



Key Audit matters:

Income Recognition:

The Company being registered NBFC with RBI entire stream of income flows from lending operations by way of interest and for certain related services like processing fees, documentation charges etc. The recognition of income is based on the accounting standards contained in IndAS 109 by arriving at effective interest income based on the principle of net cash flows which is modification of actual income represented by receipts and accruals under GAAP principles. Similarly the provisions required for loan loss has been arrived at as expected credit loss (ECL) under the provisions of IndAS 109.

Audit Response:

Our Audit procedure include verification of the terms of individual loan agreements, schedule of repayments, contracted rates of interest, upfront fees and other cash inflows to arrive at effective rate of interest for each loan contracted.

We have also verified the expected credit loss with reference to past trends in repayments pattern of the live loans contracts through analysis of ageing buckets and verified the calculation of Probability of Default and Loss given defaults.

Information other than the Financial Statements an 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, but does not include the standalone financial statements and our auditor's report thereon.

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





Responsibilities of 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 statement that give a true and fair view of the state of affairs and Profit/ Loss, Cash Flow, Changes in Equity of the company in accordance with the accounting principles generally accepted in India specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making 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 consider 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 scepticism 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





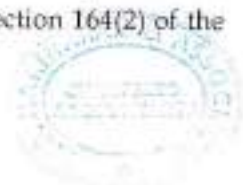
- i. Planning of the scope of Audit work and in evaluation the results of our work and
 - ii. To evaluate the effect of any identified misstatements in the standalone financial statements.
- We communicate with those charged with governance regarding, among other matters, the planned scope and timing 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 complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the 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 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 the IndAS specified under Sec 133 of the Act.
 - e. On the basis of the written representation received from the directors as on 31st March 2024 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2024 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 A. 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. 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 disclosed the impact of pending litigations on its financial position in the standalone financial statements
 - ii. The company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. There were no amounts, which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - iv.
 - a. The management has represented that, to the best of its knowledge and 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





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- 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.
- vi. In accordance with the Implementation Guidance on Reporting on Audit Trail under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 issued by the Institute of Chartered Accountants of India the present software for loan management system and tally for accounting system has a primary facility for audit trail including edit log. However the entire software system integrating accounting and Loan Management System is being implemented with another vendor where such facilities of audit trail (edit log), non tampering facilities which is capable of being maintained for the mandatory statutory period is being implemented for FY2024-25.

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

In our opinion, the managerial remuneration for the year ended March 31, 2024 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V of the Companies Act 2013.

As required by the companies (Auditors report) order 2020 (the order issued by Central Government in terms of Sec 143(II) of the Act we give in Annexure B the report of the matters specified in paragraph 3 & 4 other Order.

For R S Hariharan & Associates

FRN: 0154605

Chartered Accountants

R. S. Hariharan



R.S.Hariharan

Chartered Accountant

FCA: 014696

Place: Chennai

Date: 26-06-2024



Annexure A 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 2024

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 2024, 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 Controls issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implantation 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 and 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 were established and maintained and if such controls operated effectively in all material aspects.

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.





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 pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

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 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, 2024, 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.

For R S Hariharan & Associates

Firm No: 015460S

Chartered Accountants

R. S. Hariharan

R.S.Hariharan

Chartered Accountant

FCA: 014696



Place: Chennai

Date:26-06-2024



Annexure to the Auditor's Report

(Referred to in Para 3 under "Report on Other Legal and Regulatory Requirements" section of our Report of even date)

The Annexure B referred to in Independent Auditors' Report to the member of the Company on the standalone financial statement for the year ended 31 March 2024, 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 explanation given to us and on the basis of examination of the records of the company, no property is held as 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 has not dealt with any goods and the company does not hold any inventory during the period under Audit. Accordingly, the provisions of clause 3(ii)(a) of the Companies (Auditor's Report) order 2020 is not applicable to the Company.
- b. The Company has not been sanctioned working capital from banks or financial institutions with stipulations regarding the filing of any periodical return, 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 Non Systematically Important) Finance Company, sufficient provision has been created for expected credit loss in accordance with the provision of IndAS 109.

(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, duty of excise, value added tax, cess and other material statutory dues were in arrears as at March 31, 2024, 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 funds raised on short-term basis have, prima facie not been utilized for long-term purposes by the Company.
- 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, there is 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 451A 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. The Company has not conducted housing finance activities during the year. Accordingly, the reporting under clause 3(xvi)(b) of the Order is not applicable to 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 resignation of the statutory auditors M/s. M. Srinivasan & Associates, Chennai during the year 2023-24 post AGM held on 15-09-2023. Accordingly casual vacancy for the year 2023-24 has been filled up by appointing R S Hariharan & Associates for conducting the Audit for FY2023-24.
- (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.





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(xx) The company has become liable under Sec 135 of the Companies Act 2013 read with the companies (CSR policy) rule 2014 as amended from time to time by reason of the net profit of the company exceeding Rs.5 Crores in 31.03.2024. Accordingly, the obligation for the amount to be spent at 2% of the net profits of the Company arises in the FY2024-25.

(xxi) The reporting under clause 3(xxii) 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.

For R S Hariharan & Associates

FRN: 015460S

Chartered Accountants

R. S. Hariharan



R.S.Hariharan

Chartered Accountant

FCA: 014696

Place: Chennai

Date: 26-06-2024

DIRECTORS REPORT OF RAR FINCARE LIMITED

Dear Members,

Your directors have pleasure in presenting the Annual Report of the 5th AGM together with the Audited Statement of Accounts of your Company for the financial Year ended March 31, 2024.

1. FINANCIAL SUMMARY:

The Company's financial performance for the financial year ended March 31, 2024:

(Amount in INR)

Particulars	Year ended March 31,2023	Year ended March 31,2024
Revenue from Operations and other Income	5,99,59,835	16,36,18,567
Profit Before Tax	3,11,33,448	11,48,36,718
Less: Current Tax	83,43,506	3,38,33,049
Deferred Tax	1,80,124	-5,73,382
Income Tax earlier years	-	-
Profit for the Year	2,26,09,818	8,15,77,051
Transfer to Statutory Reserves	45,21,964	1,63,15,410
Balance of Retained Earnings	67,84,809	6,52,61,641



2. STATE OF AFFAIRS OF THE COMPANY:

The Company is engaged in the business as Non-Banking Finance Company (NBFC) holding a valid COR from Reserve Bank of India. The Company has an impressive performance largely lending to B2B customers and the quality of portfolio is very satisfactory. The Funding arrangements are presently from the Promoters in the form of Equity capital and has future plans to raise Loans from Banks for On-Lending purposes by widening the customer base and diverse segments of Lending.

There has been no change in the business of the Company during the financial year ended March 31, 2024.

3. WEB LINK OF ANNUAL RETURN, IF ANY:

The Company is having website www.rarfincare.in and annual return of Company for 2023-24 along with the abridged financials will be published in the website after adoption of accounts by the Board.

4. MEETINGS OF BOARD OF DIRECTORS:

The Board of Directors met 5 times during the FY 2023-24 on the following dates: 25/05/2023, 21/08/2023, 21/11/2023, 03/01/2024, 18/03/2024.

