
B) (i) Items that will not be reclassified to profit or loss			
(ii) Income tax relating to items that will be reclassified to Profit or loss		-	-
<b>Subtotal (B)</b>		<b>-</b>	<b>-</b>
<b>VIII Other Comprehensive Income (A+B)</b>		<b>-1.56</b>	<b>-</b>
<b>IX Total comprehensive income for the year (VI + VIII)</b>		<b>1378.77</b>	<b>815.77</b>
<b>X Earnings per equity share</b>			
(Face value of ₹ 10/- each)			
Basic (₹)		0.92	0.63
Diluted (₹)		0.97	0.53

Notes on accounts form part of standalone financial statements

As per our report of event date attached

For R S Hariharan &amp; Associates

Chartered Accountants

FRN: 0154605

R S Hariharan

Chartered Accountant

FCA: 014696

Place: Chennai

Date: 07-06-2025



For and on behalf of Board of Directors

G R Radhakrishnan

Director

DIN: 01711654

G Rajendran

Director

DIN: 02063138

Jit Bhattacharya

Company Secretary

G R Ananthapadmanabhan

Director

DIN: 01485010

R Venkatasubramanian

CEO

T K Karthik

CFO

**RAR FINCARE LIMITED**  
(₹ in Lakhs)

Cash Flow Statement for the year ended 31 March

Particulars	2025	2024
<b>A. Cash flow from operating activities</b>		
Net Profit / (Loss) before extraordinary items and tax	1847.46	1148.37
<u>Adjustments for:</u>		
Depreciation and amortisation	9.64	8.60
Amortisation	-	.00
Inflow of Processing Fees	-	.00
Impairment of Loan	116.36	94.42
Interest Accrued but not due	-13.98	-168.24
Interest income	-	-.19
Net (gain) / loss on sale of investments	-93.40	-25.86
Operating profit / (loss) before working capital changes	1866.08	1057.09
<u>Changes in working capital:</u>		
<u>Adjustments for (increase) / decrease in operating assets:</u>		
Inventories		
Decrease/(Increase) in other non financial assets	-3,218,410.67	1.53
Decrease/(Increase) in Current Assets	-200.35	-244.18
Decrease/(Increase) in Loans	-3986.13	-5741.71
Decrease/(Increase) in financial assets	1.19	-3.48
Decrease/(Increase) in Non financial Liabilities	32.40	21.34
Decrease/(Increase) in other financial liabilities	-12.08	34.95
Decrease/(Increase) in Trade Payable	3.31	-.72
Taxes Paid	-338.33	-83.44
Cash generated from operations	-4532.17	-6015.71
<b>Net cash flow from / (used in) operating activities (A)</b>	<b>-2666.09</b>	<b>-4958.62</b>



<b>B. Cash flow from investing activities</b>				
Capital expenditure on fixed assets, including capital advances				16.58
Capitalisation of expenses				-
Interest Received				.19
Proceeds from redemption		87.43		25.86
			87.43	42.63
<b>Net cash flow from / (used in) investing activities (B)</b>		<b>87.43</b>		<b>42.63</b>
<b>C. Cash flow from financing activities</b>				
Proceeds from issue of equity shares	2000.00			5500.00
Proceeds from issue of preference shares	-			-
Proceeds from long-term borrowings	-			-
Repayment of long-term borrowings	-			-
Net increase / (decrease) in working capital borrowings	-			-
Proceeds from other short-term borrowings	-			-
		2000.00		5500.00
<b>Net cash flow from / (used in) financing activities (C)</b>		<b>2000.00</b>		<b>5500.00</b>
<b>Net increase / (decrease) in Cash and cash equivalents (A+B+C)</b>		<b>-578.66</b>		<b>584.01</b>
Cash and cash equivalents at the beginning of the year		1152.98		568.98
<b>Cash and cash equivalents at the end of the year</b>		<b>574.32</b>		<b>1152.98</b>



**RAR FINCARE LIMITED**  
(₹ in Lakhs)

**Cash Flow Statement for the year ended 31 March**

Particulars	2025	2024
Reconciliation of Cash and cash equivalents with the Balance Sheet: Cash and cash equivalents as per Balance Sheet	.02	.03
Less: Bank balances not considered as Cash and cash equivalents as defined in AS 3 <i>Cash Flow Statements</i>	427.30	1152.95
Net Cash and cash equivalents (as defined in AS 3 <i>Cash Flow Statements</i> )	427.32	1152.98
Add: Current investments considered as part of Cash and cash equivalents	-	-
<b>Cash and cash equivalents at the end of the year *</b>	<b>427.32</b>	<b>1152.98</b>
* Comprises:		
(a) Cash on hand	.02	.03
(b) Cheques, drafts on hand	-	-
(c) Balances with banks	-	-
(i) In current accounts	427.30	1152.95
(ii) In deposit accounts	-	.00
	<b>427.32</b>	<b>1152.98</b>

As per my report of even date annexed herewith.

**For R S Hariharan & Associates**

Chartered Accountants

FRN: 0154605

*R S Hariharan*

**R S Hariharan**

FCA: 014696



For and on behalf of the Board of Directors

*G R Radhakrishnan*  
G R Radhakrishnan  
Director  
DIN: 01711654

*G R Ananthapadmanabhan*  
G R Ananthapadmanabhan  
Director  
DIN: 01485010

*G Rajendran*  
G Rajendran  
Director  
DIN: 02063138

*R Venkatasubramanian*  
R Venkatasubramanian  
CEO

*Jit Bhattacharyya*  
Jit Bhattacharyya  
Company Secretary

*T K Karthik*  
T K Karthik  
CFO

Place: Chennai

Date: 07-06-2025

## NOTES

Forming part of standalone financial statement for the year ended 31<sup>st</sup> March 2025

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### 1. Corporate information

The **RAR Fincare Limited** ('the Company') was incorporated on 09-07-2019 with the Registrar of companies of Tamil Nadu with CIN U65993TN2019PLC130390 and the company was promoted by persons who promoted GRT group companies. The company has obtained Certificate of Registration No **N-07-00873 Dt-02-02-2021** from Reserve Bank of India as Non-Banking Finance Company (NBFC) Non-deposit accepting company (ND) and is classified as NBFC Base layer (NBFC-BL) under the Scale Based Regulatory Framework for NBFCs. The Registered Office of the Company is at New No 33, Old No 8, Venkatesan Street, T-Nagar, Chennai, Tamil Nadu - 600 017.

The company extends Term Loans to Mid Corporate Entities, Small & Medium Business Enterprises, Loans to NBFC's for the purpose of on-lending & Retail Loans Secured & Unsecured basis. The company's capital consists of authorized equity share capital of ₹ 200 crores and issued and paid-up capital stands at ₹149.75 Crores as on 31 Mar 2025.

### 2. Basis of preparation

#### 2.1. Statement of compliance

The financial statements have been prepared by the Company in accordance with the Indian Accounting Standards (Ins AS) as notified by Ministry of Corporate Affairs (MCA) under Sec 133 of the Companies Act, 2013 ('Act') read with the Companies (Indian Accounting Standards) Amendment Rules, 2016 (as amended), the provisions of the act (to the extent notified and applicable) and other applicable guidelines issued by the RBI.

The Guidance notes on Division III - Schedule III to the Companies Act, 2013 issued by the Institute of Chartered Accountants of India ("ICAI") has been followed in so far as they are not inconsistent with any of these directions.

## **2.2. Basis of measurement**

The standalone financial statements have been prepared on a historical cost basis, except for the following:

- a) certain financial assets and liabilities is measured at fair value
- b) assets held for sale – measured at fair value
- c) defined benefit plans – plan assets measured at fair value

## **2.3. Basis of preparation**

The Balance Sheet, the Statement of Profit and Loss and the Statement of Changes in Equity are prepared and presented in the format prescribed in the Division III of the Schedule III to the Act. The statement of Cash Flows has been prepared and presented as per the requirements of IND AS 7 “Statements of Cash Flows”.

## **2.4. Functional and presentation Currency**

The standalone financial statements are presented in Indian Rupees (₹) which is the currency of the primary economic environment in which the Company operates (the “functional currency”). Amounts in the standalone financial statements are presented in Lakhs rounded off to two decimal places as permitted by Schedule III to the Act, except when otherwise indicated.

## **2.5. Significant accounting judgements, estimates and assumptions**

The preparation of financial statements in conformity with the Ind AS requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the accompanying disclosure and the disclosure of contingent liabilities, at the end of the reporting period. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods. Although these estimates are based on the management’s best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcome requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

## **Material Accounting policies and key account estimates and judgements**

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

### **a) Business Model Assessment**

Classification and measurement of financial assets depends on the results of the solely payments of principal and interest and the business model test. The Company determines the business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. This assessment includes judgement reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed and how the managers of the assets are compensated. The Company monitors financial assets measured at amortised cost or fair value through other comprehensive income that are derecognised prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held. Monitoring is part of the Company's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of those assets.

### **b) Effective Interest Rate (EIR) method**

The Company's EIR methodology, recognises interest income using a rate of return that represents the best estimate of a constant rate of return over the expected behavioural life of loans given and recognises the effect of potentially different interest rates at various stages and other characteristics of the product life cycle (including prepayments and penalty interest and charges).

This estimation, by nature, requires an element of judgement regarding the expected behaviour and life-cycle of the instruments, probable fluctuations in collateral value as well as expected changes to base rate and other fee income/expense that are integral parts of the instrument.

**c) Impairment of loans portfolio**

The measurement of impairment losses across all categories of financial assets requires judgement, in particular, the estimation of the amount and timing of future cash flows and collateral values when determining impairment losses and the assessment of a significant increase in credit risk. These estimates are driven by a number of factors, changes which can result in different levels of allowances.

It has been the Company's policy to regularly review its models in the context of actual loss experience and adjust when necessary.

**d) Defined employee benefit assets and liabilities**

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

**e) Fair value measurement**

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using various valuation techniques. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

**3. Presentation of the Standalone financial statements**

The Company presents its balance sheet in order of liquidity. An analysis regarding recovery or settlement within 12 months after the reporting date (current) and more than 12 months after the reporting date (noncurrent) is presented in note 31. Financial assets and financial liabilities are generally reported gross in the balance sheet.

They are only offset and reported net when, in addition to having an unconditional legally enforceable right to offset the recognized amounts without being contingent on a

future event, the parties also intend to settle on a net basis in all of the following circumstances:

- The normal course of business
- The event of default

#### **4. Summary of Significant Accounting Policies**

##### **4.1. Revenue Recognition of Interest Income:**

The Company recognises 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 and other credit-impaired financial assets. For purchased or originated credit-impaired financial assets as applicable, the Company applies the credit-adjusted effective interest rate to the amortised cost of the financial asset from initial recognition. For other credit-impaired financial assets as applicable, the Company applies effective interest rate to the amortised cost of the financial asset in subsequent reporting periods. The effective interest rate on a financial asset is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset. While estimating future cash receipts, factors like expected behaviour and life cycle of the financial asset, probable fluctuation in collateral value etc. are considered which has an impact on the EIR. While calculating the effective interest rate, the Company includes all fees and points 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. Interest income on all trading assets and financial assets required to be measured at FVTPL is recognised using the contractual interest rate as net gain on fair value changes.

## 4.2. Financial Instruments:

### A. Financial Assets

#### i) Initial recognition and measurement

All financial assets are recognised initially at fair value when the Company becomes party to the contractual provisions of the financial asset. In case of financial assets which are not recorded at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial assets, are adjusted to the fair value on initial recognition

#### ii) Subsequent measurement

The Company classifies its financial assets into various measurement categories. The classification depends on the contractual terms of the financial assets' cash flows and the Company's business model for managing financial assets.

- a) Financial assets measured at amortised cost A financial asset is measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the Financial Asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.
- b) Financial assets measured at fair value through other comprehensive income (FVOCI) A financial asset is measured at FVOCI if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and contractual terms of financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.
- c) Financial assets measured at fair value through profit or loss (FVTPL) A financial asset which is not classified in any of the above categories are measured at FVTPL.

#### iii) Other Equity Investments & short-term investments:

All other equity investments are measured at fair value, with value changes recognised in Statement of Profit and Loss, except for those equity investments for which the Company has elected to present the changes in fair value through other comprehensive income (FVOCI).

## **B. Financial Liabilities:**

### **i) Initial recognition and measurement**

All financial liabilities are recognized initially at fair value when the company become party to the contractual provisions of the financial liability. In case of financial liability which are not recorded at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial liabilities, are adjusted to the fair value on initial recognition. The company's financial liabilities include trade and other payables, non-convertible debentures loans and borrowings including bank overdrafts.