5. CHANGE IN DIRECTORSHIP:

During the Financial Year under review Mrs. Swaroopa Padmanabhan and Mrs. Madhavi Radhakrishnan have been inducted as Women Directors in compliance with the proviso to Sec 149(1) of the Companies Act 2013. The Company has also applied to Reserve Bank of India for approval for Induction of the above two Directors under the directive of Non-Banking Financial Companies (Approval of Acquisition or Transfer of Control) Directions, 2015. After due process of verification, formal approval is pending from RBI.

6. DETAILS IN RESPECT OF FRAUD:

The Auditor's Report doesn't contain any information in relation to fraud.



7. BOARD'S COMMENT ON THE AUDITORS' REPORT:

The observations of the Statutory Auditors, when read together with the relevant notes to the accounts and accounting policies are self-explanatory and do not contain any adverse report for any further reply or comment.

8. MATERIAL CHANGES AND COMMITMENTS:

There have been no material changes and commitments, which affect the financial position of the company which have occurred between the end of the financial year to which the financial statements relate and the date of this Report.

9. DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS, COURTS AND TRIBUNALS:

No significant and material order has been passed by the regulators, courts, tribunals impacting the going concern status and Company's operations in future.

10. CONTRACTS AND ARRANGEMENTS WITH RELATED PARTIES:

All related party transactions that were entered into during the financial year ended March 31, 2023, were on an arm's length basis and were in the ordinary course of business. Therefore, the provisions of Section 188 of the Companies Act, 2013 were not attracted.

There are no materially significant related party transactions during the financial year under review made by the Company with Promoters, Directors, or other designated persons which may have a potential conflict with the interest of the Company at large. Thus, disclosure in Form AOC-2 is not required.

However, the disclosure of transactions with related parties for the financial year, as per Accounting Standard -18 Related Party Disclosures are given in Note no. 32 to the Balance Sheet as on March 31, 2024.

11. COMPLIANCE WITH SECRETARIAL STANDARD:

The Company has Complied with the applicable Secretarial Standards (as amended from time to time) on meetings of the Board of Directors issued by The Institute of Company Secretaries of India and approved by Central Government under section 118(10) of the Companies Act, 2013.



12. PARTICULARS OF LOANS AND INVESTMENT:

The Company has not made any Investment, given guarantee and securities during the financial year under review. Therefore no compliance requirement arises under provisions of section 186 of Companies Act, 2013.

13. TRANSFER TO RESERVE:

The Board of Directors of your company have approved transfer of 20% of the profits to Statutory reserves for the financial year under review in accordance with the directives of RBI, applicable to NBFC Base-layer.

14. DIVIDEND:

The Board of Directors of your company, after considering the relevant circumstances, has decided that it would be prudent, not to recommend any Dividend for the financial year under review and accumulate the profits for the business of the company.

15. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS & OUTGO:

A. Conservation of Energy, Technology Absorption

The Company is continuously making efforts for induction of innovative technologies and techniques required for the business activities.

- Steps taken by company for utilizing alternate sources of energy: NIL
- Capital investment on energy conservation equipment's: NIL

B. Foreign Exchange earnings and Outgo

Earnings	NIL
Outgo	NIL

16. RISK MANAGEMENT POLICY

Risk Management is the process of identification, assessment and prioritization of risks followed by coordinated efforts to minimize, monitor and mitigate/control the probability and/or impact of unfortunate events or to maximize the realization of opportunities. The Company has laid down a comprehensive Risk Assessment and Minimization Procedure which is reviewed by the Board from time to time. These procedures are reviewed to



ensure that executive management controls risk through means of a properly defined framework. The major risks have been identified by the Company and its mitigation process/measures have been formulated in the areas such as business, project execution, dg event, financial, human, environment and statutory compliance.

17. ESTABLISHMENT OF VIGIL MECHANISM WHISTLE BLOWER POLICY:

Pursuant to the provisions of Section 177(9) of the Companies Act, 2013 read with Rule 7 of the Companies (Meeting of Board and its powers) Rules, 2014, the Company has adopted Whistle Blower Policy/ Vigil Mechanism for directors and employees to report concerns about unethical behaviour, actual or suspected fraud or violation of the Code of Conduct. It also provides for adequate safeguards against victimization of directors/employees who avail of the Mechanism.

18. PREVENTION OF SEXUAL HARASSMENT OF WOMEN AT WORKPLACE ["POSH"]:

Our Company has always believed in providing a safe and harassment free workplace for every individual working in the Company premises. Company always endeavours to create and provide an environment that is free from any discrimination and harassment.

The policy on prevention of sexual harassment at workplace aims at prevention of harassment of employees (whether permanent, temporary, ad-hoc, consultants, interns or contract workers irrespective of gender) and lays down the guidelines for identification, reporting and prevention of undesired behaviour. The Company has duly constituted internal complaints committee as per the said Act.

During the financial year ended March 31, 2024, there were nil complaints recorded pertaining to sexual harassment.

19. DETAILS OF SUBSIDIARY, JOINT VENTURE OR ASSOCIATE COMPANIES

As on March 31, 2024, Company doesn't have any Subsidiary & Joint Venture and Associate Companies at the end of the year.



20. INTERNAL FINANCIAL CONTROL:

The Company has in place adequate internal financial controls with reference to financial statements. During the financial year, such controls were tested and no reportable material weakness in the design or operation was observed.

21. AUDITOR:

M/s M. Srinivasan & Associates, Chartered Accountants, Chennai were auditors of the company for the FY 2022-23 until the conclusion of the AGM conducted in 2023. They have since resigned as Statutory Auditors from the FY 2023-24 causing casual vacancy under provisions of 139(8)(i) of the Companies Act, 2013. Accordingly, the casual vacancy has been filled by the Board appointing M/s R.S. Hariharan & Associates, Chartered Accountants, Chennai for the audit of the accounts for 2023-24 and to hold office till the conclusion of AGM to be held in 2024.

22. DIRECTOR'S RESPONSIBILITY STATEMENT:

The Directors would like to inform the Members that the Audited Accounts for the financial year ended March 31, 2024, are in full conformity with the requirement of the Companies Act, 2013. The Financial Accounts are audited by the Statutory Auditors, (Auditor/Auditor Firm Name along with FRN). The Directors further confirm that: -

a) In the preparation of the annual accounts for the year ended March 31, 2023 the applicable accounting standards read with requirements set out under Schedule III to the Act, have been followed and there are no material departures from the same.

b) The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2024 and of the profit of the Company for the year ended on that date.

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

d) The Directors have prepared the annual accounts on a 'going concern' basis.

e) The Company being unlisted, sub clause (e) of section 134(3) of the Companies Act, 2013 pertaining to laying down internal financial controls is not applicable to the Company.



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

23. RBI COMPLIANCES AND ACCEPTANCE OF DEPOSITS:

The company has not accepted any deposits during the financial year under review and are entitled to hold valid COR from RBI as Non-deposit accepting NBFC-Base-line category.

24. CORPORATE SOCIAL RESPONSIBILITY:

The Company had constituted a CSR Committee to decide upon and implement the CSR Policy of the Company.