### **ii) Subsequent Measurement**

Financial liabilities other than financial liabilities at fair value through profit or loss which includes derivative financial instruments are subsequently carried at amortized cost using the effective interest method. Subsequent measurement of derivative financial instruments is at fair value as detailed under Note 3.7 'Derivative Financial Instruments'.

## **4.3. Derecognition of financial assets and liabilities**

### **i) Financial Assets**

The Company derecognizes a financial asset when the contractual cash flows from the asset expire or it transfers its rights to receive contractual cash flows from the financial asset in a transaction in which substantially all the risks and rewards of ownership are transferred. Any rights and obligations created or retained in the transfer of such financial assets by the Company is recognized as a separate asset or liability.

### **ii) Financial Liability**

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 de-recognition 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 the Statement of profit and loss.

#### 4.4. Impairment of financial assets

##### a) Overview of the Expected Credit Loss (ECL) model

Expected Credit Loss, at each reporting date, is measured through a loss allowance for a financial asset:

- At an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition.
- At an amount equal to expected credit losses, if the credit risk on a financial instrument has not increased significantly since initial recognition.

Lifetime expected credit losses means expected credit losses that result from all possible default events over the expected life of a financial asset.

Expected credit losses means the portion of Lifetime ECL that represent the ECLs that result from default events on financial assets that are possible within the reporting date.

The Company performs an assessment, at the end of each reporting period, of whether a financial assets credit risk has increased significantly since initial recognition. When making the assessment, the change in the risk of a default occurring over the expected life of the financial instrument is used instead of the change in the amount of expected credit losses.

Based on the above process, the Company categorises its loans into three stages as described below

##### b) For non-impaired financial assets

**Stage 1** is comprised of all non-impaired financial assets which have not experienced a significant increase in credit risk since initial recognition. ECL provision is made for stage 1 financial assets. In assessing whether credit risk has increased significantly, the Company compares the risk of a default occurring on the financial asset as at the reporting date with the risk of a default occurring on the financial asset as at the date of initial recognition.

Stage 2 is comprised of all non-impaired financial assets which have experienced a significant increase in credit risk since initial recognition. The Company recognises lifetime ECL for stage 2 financial assets. In subsequent reporting periods, if the credit risk of the financial instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then entities shall revert to recognizing ECL provision.

**c) For impaired financial assets**

Financial assets are classified as Stage 3 when there is objective evidence of impairment as a result of one or more loss events that have occurred after initial recognition with a negative impact on the estimated future cash flows of a loan or a portfolio of loans. The Company recognises lifetime ECL for impaired financial assets.

**d) Estimation of Expected Credit Loss**

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. The Company uses historical information where available to determine PD. Considering the different products and schemes, the Company has bifurcated its loan portfolio into various pools. For certain pools where historical information is available, the PD is calculated considering fresh slippage of past years. For those pools where historical information is not available, the PD/ default rates as stated by external reporting agencies is considered.

**Exposure at Default (EAD)** - The Exposure at Default is an estimate of the exposure at a future default date, considering expected changes in the exposure after the reporting date, including repayments of principal and interest, whether scheduled by contract or otherwise, expected drawdowns on committed facilities, and accrued interest from missed payments.

**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 lender would expect to receive, including from the realisation of any collateral.

**e) Credit Loss Status in the Company**

The company's lending operations are based on securities provided by the borrowers largely by way of hypothecation of Book debts and in certain cases based on unimpeachable records, clean credits are also given.

Credit Loss provisions have been created in accordance with the requirement of provisions contained in Ind AS -109.

**4.5. Determination of fair value of Financial Instruments**

The Company measures financial instruments, such as, investments at fair value at each balance sheet date.

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:

- i) In the principal market for the asset or liability, or
- ii) 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.

The 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.

## 5. Other Accounting Policies

### 5.1. Cash and cash equivalents

Cash and cash equivalents comprise of cash at banks and on hand and short-term deposits with a maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts if any, as they are considered as an integral part of the Company's cash management.

### 5.2. Property, plant and equipment:

#### a) Asset

Property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment, if any. Cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located.

Advances paid towards the acquisition of fixed assets, outstanding at each reporting date are shown under other non-financial assets. The cost of property, plant and equipment not ready for its intended use at each reporting date are disclosed as capital work-in-progress.

Subsequent expenditure related to the asset are added to its carrying amount or recognised as a separate asset 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.

**b) Depreciation**

Depreciation on Property, Plant and Equipment is calculated using Straight line method to write down the cost of property, plant and equipment to their residual values over their estimated useful lives which is in line with the estimated useful life as specified in Schedule II of the Companies Act, 2013.

The estimated useful lives are as follows:

Particulars	Useful life
Furniture and fixture	10 years
Office equipment	5 years
Server and networking	6 years
Computer	3 years
Building	30 years
Vehicles	8 years

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate. 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.

Property, plant and equipment is derecognised on disposal or when no future economic benefits are expected from its use. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is recognised in other income / expense in the Statement of Profit and Loss in the year the asset is derecognised. The date of disposal of an item of property, plant and equipment is the date the recipient obtains control of that item in accordance with the requirements for determining when a performance obligation is satisfied in Ind AS 115.

### 5.3. 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 including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses.

Subsequent expenditure related to the asset is added to its carrying amount or recognised as a separate asset only if it increases the future benefits of the existing asset, beyond its previously assessed standards of performance and cost can be measured reliably.

Intangible assets comprising of software is amortised on straight line basis over a period of 5 years, unless it has a shorter useful life. 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.

### 5.4. Impairment of non-financial assets: Property, Plant and Equipment and Intangible Assets

The Company assesses, at each reporting date, whether there is any indication that any Property, Plant and Equipment and Intangible Assets or group of assets called Cash Generating Units (CGU) may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount to determine the extent of impairment, if any.

An asset's recoverable amount is the higher of an assets or CGU's fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of

those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

An assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the assets or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the Statement of Profit and Loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

## **5.5. Employee Benefit Expenses**

### **a) Short Term Employee Benefits**

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised as an expense during the period when the employees render the services

## **b) Post-Employment Benefits**

### **A. Defined contribution schemes**

All eligible employees of the company are entitled to receive benefits under the provident fund, a defined contribution plan in which both the employee and the company contribute monthly at a stipulated percentage of the covered employee's salary. Contributions are made to Employees Provident Fund Organization in respect of Provident Fund, Pension Fund and Employees Deposit Linked Insurance Scheme at the prescribed rates and are charged to Statement of Profit and Loss at actuals. The company has no liability for future provident fund benefits other than its annual contribution.

### **B. Defined Benefit schemes**

#### **Gratuity**

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Company's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets. The calculation of defined benefit obligation is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Company, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan ('the asset ceiling').

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses and the effect of the asset ceiling (if any, excluding interest), are recognised in OCI. The Company determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in statement of profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service ('past service cost' or 'past service gain') or the gain or loss on curtailment is recognised immediately in profit or loss. The Company recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

### **C. Other Long term employee benefits**

The employees can carry forward a portion of the unutilised accrued compensated absences and utilise it in future service periods or receive cash compensation on termination of employment. Since the compensated absences do not fall due wholly within twelve months after the end of such period, the benefit is classified as a long-term employee benefit. The Company records an obligation for such compensated absences in the period in which the employee renders the services that increase this entitlement. The obligation is measured on the basis of independent actuarial valuation using the projected unit credit method.

## **5.8. Provisions**

Provisions are recognised when the enterprise has a present obligation (legal or constructive) 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 can be made of the amount of the obligation.

When the effect of the time value of money is material, the enterprise determines the level of provision by discounting the expected cash flows at a pre-tax rate reflecting the current rates specific to the liability. The expense relating to any provision is presented in the Statement of Profit and Loss net of any reimbursement.

## 5.9. Taxes

Income tax expense represents the sum of current tax and deferred tax.

### a) Current Tax

Current tax is the amount of income taxes payable in respect of taxable profit for a period. Taxable profit differs from 'profit before tax' as reported in the Statement of Profit and Loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible in accordance with applicable tax laws.

The tax rates and tax laws used to compute the amount are those that are enacted, or substantively enacted, by the end of reporting date in India where the Company operates and generates taxable income.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss i.e., either in other comprehensive income or in equity. Current tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

### b) Deferred tax

Deferred tax is provided on temporary differences at the reporting date between the tax bases of assets and liabilities used in the computation of taxable profit and their carrying amounts in the financial statements for financial reporting purposes.

## 5.10. 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.

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 entity. The company does not have any contingent assets in the financial statements.

#### **5.11. Earnings Per Share**

The Company reports basic and diluted earnings per share in accordance with Ind AS 33 on Earnings per share (EPS). Basic EPS is calculated by dividing the net profit or loss for the year attributable to equity shareholders (after deducting preference dividend and attributable taxes) by the weighted average number of equity shares outstanding during the year.

For 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. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless they have been issued at a later date. In computing the dilutive earnings per share, only potential equity shares that are dilutive and that either reduces the earnings per share or increases loss per share are included.

#### **5.12. Cash-flow statement**

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from regular revenue generating, investing and financing activities of the Company are segregated.

#### **5.13. Other estimates**

These include contingent liabilities, useful lives of tangible and intangible assets etc.

STATEMENT OF CHANGES IN EQUITY

(₹ in Lakhs)

A. Equity Share Capital

Equity shares of ₹10/- each issued, subscribed and fully paid

(1) Current Reporting Period

	Balance as at April 01, 2024	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in equity share capital during the current year	Balance as at March 31, 2025
	12975.00	-	-	2000.00	14975.00

(2) Previous Reporting Period

	Balance as at April 01, 2023	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in equity share capital during the current year	Balance as at March 31, 2024
	7475.00	-	-	5500.00	12975.00



RAR FINCARE LIMITED

STATEMENT OF CHANGES IN EQUITY

(₹ in Lakhs)

Particulars	2025						Total
	(1) Current Reporting Period						
	Statutory Reserve	Securities Premium	Reserve Fund U/S 45-IC (1) of RBI Act, 1934*	Impairment Reserve	Retained Earnings	Other items of Other Comprehensive Income (Re measurement of defined benefit)	
Balance as at April 01, 2024	208.39	-	-	-	720.46	-	928.86
Restated balance at the beginning of the current reporting period	-	-	-	-	-	-	-
Total Comprehensive Income for the current year	-	-	-	-	-1.56	-	-1.56
Transfer to/(from) Retained earnings	276.07	-	-	-	-276.07	-	-
Shares issued on rights issue basis	-	-	-	-	-	-	-
Profit for the year (net of taxes)	-	-	-	-	1380.33	-	1380.33
Balance as at March 31, 2025	484.46	-	-	-	1823.17	-	2307.62



# STATEMENT OF CHANGES IN EQUITY

RAR FINCARE LIMITED

(₹ in Lakhs)

Particulars	Statutory Reserve	Securities Premium	Reserve Fund U/S 45-IC (1) of RBI Act, 1934*	Impairment Reserve	Retained Earnings	Other items of Other Comprehensive Income (Re measurement of defined benefit assets)	Total
Balance as at April 01, 2023	45.24	-	-	-	67.85	-	113.08
Restated balance at the beginning of the current reporting period	-	-	-	-	-	-	-
Total Comprehensive Income for the current year	-	-	-	-	-	-	-
Transfer to/ (from) Retained earnings	163.15	-	-	-	-163.15	-	-
Shares issued on rights issue basis	-	-	-	-	-	-	-
Profit for the year (net of taxes)	-	-	-	-	815.77	-	815.77
Balance as at March 31, 2024	208.39	-	-	-	720.46	-	928.86

For R S Hariharan & Associates

Chartered Accountants

FRN: 0154605

*R. S. Hariharan*

R S Hariharan

Chartered Accountant

FCA: 014696

Place: Chennai

Date: 07-06-2025



*G R Radhakrishnan*  
G R Radhakrishnan  
Director  
DIN: 01711654

*G Rajendran*  
G Rajendran  
Director  
DIN: 02063138

*G R Ananthapadmanabhan*  
G R Ananthapadmanabhan  
Director  
DIN: 01485010

*R Venkatasubramanian*  
R Venkatasubramanian  
CEO

*Jit Bhattacharyya*  
Jit Bhattacharyya  
Company Secretary

*T K Karthik*  
T K Karthik  
CFO

## 4 Cash and Cash Equivalents

Particulars	As at Mar 31, 2025	As at Mar 31, 2024
Cash on hand	.02	.03
Balances with banks		
- in current accounts	427.30	1152.95
- In deposit accounts	-	-
<b>Total</b>	<b>427.32</b>	<b>1152.98</b>