As per the provision of Section 135 the Company will be required to spend INR. 6, 82,318/- (INR Six lakhs eighty-two thousand three hundred and eighteen only) during the F.Y. 2024-25 and the same will be spent on the areas mentioned under Schedule VII of Companies Act 2013. The Board has approved a policy for CSR activities of the Company.

25. STATEMENT ON DECLARATION FROM INDEPENDENT DIRECTORS:

The Company has received necessary declarations from all Independent Directors of the Company in accordance with the provisions of Section 149(7) of the Companies Act, 2013 confirming that they meet the criteria of independence as prescribed under Section 149(6) of the Companies Act, 2013.

26. PARTICULARS OF EMPLOYEES, DIRECTORS AND KEY MANAGERIAL PERSON:

In terms of Section 197(12) of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the necessary disclosures have been annexed.



27. POLICY ON DIRECTOR'S APPOINTMENT AND REMUNERATION,
CRITERIA FOR DETERMINING SUITABILITY:

The Company's policy on Director's appointment and remuneration and other matters provided in section 178(3) of the Companies Act, 2013 has been briefly disclosed hereunder.

The Nomination and Remuneration Committee (NRC) is responsible for developing competency requirement of the Board based on corporate goals and strategies of the company. The NRC has developed a comprehensive policy with regard to appointment based on Qualification, Suitability to the position, Positive attributes and Independence.

The Directors affirm that the remuneration payable to Directors, key managerial personnel are in accordance with market standards and individual competence.

28. CORPORATE GOVERNANCE:

The Company has adopted best corporate practices and is committed to conducting its business in accordance with the applicable laws, rules and regulations. The Company's Corporate Governance practices are driven by effective and strong Board oversight, timely disclosures, transparent accounting policies and high level of Integrity in decision making.

ACKNOWLEDGMENT

Your directors place on the record their appreciation of the Contribution made by employees, consultants at all levels, who with their competence, diligence, solidarity, co-operation and support have enabled the Company to achieve the desired results.

The board of Directors gratefully acknowledge the assistance and co-operation received from the Central and State Governments Departments, Shareholders and Stakeholders.



By order of the Board

G. R. Ananthapadmanabhan

A ASSETS			
1 Financial Assets			
(a) Cash and Cash Equivalents	4	.03	.04
(b) Bank Balance other than a) above		1152.95	568.94
(c) Receivables			
(i) Trade Receivables	5	168.24	-
(ii) Other Receivables		-	-
(d) Loans	6	12672.10	7024.81
(e) Investments		-	-
(f) Other financial assets	7	16.59	13.10
		<u>14009.91</u>	<u>7606.88</u>
2 Non-Financial Assets			
(a) Deferred tax assets (Net)	8	39.70	33.96
(b) Investment Property		-	-
(c) Property, Plant & Equipment	9	14.94	18.28
(d) Other Intangible Assets	10	-	21.84
(e) Other Non-Financial Assets	11	-	1.53
		<u>54.64</u>	<u>75.62</u>
Total Assets		<u><u>14064.55</u></u>	<u><u>7682.50</u></u>
B EQUITY AND LIABILITIES			
LIABILITIES			
1 Financial Liabilities			
a) Payables			
(i) Trade Payable	12	-	.72
(ii) Other Payable		-	-
b) Borrowings (other than debt securities)			
c) Subordinated Liabilities			
d) Other financial liabilities			
	13	100.58	65.63
		<u>100.58</u>	<u>66.36</u>
2 Non-Financial Liabilities			
a) Current tax liabilities (net)	14	17.16	6.44
b) Provisions	15	31.37	11.95
c) Other non-financial liabilities	16	11.58	9.67
EQUITY			
a) Equity Share capital	17	12975.00	7475.00
b) Other Equity	18	928.86	113.08
		<u>13963.97</u>	<u>7616.14</u>
Total Equity and Liabilities		<u><u>14064.55</u></u>	<u><u>7682.50</u></u>

Notes on accounts form part of standalone financial statements

For and on behalf of Board of Directors

As per our report of event date attached

For R S Hariharan & Associates

Chartered Accountants

FRN: 0154605

R S Hariharan

Chartered Accountant

FCA: 014696

Place: Chennai

Date: 26-06-2024



G R Radhakrishnan

Director

DIN: 01711654

G Rajendran

Director

DIN: 02063137

G R Ananthapadmanabhan

Director

DIN: 01485010

R Venkatasubramanian

CEO



Revenue from operations			
(i) Interest income	19	1583.47	578.20
(ii) Dividend income		-	-
(iii) Net gain on fair value changes		-	-
(iv) Sale of Services		-	-
(v) Service Charges		-	-
I Total Revenue from operations		<u>1583.47</u>	<u>578.20</u>
II Other income	20	52.72	21.40
III Total Income (I + II)		<u>1636.19</u>	<u>599.60</u>
Expenses			
(i) Finance costs		-	-
(ii) Impairment on financial instruments	21	94.42	47.92
(iii) Employee benefits expenses	22	218.26	145.69
(iv) Depreciation, amortisation and impairment	23	8.60	3.75
(v) Other expenses	24	166.55	90.90
IV Total Expenses		<u>487.82</u>	<u>288.26</u>
V Profit before tax (III - IV)		<u>1148.37</u>	<u>311.33</u>
VI Tax Expenses			
(i) Current tax		338.33	83.44
(ii) Deferred tax		-5.73	1.80
(iii) Taxes relating to previous years		-	-
VII Profit for the year (V - VI)		<u>815.77</u>	<u>226.10</u>
VIII Other Comprehensive Income			
A) (i) Items that will not be reclassified to profit or loss			
- Remeasurement of defined benefit plans		-	-
Subtotal (A)		<u>-</u>	<u>-</u>
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		-	-
Subtotal (B)		<u>-</u>	<u>-</u>
VIII Other Comprehensive Income (A+B)		<u>-</u>	<u>-</u>
IX Total comprehensive income for the year (VI + VIII)		<u>815.77</u>	<u>226.10</u>
X Earnings per equity share			
(Face value of ₹ 10/- each)			
Basic (₹)		0.63	0.30
Diluted (₹)		0.83	0.53

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: 0154605

R. S. Hariharan

R S Hariharan

Chartered Accountant

FCA: 014696

Place: Chennai

Date: 26-06-2024



For and on behalf of Board of Directors

G R Radhakrishnan

Director

DIN: 01711654

G Rajendran

Director

DIN: 01711654

G R Ananthapadmanabhan

Director

DIN: 01485010

R Venkatasubramanian

CEO



RAR FINCARE LIMITED

Cash Flow Statement for the year ended 31 March

(₹ in Lakhs)