## 4.1 Bank balance other than cash and cash equivalents

Particulars	As at Mar 31, 2025	As at Mar 31, 2024
Fixed deposits with bank (maturing after period of three months)	-	-
Fixed deposits with bank under lien		
- Maturing within a period of three months	-	-
- Maturing after period of three months	-	-
Balance in other escrow accounts		
- Unpaid (Unclaimed) Dividend Account	-	-
- Unspent CSR expenditure account	-	-
- Unpaid (unclaimed) interest and redemption proceeds of Non-Convertible debentures	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

## 4.2

Particulars	As at Mar 31, 2025	As at Mar 31, 2024
Fixed deposits with bank (maturing after period of three months)	-	-
Fixed deposits with bank under lien (maturing within a period of three months)		
- given as security for borrowings	-	-
- given as security for guarantees	-	-
- other purposes	-	-
Fixed deposits with bank under lien (maturing after period of three months )		
- given as security for borrowings	-	-
- given as security for guarantees	-	-
- other purposes	-	-
<b>Total</b>	<b>-</b>	<b>-</b>



## 5 Trade Receivables

Particulars	As at Mar 31, 2025	As at Mar 31, 2024
<b>(I) Trade Receivables</b>		
a) Receivables considered good - Secured	158.58	151.19
b) Receivables considered good - Unsecured	23.64	17.06
c) Receivables which have significant increase in credit risk	-	-
d) Receivables - credit impaired	-	-
<b>Total</b>	<b>182.23</b>	<b>168.24</b>
<b>(II) Other receivables</b>		
Less: Allowance for impaired loss	-	-
<b>Total Net receivables</b>	<b>182.23</b>	<b>168.24</b>

## 5.1 Trade Receivables Ageing Schedule as at Mar 31, 2025

Particulars	Less than 6 month	2-3 years	More than 3 years	Total
<b>(I) Trade Receivables</b>				
i) undisputed Trade Receivables considered good	182.23	-	-	182.23
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	-	-	-	-
<b>Total Net receivables</b>				



## Notes Forming part of Financial Statements

RAR FINCARE LIMITED  
(₹ in Lakhs)

## 6 Loans

Particulars	31-Mar-25				31-Mar-24					
	Amortised cost	Through other Comprehensive Income	Through Profit or Loss	Designated at fair value through profit or loss	Total	Amortised cost	Through other Comprehensive Income	Through Profit or Loss	Designated at fair value through profit or loss	Total
<b>(A)</b>										
(i) Corporate Loan	11641.90	-	-	-	11641.90	11481.70	-	-	-	11481.70
(ii) Business Loan	5054.47	-	-	-	5054.47	1186.57	-	-	-	1186.57
(iii) Personal Loan	109.11	-	-	-	109.11	151.09	-	-	-	151.09
(iv) Staff Loan	-	-	-	-	-	-	-	-	-	-
(v) Loan to subsidiaries	-	-	-	-	-	-	-	-	-	-
(vi) Other Loans	-	-	-	-	-	-	-	-	-	-
<b>Total (A) - Gross</b>	16805.49	-	-	-	16805.49	12819.36	-	-	-	12819.36
Less: Impairment loss allowance	263.62	-	-	-	263.62	147.26	-	-	-	147.26
<b>Total (A) - Net</b>	16541.87	-	-	-	16541.87	12672.10	-	-	-	12672.10
<b>(B)</b>										
<b>I) Secured by tangible assets (Including book debts)</b>										
(i) Corporate Loan	11632.65	-	-	-	11632.65	11008.50	-	-	-	11008.50
(ii) Business Loan	4072.04	-	-	-	4072.04	716.04	-	-	-	716.04
(iii) Personal Loan	27.73	-	-	-	27.73	5,724,230	-	-	-	5,724,230
(iv) Staff Loan	-	-	-	-	-	-	-	-	-	-
(v) Loan to subsidiaries	-	-	-	-	-	-	-	-	-	-
(vi) Other Loans	-	-	-	-	-	-	-	-	-	-
<b>Total (I) - Gross</b>	15732.41	-	-	-	15732.41	11781.78	-	-	-	11781.78
Less: Impairment loss allowance	244.59	-	-	-	244.59	125.29	-	-	-	125.29
<b>Total (I) - Net</b>	15487.82	-	-	-	15487.82	11656.50	-	-	-	11656.50



**RAR FINCARE LIMITED**  
(₹ in Lakhs)

Notes Forming part of Financial Statements  
6 Loans

Particulars	31-Mar-25			31-Mar-24		
	Amortised cost	Through other Comprehensive Income	Designated at fair value through profit or loss	Amortised cost	Through other Comprehensive Income	Designated at fair value through profit or loss
<b>II) Covered by Bank/ Government Guarantees</b>	-	-	-	-	-	-
<b>III) Unsecured</b>						
(i) Corporate Loan	9.26	-	-	473.20	-	-
(ii) Business Loan	982.43	-	-	470.53	-	-
(iii) Personal Loan	81.38	-	-	93.84	-	-
(iv) Staff Loan	-	-	-	-	-	-
(v) Loan to subsidiaries	-	-	-	-	-	-
(vi) Other Loans	-	-	-	-	-	-
<b>Total (III) - Gross</b>	<b>1073.07</b>	-	-	<b>1037.58</b>	-	-
Less: Impairment loss allowance	19.02	-	-	21.97	-	-
<b>Total (III) - Net</b>	<b>1054.05</b>	-	-	<b>1015.60</b>	-	-
<b>(C) (I) Loans in India</b>						
i) Public Sector	-	-	-	-	-	-
i) Others	16805.49	-	-	12819.36	-	-
<b>(C) (II) Loans outside in India</b>						
Total (C) - Gross	16805.49	-	-	12819.36	-	-
Less: Impairment loss allowance	263.62	-	-	147.26	-	-
<b>Total (C) - Net</b>	<b>16541.87</b>	-	-	<b>12672.10</b>	-	-



## Notes Forming part of Financial Statements

## RAR FINCARE LIMITED

(₹ in Lakhs)

## 6.1 Credit Quality of Loan Assets

Particulars	As at Mar 31, 2025			Total
	Stage 1 collective	Stage 2 collective	Stage 3 collective	
Internal rating grade				
Performing				
High grade				
Standard grade	15969.38	-	-	15969.38
Sub-standard grade	-	469.26	-	469.26
Past due but not impaired	-	276.13	-	276.13
Non-Performing	-	154.74	-	154.74
Individually Impaired				
Total	-	-	52.59	52.59
EIR impact of Service charges received	15969.38	900.13	52.59	16922.09
Gross carrying amount closing	109.68	6.71	.21	116.61
balance net of EIR impact of service charge received	15859.69	893.42	52.37	16805.49



## Notes Forming part of Financial Statements

RAR FINCARE LIMITED  
(₹ in Lakhs)

Particulars	As at Mar 31, 2024			Total
	Stage 1 collective	Stage 2 collective	Stage 3 collective	
Internal rating grade				
Performing				
High grade				
Standard grade	12665.30	-	-	12665.30
Sub-standard grade	-	142.77	-	142.77
Past due but not impaired	-	60.00	-	60.00
Non-Performing	-	47.30	-	47.30
Individual Impaired				
Total	-	-	-	-
EIR impact of Service charges received	12665.30	250.07	-	12915.37
Gross carrying amount closing balance net of EIR impact of service charge received	94.29	1.47	-	95.76
	12571.01	248.60	-	12819.62



## 7 Investments

Particulars	As at Mar 31, 2025					Total
	Amortized cost	Designated at fair value through OCI	Designated at fair value through profit or loss	Sub-total	At Cost	
i) Government securities	-	-	-	-	-	-
ii) Equity instruments						
Subsidiaries	-	-	-	-	-	-
Others	-	-	-	-	-	-
iii) Preference shares	-	-	-	-	-	-
Subsidiaries	-	-	-	-	-	-
Others	-	-	-	-	-	-
iii) Mutual Funds	-	-	-	-	-	-
Total Gross (A)	-	-	.68	.68	193.40	194.08
ii) Investments outside India	-	-	.68	.68	193.40	194.08
Total Gross (B)	-	-	.68	.68	193.40	194.08
Less: Allowances for impairment Loss (C)	-	-	-	-	-	-
Net D = (A) - (C)	-	-	.68	.68	193.40	194.08



**RAR FINCARE LIMITED**  
(₹ in Lakhs)

Notes Forming part of Financial Statements

8 Other financial assets	As at 31-Mar-25	As at 31-Mar-24
Particulars		
Security Deposit	.48	.43
Lease Advances	12.60	12.60
Staff Advance	.00	1.00
Other advances from customers	2.32	2.56
<b>Total</b>	<b>15.40</b>	<b>16.59</b>
<b>9 Deferred Tax Asset</b>		
Particulars	As at 31-Mar-25	As at 31-Mar-24
Opening	39.70	33.96
For the year	-.33	5.73
<b>Total</b>	<b>39.37</b>	<b>39.70</b>
<b>11 Other Non Financial Assets</b>		
Particulars	As at 31-Mar-25	As at 31-Mar-24
GST Input	-	-
Income Tax Refund	32.18	-
Prepaid Expenses	-	-
<b>Total</b>	<b>32.18</b>	<b>-</b>



**RAR FINCARE LIMITED**  
(₹ in Lakhs)

Notes Forming part of Financial Statements

10.1 Property, Plant & Equipment

Description of Assets	Computer	Office Equipments	Furniture & Fixtures	Plant & Machinery	Vehicles	Total
<b>I. Cost or Deemed Cost</b>						
Balance as at 1 April, 2023	17.46	-	4.05			21.52
Additions	5.26		.00			5.26
Disposals	-		-			-
<b>Balance as at 31 March, 2024</b>	<b>22.73</b>	<b>-</b>	<b>4.05</b>	<b>-</b>	<b>-</b>	<b>26.78</b>
Additions	5.96		2.09			8.05
Disposals	-		-			-
<b>Balance as at 31 March, 2025</b>	<b>28.69</b>	<b>-</b>	<b>6.14</b>	<b>-</b>	<b>-</b>	<b>34.83</b>
<b>II. Accumulated depreciation for the year</b>						
Balance as at 1 April, 2023	3.01		.23			3.24
Depreciation/ amortisation expense for the year	8.23		.36			8.60
Depreciation on disposals during the year	-		-			-
<b>Balance as at 31 March, 2024</b>	<b>11.24</b>	<b>-</b>	<b>.59</b>	<b>-</b>	<b>-</b>	<b>11.84</b>
Depreciation/ amortisation expense for the year	8.82		.76			9.57
Depreciation on disposals during the year	-		-			-
<b>Balance as at 31 March, 2025</b>	<b>20.06</b>	<b>-</b>	<b>1.35</b>	<b>-</b>	<b>-</b>	<b>21.41</b>
<b>III. Carrying Amount</b>						
Balance as at 1 April, 2023	14.45	-	3.82	-	-	18.28
Net Additions	5.26	-	.00	-	-	5.26
Net Depreciation/ amortisation expense for the year	8.23	-	.36	-	-	8.60
<b>Balance as at 31 March, 2024</b>	<b>11.48</b>	<b>-</b>	<b>3.46</b>	<b>-</b>	<b>-</b>	<b>14.94</b>
Net Additions	5.96	-	2.09	-	-	8.05
Net Depreciation/ amortisation expense for the year	8.82	-	.76	-	-	9.57
<b>Balance as at 31 March, 2025</b>	<b>8.63</b>	<b>-</b>	<b>4.79</b>	<b>-</b>	<b>-</b>	<b>13.42</b>



## 10.2. Other Intangible Assets

Description of Assets	Website Exp
<b>I. Cost or Deemed Cost</b>	
Balance as at 1 April, 2023	2.03
Additions	.00
Disposals	-2.03
<b>Balance as at 31 March, 2024</b>	<b>.00</b>
Additions	3.99
Disposals	.00
<b>Balance as at 31 Mar, 2025</b>	<b>3.99</b>
<b>II. Accumulated depreciation for the year</b>	
Balance as at 1 April, 2023	.57
Depreciation/ amortisation expense for the year	.00
Depreciation on disposals during the year	-.57
<b>Balance as at 31 March, 2024</b>	<b>.00</b>
Depreciation/ amortisation expense for the year	.07
Depreciation on disposals during the year	.00
<b>Balance as at 31 Mar, 2025</b>	<b>.07</b>
<b>III. Carrying Amount</b>	
Balance as at 1 April, 2023	1.46
Net Additions	-2.03
Net Depreciation/ amortisation expense for the year	-.57
<b>Balance as at 31 March, 2024</b>	<b>.00</b>
Net Additions	3.99
Net Depreciation/ amortisation expense for the year	.07
<b>Balance as at 31 Mar, 2025</b>	<b>3.92</b>



## Notes Forming part of Financial Statements

RAR FINCARE LIMITED  
(₹ in Lakhs)

12 Trade Payables	Particulars	As at 31-Mar-25	As at 31-Mar-24
	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	3.31	-
	<b>Total</b>	<b>3.31</b>	<b>.00</b>

## 12.1 Trade Payables ageing schedule

Particulars	As at Mar 31, 2025				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	-	-	-	-	-
(ii) Others	3.31	-	-	-	-
(iii) Disputed dues - MSMEs	-	-	-	-	-
(iv) Disputed dues - others	-	-	-	-	-
<b>Total</b>	<b>3.31</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>



**RAR FINCARE LIMITED**  
(₹ in Lakhs)

Notes Forming part of Financial Statements

Trade Payables ageing schedule

Particulars	As at Mar 31, 2024				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	-	-	-	-	-
(ii) Others	-	-	-	-	-
(iii) Disputed dues - MSMEs	-	-	-	-	-
(iv) Disputed dues - others	-	-	-	-	-
<b>Total</b>	-	-	-	-	-

13 Other financial liabilities

Particulars	As at 31-Mar-25	As at 31-Mar-24
Payable to related parties	-	-
Security deposits received	-	81.75
Advances received against loans	55.55	-
Other Liabilities	32.96	18.83
<b>Total</b>	<b>88.50</b>	<b>100.58</b>

14 Current Tax Liability

Particulars	As at 31-Mar-25	As at 31-Mar-24
Opening Balance	17.16	6.44
(+) Taxes Payable	495.58	338.33
(-) Taxes Paid	-315.00	-193.24
(+) TDS receivable	-214.31	-134.17
(-) Refund Received	-15.61	-20
<b>Total</b>	<b>-32.18</b>	<b>17.16</b>



**RAR FINCARE LIMITED**  
(₹ in Lakhs)

Notes Forming part of Financial Statements

15 Provisions	Particulars	As at	
		31-Mar-25	31-Mar-24
	Provision for Audit Fee	2.25	2.50
	Provision for employee benefits		
	- Gratuity	13.90	7.45
	- Bonus	.00	.00
	- Leave encashment	12.59	8.00
	- Compensated absences	.00	.00
	Provision for expenses	36.55	13.42
	Provision for unspent expenditure on Corporate Social Responsibility	-	-
	Provisions for other losses	-	-
	<b>Total</b>	<b>65.29</b>	<b>31.37</b>

16 Other non-financial liabilities	Particulars	As at	
		31-Mar-25	31-Mar-24
	Statutory dues Payable		
	GST Payable	1.52	5.04
	EPF Payable	.52	.36
	TDS Payable	6.05	4.48
	ESI Payable	.00	.01
	Insurance	1.96	1.70
	<b>Total</b>	<b>10.06</b>	<b>11.58</b>



## 17 Equity share capital

## 17.1 The reconciliation of equity shares outstanding at the beginning and at the end of the period

Particulars	As at	As at
	31-Mar-25	31-Mar-24
Authorised		
20,00,00,000 shares of Rs 10 each	20000.00	
13,50,00,000 shares of Rs 10 each		13500.00
Issued, Subscribed and fully paid up		
14,97,50,000 shares of Rs 10 each	14975.00	
12,97,50,000 shares of Rs 10 each		12975.00
<b>Total Equity</b>	<b>14975.00</b>	<b>12975.00</b>

## 17.2 Terms/ rights attached to equity shares

The Company has only one class of equity shares having a par value of Rs.10/- per share. Upon a show of hands, every member entitled to vote and present in person shall have one vote, and upon a poll, every member entitled to vote and present in person or by proxy shall have one vote, for every share held by him.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

## 17.3 Details of Equity shareholders holding more than 5% Equity shares in the company

Name of Shareholder	As at March 31, 2025		As at March 31, 2024	
	No of shares held	% holding in that class of shares	No of shares held	% holding in that class of shares
<b>Equity shares of Rs.10 each fully paid up held by:</b>				
G.Rajendran	3,74,50,000	25.01%	3,22,50,000	24.86%
G.R.Ananthapadmanabhan	5,36,75,000	35.84%	4,62,75,000	35.66%
G.R.Radhakrishnan	5,36,75,000	35.84%	4,62,75,000	35.66%



**RAR FINCARE LIMITED**

Notes Forming part of Financial Statements

(₹ in Lakhs)

17.4 Reconciliation of the number of Equity shares and of Equity share capital amount outstanding at the beginning and at the end of the year

Particulars	Shares	Amount
As at April 01, 2023	747.50	7475.00
Add: Shares issued	550.00	5500.00
As at March 31, 2024	1297.50	12975.00
Add: Shares issued	200.00	2000.00
As at Mar 31, 2025	1497.50	14975.00

17.5 The Company has not allotted any share pursuant to contracts without payment being received in cash or as bonus shares nor has it bought back any shares during the preceding period of 5 financial years

17.6 Shares held by promoters

Name of Shareholder	As at March 31, 2025		As at March 31, 2024	
	No of shares held	% holding in that class of shares	No of shares held	% holding in that class of shares
<b>Equity shares of Rs.10 each fully paid up held by:</b>				
G.Rajendran	37,450,000	25.01%	32,250,000	24.86%
G.R.Ananthapadmanabhan	53,675,000	35.84%	46,275,000	35.66%
G.R.Radhakrishnan	53,675,000	35.84%	46,275,000	35.66%
R.Vasanthi	1,237,500	0.83%	1,237,500	0.95%
P.Swaroopaa	1,237,500	0.83%	1,237,500	0.95%
R.Madhavi	1,237,500	0.83%	1,237,500	0.95%
V.Jayashree	1,237,500	0.83%	1,237,500	0.95%

17.7 Changes in Shareholding Pattern

Promoter Name	No of Shares	% of total shares	% change during the year
G.Rajendran	5,200,000	3.47%	0.15%
G.R.Ananthapadmanabhan	7,400,000	4.94%	0.18%
G.R.Radhakrishnan	7,400,000	4.94%	0.18%

17.8 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.



## 18 Other Equity

Particulars	As at 31-Mar-25	As at 31-Mar-24
<b>Statutory Reserve</b>		
Balance at the beginning of the year	208.39	45.24
Add: Transfer from Retained Earnings	276.07	163.15
Balance at the end of the year	484.46	208.39
<b>Securities Premium</b>		
Balance at the beginning of the year	-	-
Add: Shares issued	-	-
Balance at the end of the year	-	-
<b>Impairment Reserve</b>		
Balance at the beginning of the year	-	-
Add: Transfer from Retained Earnings	-	-
Balance at the end of the year	-	-
<b>Retained Earnings</b>		
Balance at the beginning of the year	720.46	67.85
Add: Profit for the year (net of taxes)	1378.77	815.77
Transfer from Impairment Reserve	-	-
Less: Appropriation: -		
Transfer to Statutory Reserve	-276.07	-163.15
Transfer to Impairment Reserve	-	-
Total appropriations	-276.07	-163.15
Balance at the end of the year	1823.17	720.46
<b>Other Comprehensive Income</b>		
Balance at the beginning of the year	-	-
Add: Addition during the year	-	-
Balance at the end of the year	-	-
<b>Total</b>	<b>2307.62</b>	<b>928.86</b>



## 19 Interest Income

Particulars	31, Mar 2025			31, Mar 2024		
	On Financial assets measured at fair value through OCI	On Financial assets measured at amortised cost	Interest income on financial assets classified as fair value through profit or loss	On Financial assets measured at fair value through OCI	On Financial assets measured at amortised cost	Interest income on financial assets classified as fair value through profit or loss
Interest on Loans	-	2270.34	-	-	1583.28	-
Income from bill discounting			9.75			
Interest on deposit with banks	-	-	-	-	.19	-
Interest on fair value of investment	-	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>2270.34</b>	<b>9.75</b>	<b>-</b>	<b>1583.47</b>	<b>-</b>

## 20 Other Income

Particulars	As at	
	31-Mar-25	31-Mar-24
Profit on redemption of Investments	93.40	25.86
Net gain arising on Financial assets designated as at FVTPL	.68	.00
Others	155.57	26.85
Provision no longer required	.00	-
<b>Total</b>	<b>249.65</b>	<b>52.72</b>



21 Finance Cost

Particulars	As at 31-Mar-25	As at 31-Mar-24
Processing Fees	13.73	-
Documentation Charges	.45	-
	<b>14.18</b>	<b>-</b>

\* the company has received sanction for Rs 25 crores towards working capital dt 02.12.2024 which is yet to be availed

22 Impairment on financial instruments

As at Mar 31, 2025

Particulars	Interest income on financial assets classified as fair value through profit or loss	On Financial assets measured at amortised cost	Interest income on financial assets classified as fair value through profit or loss	On Financial assets measured at amortised cost
Loan Assets	-	116.36	-	-
Bad Debts Written off	-	-	-	-
Other Assets	-	-	-	-
<b>Total</b>	<b>-</b>	<b>116.36</b>	<b>-</b>	<b>-</b>

As at Mar 31, 2024

Particulars	Interest income on financial assets classified as fair value through profit or loss	On Financial assets measured at amortised cost	Interest income on financial assets classified as fair value through profit or loss	On Financial assets measured at amortised cost
Loan Assets	-	94.42	-	-
Bad Debts Written off	-	-	-	-
Other Assets	-	-	-	-
<b>Total</b>	<b>-</b>	<b>94.42</b>	<b>-</b>	<b>-</b>



**RAR FINCARE LIMITED**

Notes Forming part of Financial Statements

(₹ in Lakhs)

**23 Employee Benefit Expenses**

Particulars	As at 31-Mar-25	As at 31-Mar-24
Salaries and Wages	295.25	190.34
Contribution to Provident and Other Funds	6.18	11.95
Bonus & Incentive	7.08	2.35
Leave Encashment	13.47	8.21
Staff Welfare Expense	9.68	5.41
<b>Total</b>	<b>331.65</b>	<b>218.26</b>

**24 Depreciation, amortisation and impairment**

Particulars	As at 31-Mar-25	As at 31-Mar-24
Depreciation of tangible assets	9.57	8.60
Amortization of intangible assets	.07	.00
<b>Total</b>	<b>9.64</b>	<b>8.60</b>

**25 Other Expenses**

Particulars	As at 31-Mar-25	As at 31-Mar-24
Auditor Remuneration	7.95	2.73
Rent	27.47	27.47
CSR Expenditure	6.64	.00
Connectivity charges	.86	.89
Commission Paid	20.63	6.87
Donation	.00	.11
Printing & Stationery	2.50	2.68
Membership & Subscription	.18	.98
Directors fees, allowances and expenses	3.34	3.54
Legal and Professional charges	17.60	22.93
Books & periodicals	.09	.09
Office Maintenance	4.11	.27
ROC filing Fees	48.93	41.25
Software Expenses	44.51	32.55
Security Charges	1.83	2.20
Telephone charges	1.07	1.03
Travelling & Boarding expenses	10.72	12.35
Rates & Taxes	3.56	3.79
Rating Fees	1.22	.00
Pooja Expenses	.00	.12
Other Expenses	7.25	4.72
<b>Total</b>	<b>210.44</b>	<b>166.55</b>



## 26 Payment made to Auditors

Particulars	As at 31-Mar-25	As at 31-Mar-24
Payment made to statutory auditors		
i) As Auditors	2.50	2.50
ii) For taxation matters	-	-
iii) For other services	5.00	2.89
iv) For reimbursement of expenses	-	-
<b>Total</b>	<b>7.50</b>	<b>5.39</b>

## 27 Income Tax

Particulars	As at 31-Mar-25	As at 31-Mar-24
Current tax	497.12	332.60
Adjustment in respect of current income tax of previous years	-30.32	-
Deferred tax relating to origination and reversal of temporary differences	.33	-5.73
<b>Income tax expense reported in statement of Profit and Loss</b>	<b>467.13</b>	<b>338.33</b>
<b>Income tax expense reported in other comprehensive income (OCI)</b>		
Current tax related to items recognised in OCI during the period	-	-
- Remeasurement of defined benefit plan	-	-
Deferred tax related to items recognised in OCI during the period	-	-
- Fair value changes on equity instruments through other comprehensive income	-	-
Income Tax charged to OCI		