Particulars	2024	2023
A. Cash flow from operating activities		
Net Profit / (Loss) before extraordinary items and tax	1148.37	311.33
<u>Adjustments for:</u>		
Depreciation and amortisation	8.60	3.75
Amortisation	-	-28.96
Inflow of Processing Fees	-	77.24
Impairment of Loan	94.42	47.92
Interest Accrued but not due	-168.24	-42.68
Interest income	-19	-2.21
Net (gain) / loss on sale of investments	-25.86	-11.56
Operating profit / (loss) before working capital changes	1057.09	354.83
<u>Changes in working capital:</u>		
<u>Adjustments for (increase) / decrease in operating assets:</u>		
Inventories	1.53	.76
Decrease / (Increase) in other non financial assets	-244.18	-
Decrease / (Increase) in Current Assets	-5741.71	-6096.44
Decrease / (Increase) in Loans	-3.48	-9.22
Decrease / (Increase) in financial assets	21.34	6.55
Decrease / (Increase) in Non financial Liabilities	34.95	76.65
Decrease / (Increase) in other financial liabilities	-.72	.69
Decrease / (Increase) in Trade Payable	-83.44	-74.64
Taxes Paid	-6015.71	-6095.64
Cash generated from operations	-4958.62	-5740.81
Net cash flow from / (used in) operating activities (A)	-4958.62	-5740.81



B. Cash flow from investing activities					
Capital expenditure on fixed assets, including capital advances	16.58			-19.91	
Capitalisation of expenses	-			-	
Interest Received	.19			2.21	
Proceeds from redemption	25.86		42.63	11.56	-6.14
Net cash flow from / (used in) investing activities (B)			42.63		-6.14
C. Cash flow from financing activities					
Proceeds from issue of equity shares	5500.00			6100.00	
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	-		5500.00	-	6100.00
Net cash flow from / (used in) financing activities (C)			5500.00		6100.00
Net increase / (decrease) in Cash and cash equivalents (A+B+C)			584.01		353.06
Cash and cash equivalents at the beginning of the year			568.98		215.92
Cash and cash equivalents at the end of the year			1152.98		568.98



RAR FINCARE LIMITED

Cash Flow Statement for the year ended 31 March

(₹ in Lakhs)

Particulars	2024	2023
Reconciliation of Cash and cash equivalents with the Balance Sheet: Cash and cash equivalents as per Balance Sheet	.03	.04
Less: Bank balances not considered as Cash and cash equivalents as defined in AS 3 Cash Flow Statements	1152.95	568.94
Net Cash and cash equivalents (as defined in AS 3 Cash Flow Statements)	1152.98	568.98
Add: Current investments considered as part of Cash and cash equivalents	-	-
Cash and cash equivalents at the end of the year *	1152.98	568.98
* Comprises:		
(a) Cash on hand	.03	.04
(b) Cheques, drafts on hand	-	-
(c) Balances with banks	1152.95	518.95
(i) In current accounts	-	49.98
(ii) In deposit accounts	1152.98	568.98

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: 07485070

Place: Chennai

Date: 26-06-2024

Place: Chennai

Date: 26-06-2024



R. V. G. Subramanian
CEO

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, 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

(2) Previous Reporting Period

	Balance as at April 01, 2022	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, 2023
	1375.00	-	-	6100.00	7475.00



STATEMENT OF CHANGES IN EQUITY

B. Other Equity

(1) Current Reporting Period

Particulars	Reserve				Impairment Reserve	Retained Earnings	Other items of Other Comprehensive Income (Re measurement of defined benefit)	Total
	Statutory Reserve	Securities Premium	Fund U/S 45-IC (1) of RBI Act, 1934*	Fund U/S 45-IC (1) of RBI Act, 1934*				
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



STATEMENT OF CHANGE IN EQUITY

(1) Previous Reporting Period

Particulars	Statutory Reserve	Securities Premium	Reserve Fund U/S 45-1C (1) of RBI Act, 1934*	Impairment Reserve	Retained Earnings	Other items of		Total
						Other	Comprehensive Income (Re measurement of defined benefit	
Balance as at April 01, 2022	.02	-	-	-	-113.03	-	-	-113.01
Restated balance at the beginning of the current reporting period	-	-	-	-	-	-	-	-
Total Comprehensive Income for the current year	-	-	-	-	-	-	-	-
Transfer to/(from) Retained earnings	45.22	-	-	-	-45.22	-	-	-
Shares issued on rights issue basis	-	-	-	-	-	-	-	-
Profit for the year (net of taxes)	-	-	-	-	226.10	-	-	226.10
Balance as at March 31, 2023	45.24	-	-	-	67.85	-	-	113.08

For and on behalf of Board of Directors

[Signature]
G R Ananthapadmanabhan
Director
DIN: 01485010

[Signature]
G R Radhakrishnan
Director
DIN: 01711654

[Signature]
G Rajendran
Director
DIN: 02063138



FRN: 0154605

[Signature]
R S Hariharan
Chartered Accountant
FCA: 014696
Place: Chennai
Date: 26-06-2024



NOTES

Forming part of standalone financial statement for the year ended 31st March 2024

1. Corporate information

The RAR Fincare Limited was incorporated on 09-07-2019 with the registrar of companies of Tamil Nadu 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 (ND) under the present classification as base layer category eligible to carry out general lending operations. The company's board consist of promoter directors, professional independent directors who are chartered accountants and women directors. The company's capital consists of authorized equity share capital of ₹ 135 crores and issued and paid-up capital stands at ₹129.75 Crores as on 31 Mar 2024.

2. Basis of preparation & Presentation

2.1. Statement of compliance

The company voluntarily adopted to presents the audited accounts as per Indian Accounting Standards rules ,2015 (Ind AS) notified u/s 133 of Companies Act,2013 read with Companies Indian Accounting Rules 2015 as amended from time to time and with reference to RBI circular DOR (NBFC). CC. PD. NO. 109/22.10.106/2019-20 with regard to implementation of Ind AS by NBFC.

2.2. Basis of measurement

The financial statements have been prepared on a historical cost convention and on an accrual basis, except for certain financial instruments which are measured at amortized cost as required by relevant Ind AS.

2.3. Presentation of financial statement

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 Thousands 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 recognised 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.

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. However presently the company has not opted for ascertaining the liability under the provisions of Gratuity Act and await completion of eligibility period of their employees.

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.

2.6. 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 29. 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 recognised 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



3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICY

3.1. 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.

3.2. 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'.

3.3. 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.

3.4. 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 12-month 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.

12-month 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 12 months after 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. A 12-month 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 12 months 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 of immovable and movable in nature and in certain cases based on unimpeachable records, clean credits are also given.

The company has only 2 years of credit management history and so far, there is no indication of bad loans or instances of changes in initial perception of credit risk at the time of lending. Though, there is no provision made for ECL presently, RBI's Mandatory provision of 0.25% on standard asset is maintained as "Impairment reserve".

3.5. 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.

3.6. 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.



3.7. 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.

3.8. 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.



3.9. 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.

3.10. 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

The company is yet to commence formal gratuity scheme and accordingly gratuity is paid when employee becomes eligible to get gratuity when he/she leaves the services. No provision has been made or actuarial valuation carried out for eligible employees.

c) Other Long term employee benefits

Accumulated compensated absences

System of leave encashment is in place.



3.11. 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.

3.12. 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.

3.13. 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.

3.14. 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.



3.15. 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.