In accordance with the provisions of Sec 115BAA of the Income Tax Act, 1961, the company has opted to pay income tax at a reduced rate of 22% (Plus surcharge of 10% and cess @ 4%)



## 27.1 Deferred Tax Assets/ Liabilities

Particulars	As at 31-Mar-25	As at 31-Mar-24
Fixed Assets: Timing difference on account of Depreciation and Amortisation	-0.29	0.01
On application of Expected Credit Loss method for loan loss provisions and related adjustments as per Ind AS 109 and amortisation of net income under Effective Interest Rate Method not adjusted under Income Tax Act, 1961	5.52	11.70
On Amortisation of expenses under Effective Interest Rate method for financial liabilities not permitted under Income Tax Act, 1961	29.35	24.10
On Other Provisions/ Disallowances	4.79	3.89
Deferred Tax Assets/ (Liabilities) (Net)	39.37	39.70

## 27.2 Reconciliation of deferred tax assets/ Liabilities

Particulars	As at 31-Mar-25	As at 31-Mar-24
Opening Balance	39.70	33.96
Tax income/(expense) during the period recognised in Statement of Profit and Loss	-0.33	5.73
Tax income/(expense) during the period recognised in OCI	-	-
Closing Balance	39.37	39.70

## 28 Earnings Per Equity Shares

Particulars	As at 31-Mar-25	As at 31-Mar-24
Net Profit attributable to ordinary equity holders	1378.77	815.77
Weighted average number of equity shares for basic earnings per share	1497.50	1297.50
<b>Effect of dilution</b>		
Weighted average number of equity shares for diluted earnings per share	1416.14	978.05
<b>Earnings Per share</b>		
-Basic Earnings per share	0.92	0.63
-Diluted Earnings per share	0.97	0.83



## 29 Retirement Benefit Plan

## 29.1 Defined Contribution Plan

The company makes contribution to Provident Fund, ESI which are defined contribution plan for qualifying employees. The Company recognised ₹ 6,17,672/- (Mar 31, 2024 ₹ 4,49,575/-) for provident fund and other fund contribution in the Statement of Profit and Loss

## 29.2 Defined Benefit Plan

The Company has a defined benefit gratuity plan. The gratuity plan is governed by the Payment of Gratuity Act, 1972. Every employee who has completed five years or more of service gets a gratuity on leaving the service of the company at 15 days salary (last drawn salary) for each completed year of service.

The following tables summarise the components of net benefit expense recognized in the Statement of Profit and Loss and the funded status and amounts recognized in the Balance Sheet for the gratuity plan.

**Net Liability/ (assets) recognised in the Balance Sheet - Gratuity**

Particulars	As at 31-Mar-25	As at 31-Mar-24
Present value of funded obligations	13.90	7.45
Fair value of plan assets	-	-
<b>Defined Benefit obligation/(liability)</b>	<b>-13.90</b>	<b>-7.45</b>

**Net benefit expense recognised in Statement of Profit and Loss - Gratuity**

Particulars	As at 31-Mar-25	As at 31-Mar-24
Current Service cost	4.37	1.53
Past Service cost	-	5.92
Net Interest on net defined benefit liability/ (asset)	-	-
<b>Defined Benefit Expense</b>	<b>4.37</b>	<b>7.45</b>

**Details of changes in present value of defined benefit obligations as follows - Gratuity:**

Particulars	As at 31-Mar-25	As at 31-Mar-24
Present value of defined benefit obligation at the beginning of the year	7.45	-
Current service cost	4.37	1.53
Past Service cost - Vested	.00	5.92
Interest cost on benefit obligations	.52	-
Re-measurements:		
a. Actuarial loss/ (gain) arising from changes in financial assumptions	.14	-
b. Actuarial loss/ (gain) arising from experience over the past years	1.42	-
Benefits paid	-	-
<b>Present value of defined benefit obligation at the end of the year</b>	<b>13.90</b>	<b>7.45</b>



**Details of changes in fair value of plan assets are as follows (Gratuity) :-**

Particulars	As at 31-Mar-25	As at 31-Mar-24
Fair value of plan assets at the beginning of the year	-	-
Interest income on plan assets	-	-
Employer contributions	-	-
Benefits paid	-	-
Re-measurements:		
a. Return on Plan assets, excluding amount included in net interest on the net defined benefit liability/(asset)	-	-
Fair value of plan assets as at the end of the year	-	-
Actual return on plan assets	-	-
<b>Expected employer contributions for the coming year</b>	-	-

**Remeasurement gain/ (loss) in Other Comprehensive Income (OCI) - Gratuity**

Particulars	As at 31-Mar-25	As at 31-Mar-24
Actuarial (Gains)/ Losses on obligations	1.56	-
Return on Plan Assets, excluding amount recognized in the net interest expense	-	-
Change in Asset Ceiling	-	-
Re-measurement Cost/ (Credit) for theyear	-	-

The principal assumptions used in determining gratuity obligations for the Company's plans are shown below:

Particulars	As at 31-Mar-25	As at 31-Mar-24
Discount Rate	6.72%	6.97%
Expected return on Plan assets	0.00%	0.00%
Salary Escalation rate (p.a)	10.00%	10.00%
Attrition rate (p.a)	8.00%	8.00%
Mortality rate	100% of IALM 12-14	100% of IALM
Disaility rate	14	12-14
	No Explicit Assumption	

**Investment quoted in active market - Gratuity**

Particulars	As at 31-Mar-25	As at 31-Mar-24
Government of India Securities	-	-
State Government securities	-	-
High Quality Corporate Bonds	-	-
Equity shares of listed companies	-	-
Property	-	-
Special Deposit Scheme	-	-
Funds managed by Insurer	-	-
Others (to Specify)	-	-
<b>Total</b>	-	-



**Net Liability/ (assets) recognised in the Balance Sheet - Employees earned leave scheme**

Particulars	As at 31-Mar-25
Present value of funded obligations	12.59
Fair value of plan assets	-
<b>Defined Benefit obligation/(liability)</b>	<b>-12.59</b>

**Net benefit expense recognised in Statement of Profit and Loss - Employees earned leave scheme**

Particulars	As at 31-Mar-25
Current Service cost	12.59
Past Service cost	.00
Net Interest on net defined benefit liability/ (asset)	-
<b>Defined Benefit Expense</b>	<b>12.59</b>

**Details of changes in present value of defined benefit obligations as follows(Employees earned leave scheme):**

Particulars	As at 31-Mar-25
Present value of defined benefit obligation at the beginning of the year	.00
Current service cost	12.59
Past Service cost - Vested	.88
Interest cost on benefit obligations	-
Re-measurements:	
a. Actuarial loss/ (gain) arising from changes in financial assumptions	-
b. Actuarial loss/ (gain) arising from experience over the past years	-
Benefits paid	-
<b>Present value of defined benefit obligation at the end of the year</b>	<b>13.47</b>

**The principal assumptions used in determining Employees earned leave scheme obligations for the Company's plans are shown below:**

Particulars	As at 31-Mar-25
Discount Rate	6.43%
Expected return on Plan assets	0.00%
Salary Escalation rate (p.a)	10.00%
Attrition rate (p.a)	10.00%



Particulars	As at 31-Mar-25	As at Mar 31, 2024
1. Amount required to be spent by the company during the year	6,63,619	-
2. Amount approved by the Board	6,63,619	-
3. Amount of expenditure incurred on		-
(i) Construction/acquisition of the asset	-	-
(ii) On purposes other than (i) above	6,64,000	-
4. Shortfall at the end of the year	-	-
5. Total of previous year shortfall	-	-
6. Reason for shortfall	-	-
7. Nature of CSR Activities	Educational activities and providing financial assistance to under privileged and elderly people.	
8. Details of related party transactions in relation to CSR expenditure as per relevant Accounting Standard	-	-

There is no shortfall in the CSR amount required to be spent by the Company as per Sec 135(5) of the Act for the financial year Mar 31,2025

CSR Activities include construction of educational and residential facilities to under privileged, admission of vidyarthees, and imparting knowledge which are specified under Sch VII of the Companies Act,2013

The Company has neither made any CSR contribution towards its related parties nor recorded any provision for CSR expenditure during the FY ended Mar,2025



**31 Maturity Analysis of Assets and Liabilities**

The table below shows an analysis of assets and liabilities analysed according to when they are expected to be recovered or settled and considering contractual terms. For Loans and advances to customers, maturity analysis is based on expected repayment behaviour

Particulars	As at March 31, 2025		
	Within 12 months	After 12 months	Total
<b>Assets</b>			
<b>Financial Assets</b>			
Cash and Cash Equivalents	.02	-	.02
Bank Balance other than above	427.30	-	427.30
Trade Receivables	182.23	-	182.23
Investments	194.08	-	194.08
<b>Loans</b>			
- Adjustment on account of EIR/ECL	6173.39	10368.48	16541.87
Other financial Assets	2.32	13.08	15.40
<b>Non Financial Assets</b>			
Deferred tax assets (Net)	-	39.37	39.37
Property, plant and equipment	-	13.42	13.42
Capital work in Progress	-	-	-
Other Intangible assets	-	392,375	392,375
Other non financial assets	-	-	-
<b>Total Assets</b>	<b>6979.34</b>	<b>10438.27</b>	<b>17417.61</b>
<b>Liabilities</b>			
<b>Financial Liabilities</b>			
Financial Liabilities	88.50	-	88.50
<b>Non-Financial Liabilities</b>			
Current tax liabilities (Net)	.00	-	.00
Provisions	65.29	-	65.29
Deferred tax liabilities (Net)	-	-	-
Other non-financial liabilities	10.06	-	10.06
<b>Total Liabilities</b>	<b>163.86</b>	<b>-</b>	<b>163.86</b>



## 32 Contingent Liabilities, commitments and leasing arrangements

## Contingent Liabilities

Particulars	As at 31-Mar-25	As at 31-Mar-24
(a) Claims against the company not acknowledged as debt		
(i) Income tax demands		
(ii) GST		
(iii) Disputed claims against the company under litigation not acknowledged as debt		Nil
(b) Guarantees - Counter Guarantees provided to Banks		
(d) Others		

## 33 Lease Disclosure

**Financial Lease:**

The company has not taken or let out any assets on financial lease

**Operating Lease:**

The company is not using any assets on the basis of operating lease. However the registered office of the company is on rent at Rs.27,46,800 and paid to one of the directors who own the premises.

## 34 Related Party Disclosure

## (A) Key Management Personnel (Directors)

Name	Designation	DIN
Govindarajulu Rajendran Ananthapadmanabhan	Director	01485010
Govindarajulu Rajendran Radhakrishnan	Director	01711654
Govindarajulu Rajendran	Director	02063138
Parthasarathy	Director	08741210
Parthasarathy Ramaswamy	Director	02354224
Meenakshisundaram Ramanathan	Director	07902382
Swaroop Padmanabhan	Director	06431659
Radhakrishnan Madhavi	Director	06431661

## (B) Enterprise owned or significantly influenced by Key Management Personnel or their relatives (Directors)

Nil

## (C) Relatives of Key Management Personnel (Directors)

Nil



## (E) Key Management Personnel (Other than Directors)

Name	Designation
Venkatasubramanian Ramanathan	Chief Executive Officer
Jit Bhattacharyya	Company Secretary
Tellore Kodandaraman Karthik	Chief Financial Officer

## Related Party transactions during the year

Particulars	Key Management Personnel (Directors)		Key Management Personnel (Other than Directors)	
	31-Mar-25	31-Mar-24	31-Mar-25	31-Mar-24
Director Remuneration	-	-	-	-
Sitting fee to Directors	3.34	3.00	-	-
Salaries and Allowances	-	-	113.98	97.48
Rent Paid	27.47	27.47	-	-
Rent deposit given	12.60	12.60	-	-

Note:

Related parties and the transaction have been identified on the basis of the declaration received by the management and other records available

### 35 Fair Value Measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal ( or most advantageous) market at the measurement date under current 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 value have been derived, financial instruments are classified based on hierarchy of valuation techniques.

This note describes the fair value measurement of both financial and non-financial instruments.