3.16. Other estimates

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



4 Cash and Cash Equivalents

Particulars	As at Mar 31, 2024	As at Mar 31, 2023
Cash on hand	.03	.04
Balances with banks		
- in current accounts	1152.95	518.95
- In deposit accounts	-	49.98
Total	1152.98	568.98

4.1 Bank balance other than cash and cash equivalents

Particulars	As at Mar 31, 2024	As at Mar 31, 2023
Fixed deposits with bank (maturing after period of three months)	-	49.98
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	-	-
Total	-	49.98

4.2

Particulars	As at Mar 31, 2024	As at Mar 31, 2023
Fixed deposits with bank (maturing after period of three months)	-	49.98
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	-	-
Total	-	49.98



5 Trade Receivables

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

5.1 Trade Receivables Ageing Schedule

Particulars	Less than 6 months	2-3 years	More than 3 years	Total
(I) Trade Receivables				
i) undisputed Trade Receivables considered good	168.24	-	-	168.24
ii) undisputed Trade Receivables which have significant increase in credit risk	-	-	-	-
iii) undisputed Trade Receivables - Credit impaired	-	-	-	-
iv) disputed Trade Receivables considered good	-	-	-	-
v) disputed Trade Receivables which have significant increase in credit risk	-	-	-	-
vi) disputed Trade Receivables - Credit impaired	-	-	-	-
Total Net receivables				



RAR FINCARE LIMITED
(₹ in Lakhs)

Notes Forming part of Financial Statements

6 Loans

Particulars	31-Mar-24			31-Mar-23				
	Amortised cost	Through other Comprehensive Income	Designated at fair value through profit or loss	Total	Amortised cost	Through other Comprehensive Income	Designated at fair value through profit or loss	Total
(A)								
(i) Corporate Loan	11481.70	-	-	11481.70	6417.89	-	-	6417.89
(ii) Business Loan	1186.57	-	-	1186.57	659.76	-	-	659.76
(iii) Personal Loan	151.09	-	-	151.09	-	-	-	-
(iv) Staff Loan	-	-	-	-	-	-	-	-
(v) Loan to subsidiaries	-	-	-	-	-	-	-	-
(vi) Other Loans	-	-	-	-	-	-	-	-
Total (A) - Gross	12819.36	-	-	12819.36	7077.65	-	-	7077.65
Less: Impairment loss allowance	147.26	-	-	147.26	52.84	-	-	52.84
Total (A) - Net	12672.10	-	-	12672.10	7024.81	-	-	7024.81
(B)								
i) Secured by tangible assets (including book debts)								
(i) Corporate Loan	11008.50	-	-	11008.50	6417.89	-	-	6417.89
(ii) Business Loan	716.04	-	-	716.04	-	-	-	-
(iii) Personal Loan	57.24	-	-	57.24	-	-	-	-
(iv) Staff Loan	-	-	-	-	-	-	-	-
(v) Loan to subsidiaries	-	-	-	-	-	-	-	-
(vi) Other Loans	-	-	-	-	-	-	-	-
Total (i) - Gross	11781.78	-	-	11781.78	6417.89	-	-	6417.89
Less: Impairment loss allowance	125.29	-	-	125.29	52.84	-	-	52.84
Total (i) - Net	11656.50	-	-	11656.50	6365.05	-	-	6365.05



RAR FINCARE LIMITED
(₹ in Lakhs)

Notes Forming part of Financial Statements

6 Loans

Particulars	31-Mar-24			31-Mar-23				
	Amortised cost	Through other Comprehensive Income	Designated at fair value through profit or loss	Total	Amortised cost	Through other Comprehensive Income	Designated at fair value through profit or loss	Total
II) Covered by Bank/ Government Guarantees	-	-	-	-	-	-	-	-
III) Unsecured								
(i) Corporate Loan	473.20	-	-	473.20	-	-	-	-
(ii) Business Loan	470.53	-	-	470.53	659.76	-	-	659.76
(iii) Personal Loan	93.84	-	-	93.84	-	-	-	-
(iv) Staff Loan	-	-	-	-	-	-	-	-
(v) Loan to subsidiaries	-	-	-	-	-	-	-	-
(vi) Other Loans	-	-	-	-	-	-	-	-
Total (III) - Gross	1037.58	-	-	1037.58	659.76	-	-	659.76
Less: Impairment loss allowance	21.97	-	-	21.97	-	-	-	-
Total (III) - Net	1015.60	-	-	1015.60	659.76	-	-	659.76
(C) (I) Loans in India								
i) Public Sector	-	-	-	-	-	-	-	-
i) Others	12819.36	-	-	12819.36	7077.65	-	-	7077.65
(C) (II) Loans outside in India								
Total (C) - Gross	12819.36	-	-	12819.36	7077.65	-	-	7077.65
Less: Impairment loss allowance	147.26	-	-	147.26	52.84	-	-	52.84
Total (C) - Net	12672.10	-	-	12672.10	7024.81	-	-	7024.81



RAR FINCARE LIMITED
(₹ in Lakhs)

Notes Forming part of Financial Statements

6.1 Credit Quality of Loan Assets

Particulars	As at Mar 31, 2024			Total
	Stage 1 collective	Stage 2 collective	Stage 3 collective	
Internal rating grade				
Performing				
High grade	12570.76			12570.76
Standard grade		142.03	-	142.03
Sub-standard grade		59.61	-	59.61
Past due but not impaired		46.96	-	46.96
Non-Performing				
Individual Impaired				
Total	12570.76	248.60	-	12819.36
EIR impact of Service charges received	96.90	50.36		147.26
Gross carrying amount closing balance net of EIR impact of service charge received	12473.86	198.24	-	12672.10



RAR FINCARE LIMITED
(₹ in Lakhs)

Notes Forming part of Financial Statements

7 Other financial assets

Particulars	As at Mar 31, 2024	As at Mar 31, 2023
Security Deposit	.43	.50
Lease Advances	12.60	12.60
Staff Advance	1.00	-
Other advances from customers	2.56	-
Total	16.59	13.10

8 Deferred Tax Asset

Particulars	As at Mar 31, 2024	As at Mar 31, 2023
Opening	33.96	35.77
For the year	5.73	-1.80
Total	39.70	33.96

11 Other Non Financial Assets

Particulars	As at Mar 31, 2024	As at Mar 31, 2023
GST Input	-	.04
Prepaid Expenses	-	1.49
Total	-	1.53



RAR FINCARE LIMITED
(₹ in Lakhs)

Notes Forming part of Financial Statements

9 Property, Plant & Equipment

Description of Assets	Computer	Office Equipments	Furniture & Fixtures	Plant & Machinery	Vehicles	Total
I. Cost or Deemed Cost						
Balance as at 1 April, 2022	2.52	-	1.12	-	-	3.64
Additions	14.94	-	2.94	-	-	17.88
Disposals	-	-	-	-	-	-
Balance as at 31 March, 2023	17.46	-	4.05	-	-	21.52
Additions	5.26	-	-	-	-	5.26
Disposals	-	-	-	-	-	-
Balance as at 31 March, 2024	22.73	-	4.05	-	-	26.78
II. Accumulated depreciation for the year						
Balance as at 1 April, 2022	.02	-	.04	-	-	.05
Depreciation/ amortisation expense for the year	2.99	-	.20	-	-	3.19
Depreciation on disposals during the year	-	-	-	-	-	-
Balance as at 31 March, 2023	3.01	-	.23	-	-	3.24
Depreciation/ amortisation expense for the year	8.23	-	.36	-	-	8.60
Depreciation on disposals during the year	-	-	-	-	-	-
Balance as at 31 March, 2024	11.24	-	.59	-	-	11.84
III. Carrying Amount						
Balance as at 1 April, 2022	2.50	-	1.08	-	-	3.58
Net Additions	14.94	-	2.94	-	-	17.88
Net Depreciation/ amortisation expense for the year	2.99	-	.20	-	-	3.19
Balance as at 31 March, 2023	14.45	-	3.82	-	-	18.28
Net Additions	5.26	-	-	-	-	5.26
Net Depreciation/ amortisation expense for the year	8.23	-	.36	-	-	8.60
Balance as at 31 March, 2024	19.94	-	4.44	-	-	24.38



10. Other Intangible Assets

Description of Assets	Website Exp
I. Cost or Deemed Cost	
Balance as at 1 April, 2022	-
Additions	2.03
Disposals	-
Balance as at 31 March, 2023	2.03
Additions	-
Disposals	-2.03
Balance as at 31 Mar, 2024	-
II. Accumulated depreciation for the year	
Balance as at 1 April, 2022	-
Depreciation/ amortisation expense for the year	.57
Depreciation on disposals during the year	-
Balance as at 31 March, 2023	.57
Depreciation/ amortisation expense for the year	-
Depreciation on disposals during the year	-.57
Balance as at 31 Mar, 2024	-
III. Carrying Amount	
Balance as at 1 April, 2022	-
Net Additions	2.03
Net Depreciation/ amortisation expense for the year	.57
Balance as at 31 March, 2023	1.46
Net Additions	-2.03
Net Depreciation/ amortisation expense for the year	-.57
Balance as at 31 Mar, 2024	-



RAR FINCARE LIMITED

(₹ in Lakhs)

Notes Forming part of Financial Statements

12 Trade Payables	Particulars	As at	
		Mar 31, 2024	Mar 31, 2023
	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	-	.72
	Total	-	.72

12.1 Trade Payables ageing schedule	Particulars	As at Mar 31, 2024				
		Outstanding for following periods from the due date of payments				
		Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
	(i) MSME	-	-	-	-	-
	(ii) Others	-	-	-	-	-
	(iii) Disputed dues - MSMEs	-	-	-	-	-
	(iv) Disputed dues - others	-	-	-	-	-
	Total	-	-	-	-	-



RAR FINCARE LIMITED
(₹ in Lakhs)

Notes Forming part of Financial Statements

Trade Payables ageing schedule

Particulars	As at Mar 31, 2023			
	Outstanding for following periods from the due date of payments			
	Less than 1 year	1-2 years	2-3 years	More than 3 years
(i) MSME	-	-	-	-
(ii) Others	.72	-	-	-
(iii) Disputed dues - MSMEs	-	-	-	-
(iv) Disputed dues - others	-	-	-	-
Total	.72	-	-	-

13 Other financial liabilities

Particulars	As at	
	Mar 31, 2024	Mar 31, 2023
Payable to related parties	-	-
Security deposits received	81.75	65.63
Other Liabilities	18.83	-
Total	100.58	65.63

14 Current Tax Liability

Particulars	As at	
	Mar 31, 2024	Mar 31, 2023
Opening Balance	6.44	-
(+)Taxes Payable	338.33	83.44
(-)Taxes Paid	-193.24	-37.50
(-)TDS receivable	-134.17	-39.50
(-) Refund Received	-.20	-
Total	17.16	6.44



RAR FINCARE LIMITED
(₹ in Lakhs)

Notes Forming part of Financial Statements

15 Provisions	Particulars	As at	
		Mar 31, 2024	Mar 31, 2023
	Provision for Audit Fee	2.50	2.40
	Provision for Income Tax	-	-
	Provision for employee benefits	-	-
	- Gratuity	7.45	.60
	- Bonus	-	8.09
	- Leave encashment	8.00	-
	- Compensated absences	-	.86
	Provision for expenses	13.42	-
	Provision for unspent expenditure on Corporate Social Responsibility	-	-
	Provisions for other losses	-	-
	Total	31.37	11.95
16 Other non-financial liabilities	Particulars	As at	
		Mar 31, 2024	Mar 31, 2023
	Statutory dues Payable	-	-
	GST Payable	5.04	3.02
	EPF Payable	.36	.21
	TDS Payable	4.48	5.54
	ESI Payable	.01	.23
	Insurance	1.70	.67
	Total	11.58	9.67



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 Mar 31, 2024	As at Mar 31, 2023
Authorised		
13,50,00,000 shares of Rs 10 each	13500.00	
8,00,00,000 shares of Rs 10 each		8000.00
Issued, Subscribed and fully paid up		
12,97,50,000 shares of Rs 10 each	12975.00	
7,47,50,000 shares of Rs 10 each		7475.00
Total Equity	12975.00	7475.00

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, 2024		As at March 31, 2023	
	No of shares held	% holding in that class of shares	No of shares held	% holding in that class of shares
Equity shares of Rs.10 each fully paid up held by:				
G.Rajendran	3,22,50,000	24.86%	1,79,50,000	24.01%
G.R.Ananthapadmanabhan	4,62,75,000	35.66%	2,59,25,000	34.68%
G.R.Radhakrishnan	4,62,75,000	35.66%	2,59,25,000	34.68%



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, 2022	137.50	1375.00
Add: Shares issued	610.00	6100.00
As at March 31, 2023	747.50	7475.00
Add: Shares issued	550.00	5500.00
As at Mar 31, 2024	1297.50	12975.00

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 as on March 31, 2024

Name of Shareholder	As at March 31, 2024		As at March 31, 2023	
	No of shares held	% holding in that class of shares	No of shares held	% holding in that class of shares
Equity shares of Rs.10 each fully paid up held by:				
G.Rajendran	3,22,50,000	24.86%	1,79,50,000	24.01%
G.R.Ananthapadmanabhan	4,62,75,000	35.66%	2,59,25,000	34.68%
G.R.Radhakrishnan	4,62,75,000	35.66%	2,59,25,000	34.68%
R.Vasanthi	12,37,500	0.95%	12,37,500	1.66%
P.Swaroopaa	12,37,500	0.95%	12,37,500	1.66%
R.Madhavi	12,37,500	0.95%	12,37,500	1.66%
V.Jayashree	12,37,500	0.95%	12,37,500	1.66%

17.7 Change in Shareholding Pattern

Promoter Name	No of Shares	% of total shares	% change during the year
G.Rajendran	1,43,00,000	11.02%	-12.99%
G.R.Ananthapadmanabhan	2,03,50,000	15.68%	-19.00%
G.R.Radhakrishnan	2,03,50,000	15.68%	-19.00%

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 Mar 31, 2024	As at Mar 31, 2023
Statutory Reserve		
Balance at the beginning of the year	45.24	.02
Add: Transfer from Retained Earnings	163.15	45.22
Balance at the end of the year	208.39	45.24
Securities Premium		
Balance at the beginning of the year	-	-
Add: Shares issued	-	-
Balance at the end of the year	-	-
Impairment Reserve		
Balance at the beginning of the year	-	-
Add: Transfer from Retained Earnings	-	-
Balance at the end of the year	-	-
Retained Earnings		
Balance at the beginning of the year	67.85	-113.03
Add: Profit for the year (net of taxes)	815.77	226.10
Transfer from Impairment Reserve	-	-
Less: Appropriation: -		
Transfer to Statutory Reserve	-163.15	-45.22
Transfer to Impairment Reserve	-	-
Total appropriations	-163.15	-45.22
Balance at the end of the year	720.46	67.85
Other Comprehensive Income		
Balance at the beginning of the year	-	-
Add: Addition during the year	-	-
Balance at the end of the year	-	-
Total	928.86	113.08