#### Valuation methodologies of financial instruments not measured at fair value

Fair Value of Financial Assets, other than those which are subsequently measured at Amortized cost , have been arrived at as under

Fair value on investments held for trading under FVTPL have been determined under Level 1 using quoted Market price of the underlying instrument

The company has determined that the carrying value of cash & cash equivalents , bank balances, trade receivables, trade payables and other current liabilities are a reasonable approximation of their fair value and hence their carrying value are deemed to be fair value



**Fair Value Hierarchy**

The Company determines the fair value of the Financial instruments according to the following hierarchy

Level 1: Quoted prices ( Unadjusted) for identical instruments in an active market

Level 2: Directly (i.e as prices) or indirectly (i.e derived from prices) observable market inputs, other than level 1 input

Level 3: Inputs that are not based on observable market data( Unobservable inputs)

Quantitative disclosure of Fair value measurement hierarchy for Financial assets as at 31st Mar, 2025

Particulars	Level 1	Level 2	Level 3
<b>Financial Asset:</b>			
Investment	194.08	-	-
<b>Total</b>	<b>194.08</b>	<b>-</b>	<b>-</b>

**Short-term financial assets and liabilities**

For financial assets and financial liabilities that have a short-term maturity (less than twelve months), the carrying amounts, which are net of impairment, are a reasonable approximation of their fair value. Such instruments include cash and cash equivalents, trade receivables, balances other than cash and cash equivalents and trade payables without a specific maturity.

**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. Since comparable data is not available, Credit risk is derived using historical experience, management view and other information used in its collective impairment models.

Fair values of portfolios are calculated using a portfolio-based approach, grouping loans as far as possible into homogenous groups based on similar characteristics i.e., type of loan. The Company then calculates and extrapolates the fair value to the entire portfolio using effective interest rate model 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. Hence, the carrying amount of such financial assets at amortised cost net of impairment loss allowance is of reasonable approximation of their fair value.



**36 Risk Management**

The Company's principal financial liabilities comprise borrowings and trade and other payables. The main purpose of these financial liabilities is to finance and support the Company's operations. The Company's principal financial assets include loans, investments, cash and cash equivalents and other receivables that are derived directly from its operations. As a financial lending institution, Company is exposed to various risks that are related to lending business and operating environment. The principal objective in Company's risk management process is to measure and monitor the various risks that Company is subject to and to follow policies and procedures to address such risks.

The Company is generally exposed to credit risk, liquidity risk, market risk and operational risk.

**36.1 Credit Risk**

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry. The Company has established a credit policy under which each new customer is analysed individually for creditworthiness before sanctioning any loan. The Company's review includes external ratings, if they are available, financial statements, credit agency information, industry information, the loan-to-value ratio etc

**Loans and advances**

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry

**Impairment Assessment**

An impairment analysis is performed at each reporting date based on the facts and circumstances existing on that date to identify expected losses on account of time value of money and credit risk. For the purposes of this analysis, the loans are categorised into groups based on days past due. Each group is then assessed for impairment using the ECL model as per the provisions of Ind AS 109 - financial instruments.

Company's internal credit rating grades and staging criteria for loans are as follows:

Days past dues status	Rating	Stages
Current	High Grade	Stage 1
1-30 Days	Standard Grade	Stage 2
31-60 Days	Sub-standard Grade	Stage 2
61-90 Days	Past dues but not impaired	Stage 2
>90 Days	Individually impaired	Stage 3



Particulars	Stage 1	Stage 2	Stage 3	Total
As at the beginning of the year	12,571.01	248.60	-	12,819.62
New assets originated*	3,548.97	436.90		3,985.87
Asset derecognised or repaid				
Transfer from stage 1	-294.62	267.41	27.20	-
Transfer from stage 2	34.33	-59.50	25.17	-
Transfer from stage 3	-	-	-	-
Write offs( including technical write of	-	-	-	-
As at the end of the year	15,859.69	893.42	52.37	16,805.49

\*Net assets originated is net of new loans disbursed and repayment received during the year

Particulars	Stage 1	Stage 2	Stage 3	Total
As at the beginning of the year	96.90	50.36	-	147.26
Additions	-	75.24	52.37	127.61
Reversals	-11.25	-	-	-11.25
Transfer from stage 1	-61.58	34.37	27.20	-
Transfer from stage 2	0.19	-25.36	25.17	-0.00
Transfer from stage 3	-	-	-	-
Write offs( including technical write off)	-	-	-	-
As at the end of the year	24.25	134.62	104.75	263.62

#### Exposure at Default (EAD)

The Exposure at Default is an estimate of the exposure at a future default date, considering expected changes in the exposure after the reporting date, including repayments of principal and interest, whether scheduled by contract or otherwise, expected drawdowns on committed facilities, and accrued interest.

#### Probability of Default (PD)

The Probability of Default is an estimate of the likelihood of default over a given time horizon. For Stage 1 financial assets, the Company assesses the possible default events for the calculation of the ECL. For Stage 2 and Stage 3 financial assets, the exposure at default is considered for events over the lifetime of the instruments. The Company uses historical information wherever available to determine PD. PD is calculated using Incremental 91 DPD approach considering fresh slippage using historical information. Where historical information is not available, the PD/default rates as stated by external reporting agencies is considered.

#### Loss given default

LGD is an estimate of the loss from a transaction given that a default occurs. Under Ind AS 109, lifetime LGD's are defined as a collection of LGD's estimates applicable to different future periods



Various approaches are available to compute the LGD. The Company has considered workout LGD approach. The following steps are performed to calculate the LGD

- (a) Analysis of historical credit impaired accounts at cohort level
- (b) The computation consists of four components, which are:
  - a) Outstanding balance (POS)
  - b) Recovery amount (discounted yearly) by effective interest rate.
  - c) Expected recovery amount (for incomplete recoveries), discounted to reporting date using effective interest rate
  - d) Collateral (security) amount

**ECL computation:**

Conditional ECL at DPD pool level was computed with the following method

Conditional retail ECL for year (yt) = EAD (yt) \* conditional PD (yt) \* LGD (yt) \* discount factor (yt)

### 36.2 Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting its obligations associated with its financial liabilities. The Company's approach in managing liquidity is to ensure that it will have sufficient funds to meet its liabilities when due.

### 36.3 Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk includes interest rate risk and foreign currency risk. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

### 36.4 Capital

The Company maintains an actively managed capital base to cover risks inherent in the business and is meeting the capital adequacy requirements of the regulator, RBI. The adequacy of the Company's capital is monitored using, among other measures, the regulations issued by RBI.

The Company has complied in full with all its externally imposed capital requirements over the reported period. Equity share capital and other equity are considered for the purpose of Company's capital management.

### 36.5 Capital Management

The primary objectives of the Company's capital management policy are to ensure that the Company complies with externally imposed capital requirements and maintains strong credit ratings and healthy capital ratios in order to support its business and to maximise shareholder value

The Company manages its capital structure and makes adjustments to it according to changes in economic conditions and the risk characteristics of its activities. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividend payment to shareholders, return capital to shareholders or issue capital securities. No changes have been made to the objectives, policies and processes from the previous years. However, they are under constant review by the Board.



## 37 Regulatory Capital

Particulars	As at	As at
	31-Mar-25	Mar 31, 2024
Tier 1 Capital	17282.62	13903.86
Tier 2 Capital	211.89	94.42
<b>Total Capital</b>	<b>17494.51</b>	<b>13998.27</b>
Risk Weighted Assets	16950.92	12700.07
Tier 1 Capital Ratio (%)	101.96%	109.48%
Tier 2 Capital Ratio (%)	1.25%	0.74%
Total Capital Ratio (%)	103.21%	110.22%

Regulatory capital consists of capital, which comprises share capital, share premium, statutory reserve, share option outstanding account, retained earnings including current year profit less accrued dividends. Tier 2 capital consists of ECL on stage 1 and subordinated debt (subject to prescribed discount rates and not exceeding 50% of Tier 1)

## 38 Segment Reporting

The Company is engaged in the business segment of Financing, whose operating results are regularly reviewed by the management to make decisions about resources to be allocated and to assess its performance, and for which discrete financial information is available. Further other business segments do not exceed the quantitative thresholds as defined by Ind AS 108 on "Operating Segment". Hence, there are no separate reportable segments, as required by Ind AS 108 on "Operating Segment".

## 39 Additional Disclosure

- 39.1 The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority or other lender in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India.
- 39.2 There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.
- 39.3 The Company has not traded or invested in crypto currency or virtual currency during the current or previous year
- 39.4 The Company had no transaction with Companies struck off under section 248 of the Companies Act 2013 during the year 2024-25
- 39.5 There are no charges or satisfaction which are yet to be registered with the Registrar of Companies beyond the statutory period.



Notes Forming part of Financial Statements

- 39.6 As a part of normal lending business, the Company grants loans and advances after exercising proper due diligence  
Other than the transactions described above
- 39.7 (a) No funds have been advanced or loaned or invested by the Company to or in any other person(s) or entity(ies) including foreign entities ("Intermediaries") with the understanding that the Intermediary shall lend or invest in a party identified by or on behalf of the Company (Ultimate Beneficiaries);
- 39.8 (b) No funds have been received by the Company from any party(s) (Funding Party) with the understanding that the Company shall whether, directly or indirectly, lend or invest in other persons or entities identified by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- 39.9 The Company has not revalued it's Property, Plant and Equipment (including Right of use assets) or intangible assets or both during the current or previous year.
- 39.10 The Company has not entered into any scheme of arrangement which has an accounting impact on current or pervious year.
- 39.11 The Company has not raised any fund on short term and long term basis from banks and financial institution.

39.12 Figures of previous year has been regrouped / reclassified, wherever necessary, to correspond with the figures of the current year.



40 DISCLOSURE AS PER RBI NOTIFICATION NO. RBI/2022-23/26  
DOR.ACC.REC.NO.20/21.04.018/2022- 23 ON DISCLOSURES IN FINANCIAL STATEMENTS-  
NOTES TO ACCOUNTS OF NBFCs

## I. EXPOSURES

## a. Exposure to real estate sector

Particulars	Year ended 2025	Year ended 2024
Nil		

## b. Exposure to capital market

Particulars	Year ended 2025	Year ended 2024
Nil		

## c. Intra-group exposure

Particulars	Year ended 2025	Year ended 2024
Nil		

NOTES FORMING PART OF STATEMENT OF PROFIT AND LOSS

d Sectoral Exposure

Sectors	Year ended 2025			Year ended 2024		
	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						
2. Industry						
i.Small Scale Business	16,434.69	52.37	0.32%	12,530.18	-	0.00%
3. Services						
i.Unsecured Term Loan	-	-	0.00%	-	-	0.00%
4. Personal Loans						
i.Retail Loans	107.18	-	0.00%	141.92	-	0.00%
<b>Total</b>	<b>16,541.87</b>	<b>52.37</b>	<b>0.32%</b>	<b>12,672.10</b>	<b>-</b>	<b>0.00%</b>

e Unhedged foreign currency exposure

Particulars	Year ended	Year ended
	2025	2024
	Nil	

II RELATED PARTY DISCLOSURES

Refer Note. 32



**NOTES FORMING PART OF STATEMENT OF PROFIT AND LOSS**  
**III DISCLOSURE OF COMPLAINTS FROM CUSTOMERS**

**RAR FINCARE LIMITED**  
(₹ in Lakhs)

**1 Summary information on complaints received by the NBFCs from customers and from the Offices of Ombudsman**

Particulars	Year ended 2025	Year ended 2024
<b>Complaints received by the NBFC from its customers</b>		
1.Number of complaints pending at beginning of the year	-	-
2.Number of complaints received during the year	-	-
3.Number of complaints disposed during the year	-	-
3.1 Of which, number of complaints rejected by the NBFC	-	-
4.Number of complaints pending at the end of the year	-	-
<b>Maintainable complaints received by the NBFC from Office of Ombudsman</b>		
5.Number of maintainable complaints received by the NBFC from Office of Ombudsman	-	-
5.1 Of 5, number of complaints resolved in favour of the NBFC by Office of Ombudsman	-	-
5.2 Of 5, number of complaints resolved through conciliation/ mediation/ advisories issued by Office of Ombudsman	-	-
5.3 Of 5, number of complaints resolved after passing of Awards by Office of Ombudsman against the NBFC	-	-
6.Number of Awards unimplemented within the stipulated time (other than those appealed)	-	-



**RAR FINCARE LIMITED**

NOTES FORMING PART OF STATEMENT OF PROFIT AND LOSS

(₹ in Lakhs)