Notes Forming part of Financial Statements

19 Interest Income

Particulars	31, Mar 2024			31, Mar 2023		
	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	-	1583.28	-	-	575.99	-
Interest on deposit with banks	-	.19	-	-	2.21	-
Interest on fair value of investment	-	-	-	-	-	-
Total	-	1583.47	-	-	578.20	-

20 Other Income

Particulars	As at	As at
	Mar 31, 2024	Mar 31, 2023
Profit on redemption of Investments	25.86	11.56
Others	26.85	9.84
Total	52.72	21.40



21 Impairment on financial instruments

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	-	-	-	-
Total	-	94.42	-	-

As at Mar 31, 2023

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	-	47.92	-	-
Bad Debts Written off	-	-	-	-
Other Assets	-	-	-	-
Total	-	47.92	-	-



21 Impairment on financial instruments

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	-	-	-	-
Total	-	94.42	-	-

As at Mar 31, 2023

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	-	47.92	-	-
Bad Debts Written off	-	-	-	-
Other Assets	-	-	-	-
Total	-	47.92	-	-



22 Employee Benefit Expenses

Particulars	As at Mar 31, 2024	As at Mar 31, 2023
Salaries and Wages	190.34	133.21
Contribution to Provident and Other Funds	11.95	2.22
Bonus & Incentive	2.35	2.03
Leave Encashment	8.21	8.09
Staff Welfare Expense	5.41	.15
Total	218.26	145.69

23 Depreciation, amortisation and impairment

Particulars	As at Mar 31, 2024	As at Mar 31, 2023
Depreciation of tangible assets	8.60	3.19
Amortization of intangible assets	-	.57
Total	8.60	3.75

24 Other Expenses

Particulars	As at Mar 31, 2024	As at Mar 31, 2023
Auditor Remuneration	2.73	2.50
Rent	27.47	14.36
Connectivity charges	.89	.92
Commission Paid	6.87	-
Donation	.11	-
Printing & Stationery	2.68	2.08
Membership & Subscription	.98	.91
Directors fees, allowances and expenses	3.54	2.57
Legal and Professional charges	31.45	15.75
Books & periodicals	.09	.14
Office Maintenance	.27	.25
ROC filing Fees	41.25	41.25
Software Expenses	24.03	-
Security Charges	2.20	1.39
Telephone charges	1.03	.15
Travelling & Boarding expenses	12.35	6.63
Rates & Taxes	3.79	1.59
Pooja Expenses	.12	.14
Other Expenses	4.72	.28
Total	166.55	90.90



25 Payment made to Auditors

Particulars	As at Mar 31, 2024	As at Mar 31, 2023
Payment made to statutory auditors		
i) As Auditors	2.50	2.50
ii) For taxation matters	-	-
iii) For other services	2.89	-
iv) For reimbursement of expenses	-	-
Total	5.39	2.50

26 Income Tax

Particulars	As at Mar 31, 2024	As at Mar 31, 2023
Current tax	338.33	83.44
Adjustment in respect of current income tax of previous years	-	-
Deferred tax relating to origination and reversal of temporary differences	-5.73	1.80
Income tax expense reported in statement of Profit and Loss	332.60	85.24
Income tax expense reported in other comprehensive income (OCI)		
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%)



26.1 Deferred Tax Assets/ Liabilities

Particulars	As at Mar 31, 2024	As at Mar 31, 2023
Fixed Assets: Timing difference on account of Depreciation and Amortisation	.01	-58
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	11.70	13.32
On Amortisation of expenses under Effective Interest Rate method for financial liabilities not permitted under Income Tax Act, 1961	24.10	9.01
On Other Provisions/ Disallowances	2.01	12.22
Deferred Tax Assets/ (Liabilities) (Net)	37.82	33.96

26.2 Reconciliation of deferred tax assets/ Liabilities

Particulars	As at Mar 31, 2024	As at Mar 31, 2023
Opening Balance	33.96	35.77
Tax income/(expense) during the period recognised in Statement of Profit and Loss	5.73	-1.80
Tax income/(expense) during the period recognised in OCI	-	-
Closing Balance	39.70	33.96

27 Earnings Per Equity Shares

Particulars	As at Mar 31, 2024	As at Mar 31, 2023
Net Profit attributable to ordinary equity holders	815.77	226.10
Weighted average number of equity shares for basic earnings per share	1297.50	747.50
Effect of dilution		
Weighted average number of equity shares for diluted earnings per share	978.05	430.29
Earnings Per share		
-Basic Earnings per share	0.63	0.30
-Diluted Earnings per share	0.83	0.53



28 Retirement Benefit Plan

28.1 Defined Contribution Plan

The company makes contribution to Provident Fund, ESI which are defined contribution plan for qualifying employees. The Company recognised ₹ 4,49,575/- (Mar 31, 2023 ₹ 2,21,502/-) for provident fund and other fund contribution in the Statement of Profit and Loss

28.2 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

Particulars	As at Mar 31, 2024	As at Mar 31, 2023
Present value of funded obligations	7.45	-
Fair value of plan assets	-	-
Defined Benefit obligation/(liability)	-7.45	-

Net benefit expense recognised in Statement of Profit and Loss

Particulars	As at Mar 31, 2024	As at Mar 31, 2023
Current Service cost	1.53	-
Past Service cost	5.92	-
Net Interest on net defined benefit liability/ (asset)	-	-
Defined Benefit Expense	7.45	-

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

Particulars	As at Mar 31, 2024	As at Mar 31, 2023
Present value of defined benefit obligation at the beginning of the year	-	-
Current service cost	1.53	-
Past Service cost - Vested	5.92	-
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	-	-
Present value of defined benefit obligation at the end of the year	7.45	-



Details of changes in fair value of plan assets are as follows: -

Particulars	As at Mar 31, 2024	As at Mar 31, 2023
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	-	-
Expected employer contributions for the coming year	-	-

Remeasurement gain/ (loss) in Other Comprehensive Income (OCI)

Particulars	As at Mar 31, 2024	As at Mar 31, 2023
Actuarial (Gains)/ Losses on obligations	-	-
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 Mar 31, 2024	As at Mar 31, 2023
Discount Rate	6.97%	0.00%
Expected return on Plan assets	0.00%	0.00%
Salary Escalation rate (p.a)	10.00%	0.00%
Attrition rate (p.a)	8.00%	0.00%
Mortality rate	100% of IALM 12-14	0% of IALM 0
Disability rate	No Explicit Assumption	

Investment quoted in active market

Particulars	As at Mar 31, 2024	As at Mar 31, 2023
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)	-	-
Total	-	-