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

Grounds of complaints, (i.e. complaints relating to)	Year ended 2025					Of 5, number of complaints pending beyond 30 days
	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		
Ground - 1						
Ground - 2						
Ground - 3						
Ground - 4						
Ground - 5						
Others						
Total						
	Year ended 2024					
Ground - 1						
Ground - 2						
Ground - 3						
Ground - 4						
Ground - 5						
Others						
Total						



**RAR FINCARE LIMITED**

31-Mar-25

**DEPRECIATION AS PER INCOME TAX ACT**

(₹ in Lakhs)

	Opening Balance	Addition		Disposals	Total	Rate	Depreciation	Closing Balance
		More Than 6 Months	Less Than 6 Months					
Computer	10.45	3.37	-	-	13.82	40%	5.53	
			2.59	-	2.59	20%	.52	
	10.45	3.37	2.59	-	16.42		6.05	10.37
Furniture & Fittings	3.37	1.40			4.76	10%	.48	
			.69		.69	5%	.03	
	3.37	1.40	.69	-	5.46		.51	4.95
Intangible	1.15				1.15	25%	.29	
			3.99		-	12.5%	-	
	1.15	-	3.99	-	1.15		.29	.86
<b>Grand Total</b>	<b>14.97</b>	<b>4.77</b>	<b>7.28</b>	<b>-</b>	<b>23.02</b>		<b>6.85</b>	<b>16.18</b>



For and on behalf of the Board of Directors

*[Signature]*  
G R Radhakrishnan  
Director  
DIN: 01711654

*[Signature]*  
G R Ananthapadmanabhan  
Director  
DIN: 01485010

*[Signature]*  
G Rajendran  
Director  
DIN: 02063138

*[Signature]*  
R Venkatasubramanian  
CEO

*[Signature]*  
Jit Bhattacharyya  
Company Secretary

*[Signature]*  
T K Karthik  
CFO

Place: Chennai  
Date: 07-06-2025

# RAR FINCARE LIMITED

## Capital to Risk asset ratio

Particulars		Calculation of Capital Adequacy Ratio as on 31st March 2025	
	Sub total	Total	Total
<b>Tier I Capital</b>			
1. Share capital	1,49,75,00,000		
2. Convertible preference shares	-		
2. Free reserves	-		
3. Share premium	-		
4. Statutory Reserve	4,84,45,638		
5. Capital reserve	-	1,54,59,45,638	
Add:			
1. Accumulated profit / (loss) in balance sheet	18,23,16,559		
2. Book value of intangible assets	-		
3. Deferred revenue expenditure	-		
<b>Net owned fund</b>		18,23,16,559	
Less:			
1. Excess over 10% over the NOF - Group Exposure		1,72,82,62,197	
2. Shares in other NBFC's		-	
		-	
<b>Tier I Capital</b>		1,72,82,62,197	
Add:			
1. General provisions and loss reserves to the extent of (1&1/4)% of risk weighted assets.	2,11,88,651		
2. Preference Shares	-		
3. Subordinated debt - Discounted value	-		
To the extent the discounting value does not exceed 50% of Tier-I Capital	2,11,88,651		
<b>Tier II Capital</b>		2,11,88,651	
<b>Total of Tier I &amp; Tier II Capital</b>		2,11,88,651	1,74,94,50,848



RAR FINCARE LIMITED

31.03.2024

Asset particulars	Amount	% of weight	Risk adjusted amount
Cash and Bank balances including fixed deposits and certificates of deposits with bank Investments	4,27,32,166	0%	-
Trade Receivables from Financing Activity	1,94,08,099	100%	1,94,08,099
Staff Loan	1,65,41,86,926	100%	1,65,41,86,926
Fixed assets net of depreciation	-	0%	-
Other assets	13,42,085	100%	13,42,085
a) TDS-income tax (net of provision)	-	0%	-
b) Advance tax paid (net of provision)	39,36,705	0%	-
c) Staff Advance	-	0%	-
d) Exposure to Group companies	-	0%	-
e) Others to be specified	-	0%	-
f) Contingent liability	2,01,54,972	100%	2,01,54,972
<b>Total risk weighted assets</b>	<b>1,74,17,60,953</b>	<b>50%</b>	<b>1,69,50,92,082</b>

Percentage of Tier I & II Capital to Risk Weighted Assets



1,74,94,50,848	103.21%
<u>1,69,50,92,082</u>	
1,72,82,62,197	101.96%
<u>1,69,50,92,082</u>	
2,11,88,651	1.25%
<u>1,69,50,92,082</u>	

# 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



## RAR FINCARE LIMITED DIRECTORS' REPORT TO THE MEMBERS

Dear Members,

**RAR FINCARE LIMITED**

Chennai - 600017

Your directors have pleasure in presenting the Sixth (6<sup>th</sup>) Annual Report together with the audited Accounts of the Company for the financial year ended March 31, 2025.

**1. FINANCIAL SUMMARY/ HIGHLIGHTS/ PERFORMANCE - Rule 8 (5) (i) of the Companies (Accounts) Rules, 2014**  
(Amount in Lakhs)

PARTICULARS	For the Year ended 31.03.2025 (INR in Lakhs)	For the Year ended 31.03.2024 (INR in Lakhs)
Revenue from operations	2280.09	1,588.47
Other income	249.65	52.72
Total Revenue	<b>2529.73</b>	<b>1,636.19</b>
Total Expenditure	682.27	487.82
Profit / Loss Before Tax	<b>1847.46</b>	<b>1,148.37</b>
Current Tax	466.80	338.33
Deferred Tax	0.33	(5.73)
Profit after tax for the year	<b>1380.33</b>	<b>815.77</b>
Dividend (including Interim if any and final)	0.00	0.00
Earnings per share (Basic)	<b>0.92</b>	<b>0.63</b>
Earnings per share (Diluted)	<b>0.97</b>	<b>0.83</b>

**2. REVIEW OF BUSINESS OPERATIONS AND FUTURE PROSPECTS – 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(Secured/Unsecured)
- II. MSME Loans(Secured/Unsecured)
- III. Personal Loans(Secured/Unsecured)
- IV. Invoice Discounting



The Company has been operational since February 2021. During the last financial year, the Company has successfully scaled up its business operations. During the year under review, the Company has registered a PAT of Rs. 1380.33 lakhs, as against the PAT of Rs. 815.77 Lakhs during the previous year. During the year, the Company continues in line with the business plan approved by the Board of Directors and as duly approved by the Reserve Bank of India.

Further, during the year under review, the Company has been rated CARE BBB+; Stable by CareEdge Ratings with regard to long term bank facilities up to an amount of INR 75 Crore. Based on such rating, the Company has also received a working capital/OD facility of INR 25.00 Crore from Federal Bank Limited which the Company is yet to avail.

**3. STATE OF AFFAIRS OF THE COMPANY (Sec 134 (3)(i):**

- **Corporate Development** - During the year, the authorized capital of your Company was increased to Rs. 200.00 Crores from Rs. 135.00 Crores divided into 20,00,00,000 Equity Shares of Rs. 10/- each. Further, during the year under review, the Company has borrowed a Working capital facility from Federal Bank Limited to the extent of Rs. 25.00 Crores which remains unutilized 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. Your 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. 276.07 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 is made available in the official website of the Company under the below link: <https://rarfincare.in/> once the same has been filed with the MCA. The Annual Returns of the Company for the previous year can be found at the official website of the Company.

**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 under review.

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

During the year under review, the Board of Directors were duly constituted. As on report date, the Directors and Key managerial Personnel on the Board were as follows:



Name of Director	DIN/PAN	Designation	Date of Appointment	Date of Cessation
Mr. Rajendran Govindarajulu	2063138	Director	9/7/2019	
Mr. GR Ananthapadmanabhan	1485010	Director	9/7/2019	
Mr. GR Radhakrishnan	1711654	Director	9/7/2019	
Mrs. Swaroopa Padmanabhan	6431659	Director	15/09/2023	
Mrs. Radhakrishnan Madhavi	6431661	Director	15/09/2023	
Mrs. K Parthasarathy	8741210	Independent Director	15/05/2020	
Mr. R Parthasarathy	2354224	Independent Director	9/5/2022	
Mr. Meenakshisundaram RM	7902382	Independent Director	7/10/2022	
Mr. Venkatasubramanian R	AABPV9781C	CEO	22/04/2022	
Mr. R Srinivasan	AANPS1942C	CFO	8/12/2023	26/06/2024
Mr. Rajanikanta Senapati	EFXPS3887H	CS	25/04/2022	26/06/2024
Mr. Jit Bhattacharyya	BUYPB9301C	CS	15/07/2024	
Mr. T K Karthik	ALNPK4982H	CFO	23/10/2024	

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

As per Article 58 of the Articles of Association of your Company, Mr. Radhakrishnan Rajendran Govindarajulu, Director is liable to retire by rotation and being eligible offers himself for reappointment at the ensuing AGM. 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 2024-2025 and 2025-2026.

**6. NUMBER OF BOARD MEETINGS CONDUCTED DURING THE YEAR UNDER REVIEW – Section 134 (3) (b)**

The Board of Directors of the Company duly met 4 times in the manner as tabulated below and the Directors who were present for the meeting are as under:

S.No	Name of the Directors	26.06.2024	17.08.2024	23.10.2024	20.02.2025
1	Mr. Rajendran Govindarajulu	Present	Present	Present	Present
2	Mr. Ananthapadmanabhan Rajendran Govindarajulu	Present	Present	Present	Present
3	Mr. Radhakrishnan Rajendran Govindarajulu	Present	Present	Present	Present
4	Mrs. Swaroopa Padmanabhan	Present	Present	Present	Present
5	Mrs. Radhakrishnan Madhavi	Present	Present	Present	Present
6	Mr. Meenakshisundaram Ramanathan	Present	Present	Present	Present
7	Mr. K Parthasarathy	Present	Present	Present	Present
8	Mr. R Parthasarathy	Present	Present	Present	Present



**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):**

The Statutory Auditors have not made any qualification, reservation, adverse remark or disclaimer in their report for the Financial Year ended 31<sup>st</sup> March 2025.

The Secretarial Auditor have made the following remarks in the Secretarial Audit Report in Form MR-3 for the financial year 2024-2025:

1. During the previous year under review, the Company had received show cause notice from the Reserve Bank of India for default of complying with the provisions of Paragraph 61(c) of Chapter IX under Section III of the Master Direction - Non-Banking Financial Company – Non-Systemically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016 with respect to obtaining prior approval from the RBI for appointment of Women Directors of the Company. The Company has submitted its reply for the said SCN vide letter dated 2nd March, 2024 requesting for an opportunity of personal hearing which was granted on 15th May, 2024 wherein the facts of the case was presented to the authorities.

Your Directors wish to inform the Members that based on the personal hearing, a speaking order was issued by the Enforcement Department, Reserve Bank of India imposing a penalty of Rs. 25,000/- (Rupees Twenty Five Thousand Only) on the Company for the non-compliance of the said regulation. The Company has made the said payment of penalty during the period under review.

2. During the period under review, there were certain delay in filing of CERSAI in certain cases.

The Directors wish to inform the Members that the delays were due to some operational reasons and same has been duly completed.

3. Further, a meeting of the Independent Directors of the Company without the presence of other non-independent Directors could not be convened in the FY 24-25 to review the performance of the non-independent Directors, Chairman and assessment as to the quality, quantity, and timelines of flow of information during the FY 24-25 between the company management and the Board that is necessary for the Board to perform their duties effectively and reasonably.

The Directors wish to inform the Members that the same has been convened in the month of June 2025.

4. During the period under review, the Company has clarified that the evaluation of the performance of the Board, its Committees and Individual Directors by the Board and the Members of the Nomination and Remuneration Committee shall be done at the ensuing meeting of the Board and Nomination and Remuneration Committee to discuss and review the performance during the period 2024-2025 to form a more holistic and accurate evaluation of the same.



The Directors wish to inform the Members that the evaluation of the Board, Non- Independent Directors, Chairman has been done at the First meeting of the Board and Committee for the Financial year 2025-2026 to discuss and review the performance during the period 2024-2025 to form a more holistic and accurate evaluation of the same.

**9. STATUTORY AUDITORS:**

With the consent of the shareholders of the Company, M/s. R S Hariharan & Associates, Chartered Accountants, Chennai (FRN - 015460S) were appointed as Statutory Auditors of the Company for a term of 5 consecutive years from the conclusion of the Annual General Meeting held on 17.08.2024 till the conclusion of the 10th Annual General Meeting of the Company to be held during the financial year 2029-2030 on such terms and remuneration as has been mutually agreed upon between the said Firm of Auditors and Board of Directors of the Company.

Further, RS Hariharan & Associates, Chartered Accountants, the Statutory Auditors of the Company, have provided the Company their willingness cum consent letter and have also confirmed that there is no pending litigation or order against them or any partner of the Firm. In this regard, the Board recommends their continuation as the Statutory Auditors of the Company to be duly approved by the Members at the ensuing Annual General Meeting.

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

As on 31st March 2025, the Authorised Share Capital of the Company stood at Rs. 200.00 Crores divided into 20,00,00,000 Equity Shares of Rs.10/- each and the Issued, Subscribed and Paid-up Share Capital of the Company stood at Rs.149.75 Crores divided into 14,97,50,000 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 change 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	17.08.2024	Rs. 20,00,00,000 divided into 2,00,00,000 Equity Shares of Rs. 10/- each	149,75,00,000

- 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 2025, 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 neither a Holding Company nor a Subsidiary Company of any other Company.



**12. RISK MANAGEMENT POLICY:**

The Company has a well-established internal financial control and risk management framework along with a duly constituted Audit and Risk Management Committee 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 Audit & Risk Management Committee and the Board of Directors, the risk assessment and minimization 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.

**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):**

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 were no 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):**

The Independent Directors hold office for the appointed term of 5 years from the date of their respective date of appointment and are not liable to retire by rotation. The Company has received necessary declaration from each Independent Director of the Company under Section 149 (7) along with declaration under Rule 6 Sub Rule (1) and (2) of the Companies (Appointment and Qualifications of Directors) Rules, 2014 of the Companies Act, 2013 that the Independent Directors of the Company meet with the criteria of their Independence laid down in Section 149 (6). Also, the Independent Directors are in compliance with the Code for Independent Directors prescribed in Schedule IV 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):**

As your Company has crossed the threshold limit of Rs. 10.00 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 as provided under Section 178 of the Companies Act, 2013. In this regard, the same has been duly constituted as on date of this report. The said policy can be found on the Link <https://rarfincare.in/regulatory-disclosures>. During the period under review, there were no changes in the policy.



**17. DISCLOSURE OF COMPOSITION OF AUDIT & RISK MANAGEMENT COMMITTEE AND PROVIDING VIGIL MECHANISM – Sec 177:**

As per the provisions of Section 177(9) of the Companies Act, 2013 read with rule 7 of the Companies (Meeting of Board and its Power) Rules, 2014, the Company is required to establish an effective vigil mechanism for Directors and Employees to report genuine concerns.

Your Company, as part of the 'vigil mechanism' has in place a 'Whistle Blower Policy', to deal with instances of fraud and mismanagement, if any. The Whistle Blower Policy has been placed on the website of the Company at <https://rarfincare.in/regulatory-disclosures>.

This vigil mechanism of the Company is overseen by the Audit & Risk Management Committee and provides adequate safeguard against victimization of employees and also provides direct access to the Chairperson of the Committee.

During the year under review, your Company has not received any complaints.

Further, the Audit & Risk Management Committee has been constituted as per the provisions of the Companies Act, 2013 with a total number of 5 Directors as members, all the members being Non-Executive Directors, majority along with the Chairman being Independent Directors. The composition of the Audit Committee is as below:

- Mr. R Parthasarathy – Chairman (Independent Director)
- Mr. Meenakshisundaram RM – Member (Independent Director)
- Mr. Ananthapadmanabhan G R – Member (Non-Executive Director)
- Mr. Radhakrishnan G R – Member (Non-Executive Director)
- Mr. K Parthasarathy – Member (Independent Director)

**18. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO – Section 134 (3) (m):**

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	

**b. 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/2025	Financial Year ended 31/MAR/2024
Foreign Exchange Earnings	Nil	Nil
Foreign Exchange Outgo	Nil	Nil

**19. 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, the statutory 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, 2025.

**20. DETAILS IN RESPECT OF FRAUDS REPORTED BY THE AUDITORS - Section 134 (3) (ca):**

There is no fraud in the Company during the financial year ended 31st March, 2025. 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, 2025 which are neither reportable to the Central Government nor otherwise.

**21. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS MADE UNDER SECTION 186 OF THE COMPANIES ACT, 2013 – Section 134 (3) (g):**

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.

**22. 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.



**23. DIRECTORS RESPONSIBILITY STATEMENT – Section 134 (3) (c):**

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.

**24. DETAILS OF POLICY DEVELOPED AND IMPLEMENTED BY THE COMPANY ON ITS CORPORATE SOCIAL RESPONSIBILITY INITIATIVES - Section 134 (3)(o):**

As your Company reported a net profit of INR 8.15 Cr for the financial year 2023-24, the provisions relating to Corporate Social Responsibility were applicable on your Company during the financial year 2024-25 in accordance with the provisions of Section 135 of the Companies Act, 2013. Your Directors have approved constitution of the Corporate Social Responsibility Committee ('CSR Committee') of the Board & the CSR Policy and your Company's Corporate Social Responsibility ("CSR") activities are guided by the CSR Policy and monitored by its CSR Committee. Further, your Company has spent INR 6.63 lakhs on Corporate Social Responsibility during the financial year 2024-25 as below as mandated by the provisions of Section 135 of the Companies Act, 2013:

Name of the Trust	Amount (INR)
M/s. AKSHYA TRUST	3.00 Lakhs
M/s. DHARMA PRABODHANA TRUST	3.64 Lakhs
<b>TOTAL</b>	<b>6.64 Lakhs</b>

The CSR Policy of the Company provides a broad set of guidelines including intervention areas. Your Company believes in ensuring strong corporate culture which emphasizes on integrating CSR values with business objectives. It believes in pursuing initiatives to eradicate hunger poverty; promoting preventive health care and making available safe drinking water; promoting education, including special education, employment enhancing vocational skill training for women, promoting gender equality, programs for empowering women and projects for environmental protection, more detailed in its policy which is available Under the Web link: <https://rarfincare.in/regulatory-disclosures>.

These activities are in accordance with Schedule VII of the Companies Act, 2013.

**25. DISCLOSURE UNDER THE SEXUAL HARASSEMENT OF WOMEN ATWORKPALCE (PREVENTION, PROHIBITION AND REDRESSAL) Act, 2013:**

Your Company has complied with provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

Your Company has in place a Policy on Sexual Harassment at Workplace in line with the requirements of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition Prohibition & Redressal) Act, 2013. Internal Complaints Committee (ICC) has been set up to redress complaints



received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy.

During the financial year under review, your Company has not received any complaints of sexual harassment from any of the employees of the Company.

**26. ACKNOWLEDGEMENT:**

Your Directors express their sincere appreciation of the co-operation and assistance received from its clients, Reserve Bank of India, Ministry of Corporate Affairs, Ministry of Finance, Department of Income Tax, all its members and other stakeholders during the financial year under review.

Your directors also wish to place on record their deep sense of appreciation for the commitment displayed from all managers and executives resulting in the successful performance of the Company during the year.

Finally, your directors take this opportunity to express their appreciation and express their thanks for the continued support co-operation and guidance received from everyone associated with your company directly or indirectly.

By order of the Board

For **M/s. RAR Fincare Limited**

Place: Chennai

Date: 07.06.2025

8/9

*[Handwritten Signature]*

Rajendran Govindarajulu  
Director  
DIN : 01485010

8/9

*[Handwritten Signature]*

G R Radhakrishnan  
Director  
DIN : 01711654



*[Handwritten Signature]*

G R Ananthapadmanabhan  
Director  
DIN: 02063138



**ANNEXURE II**

**ANNUAL REPORT ON CSR ACTIVITIES**  
***(as on the financial year ended on 31st March, 2025)***  
***[Pursuant to section 135 of the Companies Act, 2013 and Rule 8(1) of the***  
***Companies (Corporate Social Responsibility Policy) Rules, 2014]***

**RAR FINCARE LIMITED**  
**CIN: U65993TN2019PLC130390**

1.	Brief outline on CSR Policy of the Company:	As per CSR Policy approved by the Board in its meeting held on 23 <sup>rd</sup> October 2024 which can be seen in the website of the Company here - <a href="https://rar.fincare.in/wp-content/uploads/2024/12/CSR-Policy-1.pdf">https://rar.fincare.in/wp-content/uploads/2024/12/CSR-Policy-1.pdf</a>			
2.	<b>Composition of CSR Committee</b>				
	<b>Sl. No.</b>	<b>Name of Director</b>	<b>Designation / Nature of Directorship</b>	<b>Number of meetings of CSR Committee held during the year</b>	<b>Number of meetings of CSR Committee attended during the year</b>
	1	R. Parthasarathy	Independent Director - Chairman	2	2
	2	Meenakshisundaram. RM	Independent Director	2	2
	3	K. Parthasarathy	Independent Director	2	2
	4	Govindarajulu Rajendran	Non-Executive Director	2	2
	5	G R Radhakrishnan	Non-Executive Director	2	2
	6	G R Ananthapadmanabhan	Non-Executive Director	2	2
3.	Provide the web-link(s) where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the Company.	<a href="https://rar.fincare.in/wp-content/uploads/2024/12/CSR-Policy-1.pdf">https://rar.fincare.in/wp-content/uploads/2024/12/CSR-Policy-1.pdf</a>			



4.	Provide the executive summary along with web-link(s) of Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of rule 8, if applicable.	N/A
5.	(a) Average net profit of the Company as per sub-section (5) of Section 135 (b) Two percent of average net profit of the company as per sub-section (5) of Section 135 (c) Surplus arising out of the CSR projects or programmes or activities of the previous financial years. (d) Amount required to be set off for the financial year, if any (e) Total CSR obligation for the financial year (b+c-d).	INR 3,31,80,972 INR 6,63,619 N/A N/A INR 6,63,619
6.	(a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project) (b) Amount Spent in Administrative Overheads (c) Amount spent on Impact Assessment, if applicable (d) Total amount spent for the Financial Year (8a+8b+8c) (e) CSR amount spent or unspent for the financial year: INR 6,64,000	NIL N/A INR 6,64,000
<b>Total Amount Spent for the Financial Year (in Rs.)</b>		<b>Amount Unspent (in Rs.)</b>
INR 6,64,000		Amount transferred to any fund specified under Schedule VII as per second proviso to sub-section (5) of Section 135
		Amount transferred to Unspent CSR Account as per sub-section (6) of Section 135
		Amount (in Rs.)
		Date of Transfer
		Name of the Fund
		Amount
		Date of Transfer
		NIL
		(f) Excess Amount set off if any: N/A



Sl No.	Particulars	Amount (in Rs.)			
(i)	Two percent of average net profit of the Company as per section 135(5)	INR 6,63,619			
(ii)	Total amount spent for the Financial Year	INR 6,64,000			
(iii)	Excess amount spent for the financial year [(ii)-(i)]	INR 381			
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	N/A			
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	INR 381			
7.	Details of Unspent CSR amount for the preceding three financial years: NIL				
Sl. No	Amount transferred to Unspent CSR Account under section 135 (6) (in Rs.)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.	Amount remaining to be spent in succeeding financial years. (in Rs.)	Deficiency if any	
1.	2022-23	Name of the Fund	Amount (in Rs.)	Date of Transfer	
2.	2021-22		NIL	NIL	
3.	2020-21		NIL	NIL	
8.	Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year. (YES/NO)		NO		
	If Yes, enter the number of Capital assets created/ acquired		N/A		
	Furnish the details relating to such asset(s) so created or acquired through Corporate Social Responsibility amount spent in the Financial Year:				



Sl. No	Short Particulars of the property or assets (s) [including complete address and location of the property]	Pincode of the property or asset(s)	Date of creation	Amount of CSR spent	Details of entity / Authority / beneficiary of the registered owner
(1)	(2)	(3)	(4)	(5)	(6)
N/A					
<i>(all field should be captured as appearing in the revenue record, flat no, house no, Municipal Office/Municipal corporation/Gram panchayat are to be specified and also the area of the immovable property as well as boundaries)</i>					
9.	Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5).				Not Applicable

By Order of the Board  
For **RAR FINCARE LIMITED**

*Rajendran Govindarajulu*

**RAJENDRAN GOVINDARAJULU**  
DIRECTOR  
DIN : 01485010

*G R Radhakrishnan*

**G R RADHAKRISHNAN**  
DIRECTOR  
DIN : 01711654

*GR Ananthapadmanabhan*

**GR ANANTHAPADMANABHAN**  
DIRECTOR  
DIN : 02063138