29 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, 2024		
	Within 12 months	After 12 months	Total
Assets			
Financial Assets			
Cash and Cash Equivalents	.03	-	.03
Bank Balance other than above	1152.95	-	1152.95
Trade Receivables	168.24	-	168.24
Loans			
- Adjustment on account of EIR/ECL	2074.57	10597.53	12672.10
Other financial Assets	3.63	13.03	16.66
Non Financial Assets			
Deferred tax assets (Net)	-	25.56	25.56
Property, plant and equipment	-	14.94	14.94
Capital work in Progress	-	-	-
Other Intangible assets	-	-	-
Other non financial assets	-	-	-
Total Assets	3399.43	10651.06	14050.49
Liabilities			
Financial Liabilities			
Financial Liabilities	100.58	-	100.58
Non-Financial Liabilities			
Current tax liabilities (Net)	-19.45	-	-19.45
Provisions	31.37	-	31.37
Deferred tax liabilities (Net)	-	-	-
Other non-financial liabilities	11.58	-	11.58
Total Liabilities	124.09	-	124.09



30 Contingent Liabilities, commitments and leasing arrangements

Contingent Liabilities

Particulars	As at	As at
	Mar 31, 2024	Mar 31, 2023
(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		

31 Lease Disclosure

Financial Lease:

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

Operating Lease:

All operating lease agreements entered into by the company are cancellable in nature. Consequently, the company has not recognised any right to use asset and lease liability during the year

Lease rentals payments for assets taken on an operating lease ₹ 27,46,800/- (₹ 14,35,661 Mar 31, 2023) are recognised as 'Rent' in Statement of Profit and Loss

32 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
Rajanikanta Senapati	Company Secretary
Rangarajan Srinivasan	Chief Financial Officer

Related Party transactions during the year

Particulars	Key Management Personnel (Directors)		Key Management Personnel (Other than Directors)	
	Mar 31, 2024	Mar 31, 2023	Mar 31, 2024	Mar 31, 2023
Director Remuneration	-	-	-	-
Sitting fee to Directors	3.00	-	-	-
Salaries and Allowances	-	-	97.48	-
Rent Paid	27.47	14.36	-	-
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

33 Fair Value Measurement

Valuation methodologies of financial instruments not measured at fair value

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.

34 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.

34.1 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



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 within 12 months for the calculation of the 12 month 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)

34.2 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.

34.3 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.

34.4 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.

34.5 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.



35 Regulatory Capital

Particulars	As at Mar 31, 2024
Tier 1 Capital	13903.86
Tier 2 Capital	94.42
Total Capital	13998.27
Risk Weighted Assets	12700.07
Tier 1 Capital Ratio (%)	109.48%
Tier 2 Capital Ratio (%)	0.74%
Total Capital Ratio (%)	110%

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)

36 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".

37 Additional Disclosure

- 37.1 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.
- 37.2 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.
- 37.3 The Company has not traded or invested in crypto currency or virtual currency during the current or previous year
- 37.4 The Company had no transaction with Companies struck off under section 248 of the Companies Act 2013 during the year 2023-24
- 37.5 There are no charges or satisfaction which are yet to be registered with the Registrar of Companies beyond the statutory period.



- 37.6 As a part of normal lending business, the Company grants loans and advances after exercising proper due diligence
Other than the transactions described above
(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
- 37.7 lend or invest in a party identified by or on behalf of the Company (Ultimate Beneficiaries);

(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
- 37.8 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.
- 37.9 The Company has not revalued its Property, Plant and Equipment (including Right of use assets) or intangible assets or both during the current or previous year.
- 37.10 The Company has not entered into any scheme of arrangement which has an accounting impact on current or previous year.
- 37.11 The Company has not raised any fund on short term and long term basis from banks and financial institution.
- 37.12 Figures of previous year has been regrouped / reclassified, wherever necessary, to correspond with the figures of the current year.



RAR FINCARE LIMITED

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	12.16	5.26	-	-	17.42	40%	6.97	
	12.16	5.26	-	-	17.42	20%	-	
Furniture & Fittings	3.74	-	-	-	3.74	10%	.37	10.45
	3.74	-	-	-	3.74	5%	-	
Intangible	1.53	-	-	-	1.53	25%	.38	
	1.53	-	-	-	1.53	12.5%	-	
Grand Total	17.43	5.26	-	-	22.70		7.73	14.97



G R Radhakrishnan

G R Radhakrishnan
Director
DIN: 01711654

For and on behalf of the Board of Directors

G R Ananthapadmanabhan
G R Ananthapadmanabhan
Director
DIN: 01480700



R Venkatesan
R Venkatesan
CEO

Place: Chennai
Date: 26-06-2024

38 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 2024	Year ended 2023
Nil		

b. Exposure to capital market

Particulars	Year ended 2024	Year ended 2023
Nil		

c. Intra-group exposure

Particulars	Year ended 2024	Year ended 2023
Nil		

d. Sectoral Exposure

Year ended 2024			
Sectors	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	1,25,30,17,942	-	0.00%
3. Services			
i.Unsecured Term Loan	-	-	0.00%
4. Personal Loans			
i.Retail Loans	1,41,92,164	-	0.00%
Total	1,26,72,10,106	-	0.00%



NOTES FORMING PART OF STATEMENT OF PROFIT AND LOSS

e Unhedged foreign currency exposure

Particulars	Year ended	Year ended
	2024	2023
	Nil	

II RELATED PARTY DISCLOSURES

Refer Note. 32

III DISCLOSURE OF COMPLAINTS FROM CUSTOMERS

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

Particulars	Year ended 2024	Year ended 2023
Complaints received by the NBFC from its customers		
1.Number of complaints pending at beginning of the year	-	-
2.Number of complaints received during the year	-	-
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	-	-
Maintainable complaints received by the NBFC from Office of Ombudsman		
5.Number of maintainable complaints received by the NBFC from Office of Ombudsman	-	-
5.1 Of 5, number of complaints resolved in favour of the NBFC by Office of Ombudsman	-	-
5.2 Of 5, number of complaints resolved through conciliation/mediation/advisories issued by Office of Ombudsman	-	-
5.3 Of 5, number of complaints resolved after passing of Awards by Office of Ombudsman against the NBFC	-	-
6.Number of Awards unimplemented within the stipulated time (other than those appealed)	-	-



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

Grounds of complaints, (i.e. complaints relating to)	Number of complaints pending at the beginning of year	Number of complaints received during the year	% increase/decrease in the number of complaints received over the previous year	Number of complaints pending at the end of the year	Of 5, number of complaints pending beyond 30 days
Ground - 1					
Ground - 2					
Ground - 3					
Ground - 4					
Ground - 5					
Others					
Total					
	Year ended 2023				
Ground - 1					
Ground - 2					
Ground - 3					
Ground - 4					
Ground - 5					
Others					
Total					



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, 2024 the Statement of Profit and Loss and the Cash Flow Statement and Statement of Changes in Equity for the year ended on that date 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 principles generally accepted in India, of the state of affairs of the company as at March 31, 2024 and Profit/Loss, Cash Flows and Statement of Changes in Equity 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 Financial Statements* section of our report. We are independent of the company in accordance with the *Code of Ethics* issued by the Institute of Chartered Accountants of India 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 the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.



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